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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-475-833, C-570-027, C-533-864, C-580-879

Certain Corrosion-Resistant Steel Products From India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce ("Department") and the International Trade Commission ("ITC"), the Department is issuing a countervailing duty order on certain corrosion-resistant steel products ("corrosion-resistant steel") from India, Italy, Republic of Korea ("Korea"), and the People's Republic of China ("PRC").

DATES: Effective [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Myrna Lobo at (202) 482-2371 (the Republic of Korea); Emily Halle at (202) 482-0176 (the People's Republic of China); Matt Renkey at (202) 482-2312 (India); Robert Palmer at (202) 482-9068 (Italy); AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

#### Background

In accordance with sections 705(d) of the Tariff Act of 1930, as amended ("Act"), on June 2, 2016, the Department published its affirmative final determinations that countervailable subsidies are being provided to producers and exporters of corrosion-resistant steel from India,

Italy, Korea, and the PRC.<sup>1</sup> On July 15, 2016, the ITC notified the Department of its affirmative determinations that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(ii) of the Act by reason of subsidized imports of subject merchandise from India, Italy, Korea, and the PRC, and its determination that critical circumstances do not exist with respect to imports of subject merchandise from these countries that are subject to the Department's affirmative critical circumstances finding.<sup>2</sup>

### Scope of the Order

The products covered by this investigation are certain corrosion-resistant steel products. For a complete description of the scope of the order, see Appendix I.

### Countervailing Duty Order

In accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC has notified the Department of its final determinations that the industry in the United States producing corrosion-resistant steel is materially injured by reason of subsidized imports of corrosion-resistant steel from India, Italy, Korea, and the PRC, and that critical circumstances do not exist with respect to imports of subject merchandise from Italy, Korea, and the PRC that are subject to the Department's affirmative critical circumstances finding, in part. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing these countervailing duty orders.

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<sup>1</sup> See Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From Italy: Final Affirmative Determination and Final Affirmative Critical Circumstances, in Part, 81 FR 35326 (June 2, 2016); Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part, 81 FR 35308 (June 2, 2016); Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From India: Final Affirmative Determination, 81 FR 35323 (June 2, 2016); and Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From the Republic of Korea: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part, 81 FR 35310 (June 2, 2016).

<sup>2</sup> See Letter to Christian Marsh, Deputy Assistant Secretary of Commerce for Enforcement and Compliance, from Irving A. Williamson, Chairman of the U.S. International Trade Commission, regarding certain corrosion-resistant steel products from India, Italy, Korea, the PRC, and Taiwan (July 15, 2016) ("ITC Letter"); see also Corrosion-Resistant Steel Products from India, Italy, Korea, the PRC, and Taiwan, USITC Investigation Nos. 701-TA-534-537 and 731-TA-1274-1278 (Final), USITC Publication 4620, (July 2016).

As a result of the ITC's final determinations, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection ("CBP") to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of corrosion-resistant steel from India, Italy, Korea, and the PRC entered, or withdrawn from warehouse, for consumption on or after November 6, 2015, the date on which the Department published its preliminary countervailing duty determinations in the Federal Register,<sup>3</sup> and before March 4, 2016, the date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Therefore, entries of corrosion-resistant steel made on or after March 4, 2016, and prior to the date of publication of the ITC's final determination in the Federal Register are not liable for the assessment of countervailing duties due to the Department's discontinuation, effective March 4, 2016, of the suspension of liquidation.

#### Continuation of Suspension of Liquidation

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute the suspension of liquidation of corrosion-resistant steel from India, Italy, Korea, and the PRC, effective on the date of publication of the ITC's notice of final determinations in the Federal Register, and to assess, upon further instruction by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based

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<sup>3</sup> See Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From Italy: Preliminary Affirmative Determination, 80 FR 68839 (November 6, 2015), Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From the People's Republic of China: Preliminary Affirmative Determination, 80 FR 68843 (November 6, 2015), Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From the Republic of Korea: Preliminary Affirmative Determination, 80 FR 68842 (November 6, 2015), Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From India: Preliminary Affirmative Determination, 80 FR 68854 (November 6, 2015), (collectively, "Preliminary Determinations"). See also Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products From India, Italy, the People's Republic of China, the Republic of Korea, and Taiwan: Preliminary Determinations of Critical Circumstances, 80 FR 68504 (November 5, 2015) ("Preliminary Critical Circumstances").

on the net countervailable subsidy rates for the subject merchandise, except for subject merchandise entered by the de minimis companies from Italy (Acciaieria Arvedi S.p.A., Finarvedi S.p.A., Arvedi Tubi Acciaio S.p.A., Euro-Trade S.p.A., Siderurgica Triestina Srl., Marcegaglia S.p.A. and Marfin S.p.A.) and the de minimis companies from Korea (Union Steel Manufacturing Co. Ltd/Dongkuk Steel Mill Co., Ltd.). These exclusions will apply only to subject merchandise both produced and exported by de minimis companies from Italy (Acciaieria Arvedi S.p.A., Finarvedi S.p.A., Arvedi Tubi Acciaio S.p.A., Euro-Trade S.p.A., Siderurgica Triestina Srl., Marcegaglia S.p.A. and Marfin S.p.A.) and the de minimis companies from Korea (Union Steel Manufacturing Co. Ltd/Dongkuk Steel Mill Co., Ltd.). On or after the date of publication of the ITC’s final injury determinations in the Federal Register, CBP must require,<sup>4</sup> at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

<b>Exporter/Producer from India</b>	<b>Subsidy Rate (Percent)</b>
JSW Steel Limited and JSW Steel Coated Products Limited	29.49
Uttam Galva Steels Limited and Uttam Value Steels Limited	8.00
All-Others	18.73

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<sup>4</sup> With the exception of those companies whose net subsidy was de minimis, and hence, are excluded from this order. These exclusions will apply only to subject merchandise both produced and exported by those companies identified here whose net subsidy was de minimis.

<b>Exporter/Producer from Italy</b>	<b>Subsidy Rate (Percent)</b>
Acciaieria Arvedi S.p.A., Finarvedi S.p.A., Arvedi Tubi Acciaio S.p.A., Euro-Trade S.p.A., and Siderurgica Triestina Srl., collectively, the Arvedi Group	0.48 <sup>5</sup>
Marcegaglia S.p.A. and Marfin S.p.A., the Marcegaglia Group	0.07 <sup>6</sup>
Ilva S.p.A.	38.51
All-Others	13.02

<b>Exporter/Producer from Korea</b>	<b>Subsidy Rate (Percent)</b>
Union Steel Manufacturing Co. Ltd/Dongkuk Steel Mill Co., Ltd.	0.72 <sup>7</sup>
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	1.19
All-Others	1.19

<b>Exporter/Producer from the PRC</b>	<b>Subsidy Rate (Percent)</b>
Yieh Phui (China) Technomaterial Co., Ltd.	39.05
Angang Group Hong Kong Company Ltd.	241.07
Baoshan Iron & Steel Co., Ltd.	241.07
Duferco S.A., Hebei Iron & Steel Group, and Tangshan Iron and Steel Group Co., Ltd.	241.07
Changshu Everbright Material Technology	241.07
Handan Iron & Steel Group	241.07
All-Others	39.05

### Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of corrosion-resistant steel from Italy, Korea, and the PRC, we will instruct CBP to lift suspension

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<sup>5</sup> De minimis.

<sup>6</sup> Id.

<sup>7</sup> Id.

and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after August 8, 2015 (i.e., 90 days prior to the date of the publication of the CVD Preliminary Determinations), but before November 6, 2015 (i.e., the date of publication of the CVD Preliminary Determinations).

Notifications to Interested Parties

This notice constitutes the countervailing duty orders with respect to corrosion-resistant steel from Italy, India, Korea, and the PRC pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room B8024 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

July 18, 2016  
Date

## Appendix I

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:

- (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, 7210.49.0091, 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.

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.

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