



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-884]

Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, 2016

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Hyundai Steel Co., Ltd. (Hyundai Steel), a producer/exporter of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea), and POSCO, a producer/exporter of hot-rolled steel from Korea, received countervailable subsidies during the period of review (POR), August 12, 2016, through December 31, 2016. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Ryan Mullen or Carrie Bethea, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5260 and (202) 482-1491, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 7, 2017, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on hot-rolled steel from Korea.¹ On June 12, 2018, Commerce extended the deadline for the preliminary results of this review to no later than November 5, 2018.² For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix to this notice. 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 (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and 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 Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is certain hot-rolled steel flat products. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 57705 (December 7, 2017) (*Initiation Notice*).

² *See* June 12, 2018 Memorandum re: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review - 2016.

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2016: Certain Hot-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Hyundai Steel and POSCO were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Hyundai Steel and POSCO using publicly-ranged sales data submitted by the respondents. This is consistent with the methodology that we would use in an investigation to establish the all-others rate, consistent with section 705(c)(5)(A) of the Act.

Preliminary Results of Review

In accordance with 19 CFR 351.224(b)(4)(i), we calculated individual subsidy rates for Hyundai Steel and POSCO. For the POR, we preliminarily determine that the net subsidy rates for the producers/exporters under review to be as follows:

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Company	Subsidy Rate (percent <i>ad valorem</i>)
POSCO	1.73
Hyundai Steel Co., Ltd.	0.65
DCE Inc.	1.21
Dong Chuel America Inc.	1.21
Dongbu Steel Co., Ltd.	1.21
Dongkuk Industries Co., Ltd.	1.21
Hyewon Sni Corporation (H.S.I.)	1.21
Soon Hong Trading Co., Ltd.	1.21
Sung-A Steel Co., Ltd.	1.21

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review. Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we

will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁵ Commerce will establish a deadline for interested parties to submit written comments (case briefs) and rebuttal comments (rebuttal briefs) at a later date.⁶ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁷

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.⁸ Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined.⁹ Issues addressed during the

⁵ See 19 CFR 224(b).

⁶ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

⁷ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

⁸ See 19 CFR 351.310(c).

⁹ See 19 CFR 351.310.

hearing will be limited to those raised in the briefs.¹⁰ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: October 30, 2018.

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.

¹⁰ See 19 CFR 351.310(c).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the Order
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Use of Facts Otherwise Available
- VIII. Analysis of Programs
- IX. Recommendation

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