



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-882]

Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2017

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

SUMMARY: The Department of Commerce (Commerce) determines that POSCO received countervailable subsidies that are above *de minimis*, and that Hyundai Steel Company (Hyundai Steel) received countervailable subsidies that are *de minimis*. The period of review (POR) is January 1, 2017 through December 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Moses Song or Yasmin Bordas, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7885 or (202) 482-3813, respectively.

SUPPLEMENTARY INFORMATION

Background

Commerce published the *Preliminary Results* of this review on November 8, 2019.¹ In addition, Commerce issued a post-preliminary determination on the upstream allegation on

¹ See *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2017*, 84 FR 60377 (November 8, 2020) (*Preliminary Results*) and accompanying

electricity and the debt workout/restructuring program of POSCO Plantec Co., Ltd. (POSCO Plantec), which is a POSCO affiliated entity, on April 14, 2020.² For a history of events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.³

On March 3, 2020, we postponed the final results of this review until May 6, 2020.⁴ On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for these results until June 25, 2020.⁵

Scope of the Order

The merchandise covered by this order is certain cold-rolled steel flat products. For a complete description of the scope of this order, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum. The issues are identified in the Appendix to this notice. 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 <http://access.trade.gov>. 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 Issues and Decision Memorandum and

Preliminary Decision Memorandum (PDM).

² See Memorandum, "Post-Preliminary Analysis Memorandum," dated April 14, 2020 (Post-Prelim Analysis Memorandum).

³ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2017 Administrative Review: Certain Cold-Rolled Steel Flat Products from Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum, or IDM).

⁴ See Memorandum, "Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Final Results of Countervailing Duty Administrative Review," dated March 3, 2020.

⁵ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from interested parties and record information, we have made no changes to the net subsidy rates calculated for POSCO, Hyundai Steel and for those companies not selected for individual review. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted 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 find 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.⁶ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

⁶ *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.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero, *de minimis*, or rates based entirely on facts available. Commerce looks to that provision as guidance in determining a rate for companies in which a review was requested, but which were not selected as mandatory respondents. In this review, the only subsidy rate above *de minimis* is the rate calculated for POSCO. Therefore, for the companies for which a review was requested that were not selected as mandatory respondents, we are applying the subsidy rate calculated for POSCO.

Final Results of Administrative Review

In accordance with section 751(a)(1)(A) of the Act and 19 CFR 351.221(b)(5), we determine the total estimated net countervailable subsidy rates for the period January 1, 2017 through December 31, 2017 to be as follows:

Company	Subsidy Rate (percent <i>ad valorem</i>)
POSCO ⁷	0.59
Hyundai Steel Co., Ltd.	0.45 (<i>de minimis</i>)
Dongbu Steel Co., Ltd.	0.59
Dongbu Incheon Steel Co., Ltd.	0.59
Dongkuk Steel Mill Co., Ltd.	0.59
Dongkuk Industries Co., Ltd.	0.59
Euro Line Global Co., Ltd.	0.59
Hanawell Co., Ltd.	0.59
Hankum Co., Ltd.	0.59
Hyuk San Profile Co., Ltd.	0.59
Nauri Logistics Co., Ltd.	0.59
Taihan Electric Wire Co., Ltd.	0.59
Union Steel Co., Ltd.	0.59

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of these final results to liquidate shipments of subject merchandise. Because we have calculated a *de minimis* countervailable subsidy rate for Hyundai Steel, we will instruct CBP to liquidate the appropriate

⁷ We note that cross-ownership exists between POSCO, POSCO Chemtech (also known as POSCO Chemical Co., Ltd.), POSCO Nippon Steel RHF Joint Venture Co., Ltd., POSCO Processing and Service, Pohang Scrap Recycling Distribution Center Co., Ltd., and POSCO M-Tech. This rate applies to all cross-owned companies. *See Preliminary Results* and accompanying PDM at 9.

entries without regard to countervailing duties in accordance with 19 CFR 351.212. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by POSCO and the above listed companies, entered or withdrawn from warehouse for consumption from January 1, 2017 through December 31, 2017, at the *ad valorem* rates listed above for each respective company.

In accordance with section 751(a)(2)(C) of the Act, we intend also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above, with the exception of Hyundai Steel, on 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. Because the countervailable subsidy rate for Hyundai Steel is *de minimis*, Commerce will instruct CBP to collect cash deposits at a rate of zero for Hyundai Steel for all shipments of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative 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 requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (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 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 terms of an APO is a violation which is subject to sanction.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: June 22, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

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- II. List of Issues
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- IV. Changes Since the Preliminary Results
- V. Scope of the Order
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Comment 1: Whether the Electricity for Less Than Adequate Remuneration Upstream Subsidy Allegation Confers a Benefit

Comment 2: Whether POSCO Plantec Co., Ltd. (POSCO Plantec) is POSCO's Cross-Owned Input Supplier

Comment 3: Whether POSCO Plantec Received Countervailable Benefits Through Its Debt Restructuring Program

Comment 4: Whether the Application of Adverse Facts Available is Warranted for Sungjin Geotec Co., Ltd.'s Non-Recurring Subsidies Received During the Average Useful Life Period

- XII. Recommendation

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