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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2012-2013

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on large power transformers (LPTs) from the Republic of Korea (Korea). The period of review (POR) is February 16, 2012, through July 31, 2013. The review covers five producers/exporters of the subject merchandise, Hyosung Corporation (Hyosung), Hyundai Heavy Industries Co., Ltd. (Hyundai), ILJIN, ILJIN Electric Co., Ltd. (ILJIN Electric), and LSIS Co., Ltd. (LSIS). ILJIN, ILJIN Electric, and LSIS, were not selected for individual examination.

We preliminarily determine that sales of subject merchandise by Hyosung and Hyundai were made at less than normal value during the POR. Interested parties are invited to comment on these preliminary results.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Brian Davis or David Cordell, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7924 or (202) 482-0408, respectively.

## SUPPLEMENTARY INFORMATION:

### Scope of the Order

The scope of this order covers large liquid dielectric power transformers (LPTs) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive. A full description of the scope of the order is contained in the memorandum from Gary Taverman, Associate Deputy Assistant Secretary for AD/CVD Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, titled “Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2012-2103” (Preliminary Decision Memorandum), which is issued concurrent with and hereby adopted by this notice.

### Methodology

The Department has conducted this review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Constructed export price (CEP) is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and is available to all parties in the Central Records Unit, Room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

We preliminarily determine that, for the period February 16, 2012, through July 31, 2013, the following dumping margins exist<sup>1</sup>:

Manufacturer/Exporter	Weighted-Average Margin (percent)
Hyosung Corporation	6.56
Hyundai Heavy Industries Co., Ltd.	9.34
ILJIN Electric Co., Ltd.	8.11
ILJIN	8.11
LSIS Co., Ltd.	8.11

<sup>1</sup> The rate applied to the non-selected companies (*i.e.*, ILJIN, ILJIN Electric, and LSIS) is a weighted-average percentage margin calculated based on the publicly-ranged U.S. volumes of the two reviewed companies with an affirmative dumping margin, for the period February 16, 2012, through July 31, 2013. See Memorandum to the File titled, “Large Power Transformers from the Republic of Korea: Margin for Respondents Not Selected for Individual Examination,” through Angelica Mendoza, Program Manager, dated concurrently with this notice.



## Disclosure and Public Comment

The Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication of this notice.<sup>2</sup> The Department will announce the briefing schedule to interested parties at a later date. Interested parties may submit case briefs on the deadline that the Department will announce and rebuttal briefs within five days after the time limit for filing case briefs.<sup>3</sup> Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.<sup>4</sup>

Parties who submit arguments in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>5</sup> Case and rebuttal briefs should be filed using IA ACCESS.<sup>6</sup> Case and rebuttal briefs must be served on interested parties.<sup>7</sup> Executive summaries should be limited to five pages total, including footnotes.

Within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments raised in the case and rebuttal briefs.<sup>8</sup> Unless the Department specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs.<sup>9</sup> Written argument and hearing requests should be electronically submitted to the Department via IA ACCESS.<sup>10</sup> The Department's electronic records system, IA ACCESS, must successfully receive an electronically-filed document in its entirety by 5:00 p.m. Eastern

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<sup>2</sup> See 19 CFR 351.224(b)

<sup>3</sup> See 19 CFR 351.309(c)(1)(ii) and (d)(1).

<sup>4</sup> See 19 CFR 351.309(d)(1) and (2).

<sup>5</sup> See 19 CFR 351.309(c)(2).

<sup>6</sup> See generally 19 CFR 351.303.

<sup>7</sup> See 19 CFR 351.303(f).

<sup>8</sup> See 19 CFR 351.310(c).

<sup>9</sup> See 19 CFR 351.310(d)(1).

<sup>10</sup> See generally 19 CFR 351.303.

Daylight Time within 30 days after the date of publication of this notice.<sup>11</sup> Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Parties will be notified of the time and location of the hearing.

The Department intends to publish the final results of this administrative review, including the results of its analysis of issues addressed in any case or rebuttal brief, no later than 120 days after publication of these preliminary results, unless extended.<sup>12</sup>

### Assessment Rates

Upon completion of this administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries.<sup>13</sup> If respondents' weighted-average dumping margin is not zero or *de minimis* in the final results of this review, we will calculate importer-specific assessment rates on the basis of the ratio of the total amount of antidumping duties calculated for an importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1). If respondents' weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”<sup>14</sup>

The Department clarified its “automatic assessment” regulation on May 6, 2003.<sup>15</sup> This clarification will apply to entries of subject merchandise during the POR produced by Hyosung

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<sup>11</sup> See 19 CFR 351.310(c).

<sup>12</sup> See section 751(a)(3)(A) of the Act; 19 CFR 351.213(h).

<sup>13</sup> See 19 CFR 351.212(b)(1).

<sup>14</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

<sup>15</sup> For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

and Hyundai in these preliminary results of review for which the reviewed company did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and Hyundai will be that established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the all-others rate of 22.00 percent, which is the all-others rate established in the investigation.<sup>16</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

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<sup>16</sup> See *Large Power Transformers From the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 18, 2014

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Ronald K. Lorentzen,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## Appendix I

### List of Topics Discussed in the Preliminary Decision Memorandum

1. Background
2. Companies Not Selected for Individual Examination
3. Deadline for Submission of Updated Sales and Cost Information
4. Scope of the Order
5. Comparisons to Normal Value
  - A. Determination of Comparison Method
  - B. Results of the Differential Pricing Analysis
6. Product Comparisons
7. Date of Sale
8. Constructed Export Price
9. Normal Value
  - A. Home Market Viability
  - B. Level of Trade
  - C. Cost of Production
    1. Calculation of Cost of Production
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    3. Results of the Cost of Production Test
  - D. Calculation of Normal Value Based on Comparison Market Prices
  - E. Price-to-Constructed Value Comparison
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10. Currency Conversion

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