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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2015-2016

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

SUMMARY: On September 7, 2017, the Department of Commerce (Commerce) published in the *Federal Register* the preliminary results of the fourth administrative review of the antidumping duty order on large power transformers from the Republic of Korea. The period of review is August 1, 2015, through July 31, 2016. Based on our analysis of the comments and information received, we continue to find that the application of facts available with an adverse inference is warranted for Hyosung Corporation (Hyosung) and Hyundai Heavy Industries Co., Ltd. (Hyundai). For the final weighted-average dumping margins, *see* the “Final Results of Review” section below.

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

FOR FURTHER INFORMATION CONTACT: John Drury (Hyosung) or Moses Song (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-0195 or (202) 482-5041, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On September 7, 2017, Commerce published the *Preliminary Results*.<sup>1</sup> A summary of the events that occurred since Commerce published these results, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>2</sup>

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final results of this review is now March 9, 2018.<sup>3</sup>

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<sup>1</sup> See *Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2015–2016*, 82 FR 42289 (September 7, 2017) (*Preliminary Results*).

<sup>2</sup> See Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, entitled "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2015-2016", dated concurrently with this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

### 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. For a complete description of the scope of the order, *see* Appendix I to this notice.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. For a list of the issues raised by parties, *see* Appendix II to this notice.

### Changes Since the *Preliminary Results*

Commerce has made no changes to the *Preliminary Results*. As stated in the *Preliminary Results*, we found that the application of total facts otherwise available with adverse inferences, for Hyosung's and Hyundai's weighted-average dumping margin, pursuant to sections 776(a) and (b) of the Tariff Act of 1930, as amended, (the Act), was warranted. Further, we continue to find that a reasonable method for determining the rate for the three companies not selected for individual examination is to use the rate applied to the mandatory respondents (*i.e.*, Hyosung and Hyundai) in this administrative review.

## Final Results of the Review

The final weighted-average dumping margins are as follows:

| Producer or Exporter               | Weighted-Average<br>Dumping Margin<br>(percent) |
|------------------------------------|---|
| Hyosung Corporation                | 60.81   |
| Hyundai Heavy Industries Co., Ltd. | 60.81   |
| Iljin Electric Co., Ltd.           | 60.81   |
| Iljin                              | 60.81   |
| LSIS Co., Ltd.                     | 60.81   |

## Disclosure

The final weighted-average dumping margins assigned to Hyosung and Hyundai for the final results in this review are based on total facts available with adverse inferences.

Accordingly, no disclosure of calculations is necessary for these final results.

## Assessment Rate

Pursuant to section 751(a)(2)(A) of the Act, and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce shall instruct CBP to apply an *ad valorem* assessment rate of 60.81 percent to all entries of subject merchandise during the POR which were produced and/or exported by Hyosung, Hyundai, Iljin, Iljin Electric, and LSIS.

We intend to issue assessment instructions directly 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 this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be equal to the weighted-average dumping margins established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 22.00 percent, the all-others rate established in the less-than-fair-value investigation.<sup>4</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Importers Regarding the Reimbursement of Duties

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

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<sup>4</sup> See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

### Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h) and 19 CFR 351.221(b)(5).

*March 9, 2018.*

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Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.

## **Appendix I**

### **Scope of the Order**

The scope of this order covers 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.

Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The “active part” of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: the steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.

The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

The LPTs subject to this order are currently classifiable under subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Order
- V. Application of Total Adverse Facts Available with Regard to Hyundai and Hyosung
- VI. Discussion of the Issues

#### **A. Hyundai-Specific Issues**

Comment 1: Application of Total AFA

- A) Hyundai's Reporting of Accessories
- B) Hyundai's Understatement of Its Home Market Gross Unit Prices
- C) Hyundai's Undisclosed Affiliated Sales Agent
- D) Moot Issues

Comment 2: Selection of AFA Rate

Comment 3: Application of Hyundai's Margin to New Entity

#### **B. Hyosung-Specific Issues**

Comment 4: Application of Total AFA

- A) Hyosung's Reporting of Service-Related Revenue
- B) Invoice for Certain SEQUs Covering Multiple Sales over Multiple Review Periods
- C) Hyosung Failed to Report All Relevant Discounts and Price Adjustments
- D) Moot Issues

#### **C. General Issues**

Comment 5: Non-Selected Respondents

- A) Application of Total Facts Available
- B) Commerce Should Request Information Needed to Calculate Dumping Margins for Unexamined Companies

VII. Recommendation

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