



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Notice of Court Decision Not in Harmony with the Results of Countervailing Duty Review; Notice of Amended Final Results

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

SUMMARY: On January 17, 2025, the U.S. Court of International Trade (CIT) issued its final judgment in *KG Dongbu Steel Co., Ltd., et al. v. United States*, Court no. 22-00047, sustaining the U.S. Department of Commerce (Commerce)'s second remand results pertaining to the administrative review of the countervailing duty (CVD) order on certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea) covering the period January 1, 2019, through December 31, 2019. Commerce is notifying the public that the CIT's final judgment is not in harmony with Commerce's final results of the administrative review and that Commerce is amending the final results with respect to the countervailable subsidy rate assigned to KG Dongbu Steel Co., Ltd. (KG Dongbu Steel); Dongbu Steel Co. Ltd. (Dongbu Steel); and Dongbu Incheon Steel Co., Ltd. (Dongbu Incheon Steel) (collectively, the Dongbu Steel Entity).

DATES: Applicable January 27, 2025.

FOR FURTHER INFORMATION CONTACT: Bob Palmer, 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) 482-9068.

SUPPLEMENTARY INFORMATION:

Background

On January 19, 2022, Commerce published its *Final Results* in the 2019 CVD administrative review of CORE from Korea. Commerce determined that countervailable subsidies were provided to producers and exporters of CORE from Korea.¹

KG Dongbu Steel appealed Commerce's *Final Results*. On July 7, 2023, the CIT remanded the *Final Results* to Commerce.² The CIT ordered Commerce to reconsider or further explain Commerce's determinations that: (1) the first through third debt-to-equity restructurings provided a countervailable benefit; (2) Commerce's determination that the benefits from debt-to-equity restructurings passed through from Dongbu Steel to KG Dongbu Steel despite a change in ownership; (3) whether Commerce's calculations of the creditworthiness benchmark rate were supported by substantial evidence; and (4) whether Commerce's calculation of the discount rate for equity upon finding KG Dongbu Steel not equity worthy was supported by substantial evidence.³

In its first remand redetermination, issued in July 2023, Commerce further explained its rationale for determining that the first through third debt-to-equity restructurings provided a countervailable benefit, that a benefit passed from Dongbu Steel to the new ownership in KG Dongbu Steel and that the uncreditworthy benchmark rate and unequityworthy discount rate are supported by substantial evidence.⁴ Regarding the debt-to-equity restructurings, Commerce reiterated that the countervailability determination was attempting to fix in the fourth administrative review a mistake that was made in the three prior administrative reviews which

¹ See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 87 FR 2760 (January 19, 2022) (*Final Results*), and accompanying Issues and Decision Memorandum (IDM).

² See *KG Dongbu Steel Co., Ltd., et al. v. United States*, 648 F. Supp. 3d 1353 (CIT July 7, 2023).

³ *Id.*

⁴ See *Final Results of Redetermination Pursuant to Court Remand, KG Dongbu Steel Co., Ltd. v. United States*, Court No. 22-00047, Slip Op. 23-98 (CIT July 7, 2023), dated October 5, 2023, available at <https://access.trade.gov/public/FinalRemandRedetermination.aspx>.

determined KG Dongbu Steel benefited from the debt-to-equity restructuring.⁵ On April 3, 2024, the CIT remanded Commerce for a second time on each of the issues.⁶

In its second remand redetermination, issued in July 2024, Commerce determined, under protest, that no benefit was conferred through the first through third debt-to-equity restructurings and that the issue of whether benefits passed through to KG Dongbu Steel was moot.⁷ On January 17, 2025, the CIT sustained Commerce’s final redetermination in full.⁸

Timken Notice

In its decision in *Timken*,⁹ as clarified by *Diamond Sawblades*,¹⁰ the Court of Appeals for the Federal Circuit held that, pursuant to section 516A(c) and (e) of the Tariff Act of 1930, as amended (the Act), Commerce must publish a notice of court decision that is not “in harmony” with a Commerce determination and must suspend liquidation of entries pending a “conclusive” court decision. The CIT’s January 17, 2025, judgment constitutes a final decision of the CIT that is not in harmony with Commerce’s *Final Results*. Thus, this notice is published in fulfillment of the publication requirements of *Timken*.

Amended Final Results

Because there is now a final court judgment, Commerce is amending its *Final Results* with respect to KG Dongbu Steel as follows:

Company	Subsidy Rate (percent <i>ad valorem</i>)
KG Dongbu Steel Co., Ltd.; Dongbu Steel Co., Ltd.; Dongbu Incheon Steel Co., Ltd. ¹¹	5.89

Cash Deposit Requirements

⁵ *Id.*

⁶ See *KG Dongbu Steel Co., Ltd., et al. v. United States*, 695 F. Supp. 3d 1338 (CIT April 3, 2024).

⁷ See *Final Results of Redetermination Pursuant to Court Remand, KG Dongbu Steel Co., Ltd. v. United States*, Court No. 22-00047, Slip Op. 24-38 (CIT April 3, 2024), dated July 3, 2024, available at <https://access.trade.gov/public/FinalRemandRedetermination.aspx>.

⁸ See *KG Dongbu Steel Co., Ltd., et al. v. United States*, Slip Op. 25-7 (CIT January 17, 2025).

⁹ See *Timken Co. v. United States*, 893 F.2d 337 (Fed. Cir. 1990) (*Timken*).

¹⁰ See *Diamond Sawblades Manufacturers Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

¹¹ Dongbu Steel Co., Ltd. changed its name to KG Dongbu Steel Co., Ltd. in 2020.

Because the Dongbu Steel Entity has a superseding cash deposit rate, *i.e.*, there have been final results published in a subsequent administrative review, we will not issue revised cash deposit instructions to U.S. Customs and Border Protection (CBP). This notice will not affect the current cash deposit rate.

Liquidation of Suspended Entries

At this time, Commerce remains enjoined by CIT order from liquidating entries that were produced and/or exported by KG Dongbu Steel (formerly, Dongbu Steel), and its cross-owned company, Dongbu Incheon Steel, and were entered, or withdrawn from warehouse, for consumption during the period January 1, 2019, through December 31, 2019. These entries will remain enjoined pursuant to the terms of the injunction during the pendency of any appeals process.

In the event the CIT's ruling is not appealed, or, if appealed, upheld by a final and conclusive court decision, Commerce intends to instruct CBP to assess countervailing duties on unliquidated entries of subject merchandise produced and/or exported by the Dongbu Steel Entity in accordance with 19 CFR 351.212(b). We will instruct CBP to assess countervailing duties on all appropriate entries covered by this review when the *ad valorem* rate is not zero or *de minimis*. Where an *ad valorem* subsidy rate is zero or *de minimis*,¹² we will instruct CBP to liquidate the appropriate entries without regard to countervailing duties.

¹² See 19 CFR 351.106(c)(2).

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(c) and (e) and 777(i)(1) of the Act.

Dated: February 7, 2025.

Christopher Abbott,

Deputy Assistant Secretary

for Policy and Negotiations,

performing the non-exclusive functions and duties

of the Assistant Secretary for Enforcement and Compliance.

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