



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Notice of Initiation of Countervailing Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In response to a request for a changed circumstances review (CCR), the U.S. Department of Commerce (Commerce) is initiating a CCR of the countervailing duty (CVD) order on certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea) to determine whether Dongkuk Coated Metal Co., Ltd. (Dongkuk CM) is the successor-in-interest (SII) to Dongkuk Steel Mill Co., Ltd. (Old Dongkuk Steel).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Shane Subler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-6241.

SUPPLEMENTARY INFORMATION:

Background

On July 25, 2016, Commerce published the CVD order on CORE from Korea in the *Federal Register*.¹ On February 9, 2024, Dongkuk CM requested the initiation of a CCR to determine that it is the SII to Old Dongkuk Steel.² In this request, Dongkuk CM explained that, on May 12, 2023, the shareholders of Old Dongkuk Steel approved a December 9, 2022,

¹ See *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016) (*Order*).

² See Dongkuk CM's Letter, "Request for Changed Circumstances Review and Successor-in-Interest Determination," dated February 9, 2024 (Dongkuk CM's CCR Request).

proposal by the company's board of directors to spin off its cold-rolled steel division, which produced CORE and non-subject merchandise, and its hot-rolled steel division, which produced only non-subject merchandise, as separate operating companies.³ Further, the shareholders approved a proposal to position the newly established operating companies under a holding company, Dongkuk Holdings Co., Ltd., effective as of June 1, 2023.⁴

On March 21, 2024, Commerce extended the deadline for determining whether to initiate a CCR by 45 days, until May 9, 2024.⁵

Scope of the *Order*

The products covered by this *Order* are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

³ *Id.* at 2.

⁴ *Id.*

⁵ See Memorandum, “Extension of Deadline for Initiation of Changed Circumstances Review,” dated March 21, 2024.

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this *Order* are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the *Order* if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this *Order* unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this *Order*:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (terne plate), or both chromium and chromium oxides (tin free steel), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the *Order* are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0040, 7210.49.0045, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.⁶

⁶ On July 26, 2021, Commerce added two additional HTSUS subheadings at the request of U.S. Customs and Border Protection. See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial*

The products subject to the *Order* may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the *Order* is dispositive.

Initiation of Changed Circumstances Review

Pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), Commerce will conduct a CCR upon receipt of a request from an interested party that shows changed circumstances sufficient to warrant a review of an order. In accordance with 19 CFR 351.216(d), Commerce determines that Dongkuk CM's CCR Request constitutes a sufficient basis to conduct a CCR of the *Order*. Neither the Act, the Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, or Commerce's regulations offer a definition of the term "changed circumstances," nor do they explain what aspects of a determination may be reconsidered in light of such changed circumstances. Commerce has in the past conducted CCRs regarding a variety of issues.⁷

Dongkuk CM has requested a CCR to determine whether it is the SII to Old Dongkuk Steel.⁸ Recognizing that it is not Commerce's general practice to routinely initiate CCR requests in CVD proceedings, we find the circumstances here to be unusual. Moreover, Dongkuk CM has provided a sufficient factual basis to support initiation of this CCR. Therefore, in accordance

Rescission of Countervailing Duty Administrative Review: 2019, 87 FR 2759 (January 19, 2022), and accompanying Issues and Decision Memorandum.

⁷ See, e.g., *Aluminum Extrusions from the People's Republic of China: Initiation and Preliminary Results of Expedited Changed Circumstances Review*, 83 FR 34548 (July 20, 2018) (finding sufficient information to initiate a CCR to recalculate certain cash deposit rates); see also *Certain Steel Nails from Malaysia: Final Results of the Changed Circumstances Review*, 82 FR 34476 (July 25, 2017) (finding sufficient information and "good cause" to initiate a CCR to evaluate whether a company was properly utilizing the correct cash deposit rate).

⁸ In CVD CCRs involving SII determinations, Commerce follows the practice described in *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225 (September 15, 2009), unchanged in *Certain Pasta from Turkey: Final Results of Countervailing Duty Changed Circumstances Review*, 74 FR 54022 (October 21, 2009).

with section 751(b)(1)(A) of the Act and 19 CFR 351.216(d), we are initiating a CCR based on the information contained in Dongkuk CM's CCR Request. Given the particular facts surrounding Dongkuk CM's request, we will be issuing a questionnaire to Dongkuk CM in this CCR that will include questions on cross-ownership.

In the event that Commerce determines an expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notice of initiation of the review and the preliminary results of review into a single notice. However, we are not combining this notice of initiation with the preliminary results, pursuant to 19 CFR 351.221(c)(3)(ii), because we have determined that it is necessary to issue a questionnaire to Dongkuk CM and gather additional information regarding the company's corporate structure and ownership, and its cross-owned affiliates. As Dongkuk CM noted in its CCR request, Old Dongkuk Steel was excluded from the *Order*.⁹ Therefore, given the particular facts of this CCR request, we are soliciting comments from interested parties on Commerce's consideration of Dongkuk CM's CCR Request. We request that interested parties submit these comments within two weeks of the publication date of this notice. After examining any properly filed comments and following up with any supplemental questionnaires as needed, we intend to issue the preliminary results of this CCR.

Preliminary and Final Results of the CCR

We intend to publish in the *Federal Register* a notice of the preliminary results of this CCR in accordance with 19 CFR 351.221(b)(4) and (c)(3)(i). Commerce will set forth its preliminary factual and legal conclusions in that notice regarding Dongkuk CM's CCR Request.

⁹ See Dongkuk CM's CCR Request at 4; see also *Order*, 81 FR at 48388.

Unless extended, Commerce will issue the final results of this CCR in accordance with the time limits set forth in 19 CFR 351.216(e).

Notification to Interested Parties

We are issuing and publishing this initiation notice in accordance with section 751(b)(1) and 777(i) of the Act, 19 CFR 351.216(b),¹⁰ and 19 CFR 351.221(b)(1).

Dated: May 9, 2024.

James Maeder,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

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¹⁰ As noted above, we extended the CCR initiation deadline by 45 days under 19 CFR 351.302(b).