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DEPARTMENT OF COMMERCE

International Trade Administration

C-580-888

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review, in Part; 2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that POSCO, a producer/exporter of certain carbon and alloy steel cut-to-length plate from the Republic of Korea (Korea), received countervailable subsidies during the period of review (POR), April 4, 2017 through December 31, 2017. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Bob Palmer or Jinny Ahn, 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 and (202) 482-0339, respectively.

Scope of the Order

The products covered by the order are certain carbon and alloy steel hot-rolled or forged flat plate products not in coils, whether or not painted, varnished, or coated with plastics or other non-metallic substances from the Republic of Korea. Products subject to the order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060,

7208.52.0000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7225.40.1110, 7225.40.1180, 7225.40.3005, 7225.40.3050, 7226.20.0000, and 7226.91.5000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this scope is dispositive.<sup>1</sup>

#### SUPPLEMENTARY INFORMATION:

##### Background

On July 12, 2018, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on certain carbon and alloy steel cut-to-length plate from Korea.<sup>2</sup> On December 17, 2018, Commerce extended the deadline for the preliminary results of this review to no later than May 31, 2019.<sup>3</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.<sup>4</sup> Accordingly, the revised deadline for the preliminary results of this review is now July 10, 2019. For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>5</sup> 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

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<sup>1</sup> For a full description of the scope of the order *see* Memorandum, “Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, 2017: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 32278 (July 12, 2018); *see also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 39688, 39690 n.10 (Correcting the POR for this review.) .

<sup>3</sup> See Memorandum, “Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review,” dated December 17, 2018.

<sup>4</sup> See Memorandum to the Record from 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, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

<sup>5</sup> See Preliminary Decision Memorandum.

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 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.

### Methodology

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.<sup>6</sup> For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

### Intent To Rescind Administrative Review, in Part

On August 7, 2018, we received a timely filed a no-shipments certification from Hyundai Steel Company (Hyundai).<sup>7</sup> U.S. Customs and Border Protection (CBP) did not provide Commerce with any contradictory information.<sup>8</sup> Because there is no evidence on the record to indicate that Hyundai had entries, exports, or sales of subject merchandise to the United States during the POR, pursuant to 19 CFR 351.213(d)(3), we intend to rescind the review with respect to Hyundai.

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<sup>6</sup> 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.

<sup>7</sup> See Hyundai's Letter, "Carbon and Alloy Steel Cut-To-Length Plate from Korea: Notice of No Sales," dated August 7, 2018.

<sup>8</sup> See Memorandum, "Certain carbon and alloy steel cut-to-length plate from the Republic of Korea (C-580-888)," dated August 16, 2018.

### Companies Not Selected for Individual Review

Commerce calculated an individual estimated net countervailable subsidy rate for POSCO, the only individually examined exporter/producer in this investigation. Because the only individually calculated rate is not zero, *de minimis*, or based entirely under section 776 of the Act, the estimated net countervailable subsidy rate calculated for POSCO is the rate assigned to all-other producers and exporters not selected for individual review. This is consistent with the methodology that we would use in an investigation to establish the all-others rate.<sup>9</sup>

### Preliminary Results of Review

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

<b>Company</b>	<b>Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)</b>
POSCO <sup>10</sup>	0.56
BDP International	0.56
Blue Track Equipment	0.56
Boxco	0.56
Bukook Steel Co., Ltd.	0.56
Buma CE Co., Ltd.	0.56
Daelim Industrial Co., Ltd.	0.56
Daesam Industrial Co., Ltd.	0.56

<sup>9</sup> See section 705 (c)(5)(A)

<sup>10</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: POSCO Chemtech, POSCO Nippon RHF Joint Venture Co., Ltd., POSCO Processing & Service, Pohang Scrap Recycling Distribution Center, and POSCO M-Tech.

Daesin Lighting Co., Ltd.	0.56
Daewoo International Corp.	0.56
Dong Yang Steel Pipe	0.56
Dongkuk Industries Co., Ltd.	0.56
Dongkuk Steel Mill Co., Ltd.	0.56
Dongbu Steel Co., Ltd.	0.56
EAE Automotive Equipment	0.56
EEW KHPC Co., Ltd.	0.56
Eplus Expo Inc.	0.56
GS Global Corp.	0.56
Haem Co., Ltd.	0.56
Han Young Industries	0.56
Hyosung Corp.	0.56
Hyundai Steel Co.	0.56
Jinmyung Frictech Co., Ltd.	0.56
Korean Iron and Steel Co., Ltd.	0.56
Kyoungil Precision Co., Ltd.	0.56
Samsun C&T Corp.	0.56
SK Netwoks Co., Ltd.	0.56
Steel N People Ltd.	0.56
Summit Industry	0.56
Sungjin Co., Ltd.	0.56
Young Sun Steel	0.56

### 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.<sup>11</sup>

Commerce will establish a deadline for interested parties to submit written comments (case briefs) and rebuttal comments (rebuttal briefs) at a later date.<sup>12</sup> 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.<sup>13</sup>

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.<sup>14</sup> 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.<sup>15</sup> Issues addressed during the hearing will be limited to those raised in the briefs.<sup>16</sup> Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

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<sup>11</sup> See 19 CFR 224(b).

<sup>12</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also 19 CFR 351.303 (for general filing requirements).

<sup>13</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>14</sup> See 19 CFR 351.310(c).

<sup>15</sup> See 19 CFR 351.310.

<sup>16</sup> See 19 CFR 351.310(c).

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.

Assessment Rate

Consistent with section 751(a)(1) of the Act, upon issuance of the final results, Commerce shall determine, and 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.

Cash Deposit Rate

Pursuant to section 751(a)(2)(C) 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. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: July 10, 2019

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Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance

## **Appendix**

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

- I. Summary
- II. Background
- III. Period of Review
- IV. Intent to Recscind, In Part, the Administrtative Review
- V. Scope of the Order
- VI. Rate for Non-Examined Companies
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