

Dated: September 4, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

## APPENDIX I

### List of Comments in the Decision Memorandum

#### General Comments

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BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

A-489-807

### Notice of Preliminary Results of New Shipper Review of the Antidumping Duty Order on Certain Steel Concrete Reinforcing Bars from Turkey

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to a request by Ege Celik Endustrisi Sanayi ve Ticaret A.S., a producer of subject merchandise, and its affiliated export trading company, Ege Dis Ticaret A.S. (collectively "Ege Celik"), the Department of Commerce (the Department) is conducting a new shipper review of the antidumping duty order on certain steel concrete reinforcing bars (rebar) from Turkey for the period April 1, 2006, through September 30, 2006. We preliminarily determine that, during the period of review (POR), Ege Celik did not sell the subject merchandise at less than normal value (NV). If the preliminary results are

adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries covered by this review if the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (i.e., at or above 0.50 percent).

Interested parties are invited to comment on these preliminary results. The final results will issued 90 days after the date of issuance of these preliminary results, unless extended.

**EFFECTIVE DATE:** September 10, 2007.

**FOR FURTHER INFORMATION CONTACT:** Irina Itkin, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0656.

#### SUPPLEMENTARY INFORMATION:

#### Background

On October 6, 2006, in accordance with 19 CFR 351.214(c), the Department received a timely request from Ege Celik for a new shipper review of the antidumping duty order on rebar from Turkey. On November 7, 2006, the Department found that the request for review with respect to Ege Celik met all of the regulatory requirements set forth in 19 CFR 351.214(b) and initiated an antidumping duty new shipper review covering the period April 1, 2006, through September 30, 2006. *See Notice of Initiation of New Shipper Antidumping Duty Review: Certain Steel Concrete Reinforcing Bars from Turkey*, 71 FR 66503 (Nov. 15, 2006).

We issued the antidumping duty questionnaire to Ege Celik in November 2006. Ege Celik submitted a response to this questionnaire in December 2006. In January 2007, we issued a supplemental questionnaire to Ege Celik. Ege Celik responded to this supplemental questionnaire in the same month.

Also in January 2007, the domestic interested parties requested that the Department initiate a sales-below-cost investigation of Ege Celik. After analyzing this request, we initiated a sales-below-cost investigation for Ege Celik in February 2007. *See the Memorandum to James Maeder from The Team entitled, "Petitioners' Allegation of Sales Below the Cost of Production for Ege Celik Endustrisi Sanayi Ve Ticaret A.S. and Ege Dis Ticaret A.S. (Ege Celik Cost Allegation Memo)*, dated February 26, 2007.

In February 2007, the domestic interested parties alleged that Ege Celik was engaged in anti-competitive practices in the home and U.S. markets

during the POR, as evidenced by a 2005 finding by the Turkish Government Competition Board (Competition Board). As a result, the domestic industry requested that the Department determine that Ege Celik is affiliated with all Turkish rebar producers named in the Competition Board report and rescind the new shipper review for it on the basis of this affiliation finding. In February and March 2007, we received comments from Ege Celik on these allegations, as well as reply comments from the domestic industry. For further discussion, see the "Turkish Government Competition Board Finding" section below.

In March 2007, the Department published an extension of the time period for issuing the preliminary results of this review by an additional 120 days, or until September 4, 2007, in accordance with section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.214(i)(2). *See Certain Steel Concrete Reinforcing Bars from Turkey; Notice of Extension of Time Limit for Preliminary Results of Antidumping Duty New Shipper Review*, 72 FR 13747 (Mar. 23, 2007).

Also in March 2007, we issued an additional supplemental questionnaire to Ege Celik. Ege Celik submitted a response to this questionnaire, as well as a response to the cost of production (COP) questionnaire, in April 2007.

In April 2007, the domestic interested parties submitted a second report by the Competition Board, which they allege: 1) demonstrates that several rebar producers/exporters were engaged in close supplier relationships; and 2) should be relied upon by the Department to make a finding that Ege Celik and other rebar producers/exporters are affiliated.

We issued supplemental COP questionnaires in May and June 2007 and received responses in June 2007.

Sales and cost verifications of Ege Celik were conducted in June and July 2007.

#### Scope of the Order

The product covered by this order is all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all coated rebar. Deformed rebar is currently classifiable under subheadings 7213.10.000 and 7214.20.000 of the *Harmonized Tariff Schedule of the United States* (HTSUS). The HTSUS subheadings are provided for

convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

#### Period of Review

The POR is April 1, 2006, through September 30, 2006.

#### Bona Fide Sale Analysis

For the reasons stated below, we preliminarily find that Ege Celik's reported U.S. sale during the POR is a *bona fide* sale, as required by 19 CFR 351.214(b)(2)(iv)(c), based on the totality of the facts on the record. Specifically, we find that the price reported for Ege Celik's rebar sale was similar to the average unit value of U.S. imports of comparable rebar from Turkey during the POR. We also find that the quantity of the sale was within the range of shipment sizes of comparable goods exported from Turkey during the POR. See the Memorandum from Brianne Riker to the File entitled, "Placing Information from the 2005–2006 Administrative Review on Rebar from Turkey on the Record of the New Shipper Review on Rebar from Turkey for Ege Celik Endustrisi Sanayi ve Ticaret A.S./Ege Dis Ticaret A.S.," dated July 13, 2007. Finally, we considered whether the importer involved in this transaction is an actual commercial entity, and we found no reason to doubt the legitimacy of the importing party involved in this new shipper review. See the Memorandum to James Maeder from Irina Itkin entitled, "Analysis of Ege Celik Endustrisi Sanayi ve Ticaret A.S./Ege Dis Ticaret A.S.'s *Bona Fides* As A New Shipper in the New Shipper Review of Certain Steel Concrete Reinforcing Bars from Turkey," dated September 4, 2007, for further discussion of our price and quantity analysis.

Therefore, for the reasons mentioned above, the Department preliminarily finds that Ege Celik's sole U.S. sale during the POR was a *bona fide* commercial transaction.

#### Turkish Government Competition Board Finding

On February 1, 2007, the domestic interested parties submitted a report by the Turkish Government Competition Board regarding the Turkish steel industry. The domestic interested parties argue that this report demonstrates that Ege Celik engaged in anti-competitive behavior prior to and during the POR by colluding with other rebar producers/exporters to manipulate home market and export prices and to suppress costs. The domestic interested parties assert that the Department should collapse all Turkish rebar

producers into a single entity and find that Ege Celik does not qualify as a new shipper because of affiliation with other rebar producers/exporters. The domestic interested parties further contend that the Department should, as a result, rescind the initiation of the new shipper review for Ege Celik. However, in the event that the Department continues to conduct this new shipper review, the domestic interested parties argue that the Department should find that a particular market situation, a fictitious market, or sales outside the course of ordinary trade exist and not use home market sales as a basis for NV.

In addition, on April 9, 2007, the domestic interested parties submitted a second report by the Competition Board, which they allege: 1) demonstrates that several rebar producers/exporters were engaged in close supplier relationships; and 2) should be relied upon by the Department to make a finding that Ege Celik and other rebar producers/exporters are affiliated.

Ege Celik has objected to the Department's acceptance of these submissions because: 1) it is inappropriate to consider antitrust findings in the context of an antidumping duty proceeding; 2) the Competition Board's ruling is not final, as it is under appeal in the Turkish judicial system; and 3) the Competition Board's decision and evidence should not be considered in the current POR because it relates to a prior period of time. Ege Celik did not submit arguments regarding the domestic interested parties' April 9, 2007, submission.

We have not relied on the evidence or conclusions in the Board's report as the basis for any findings in this review. Rather, we have investigated whether the facts during the POR would cause us to dismiss reported home market prices or costs within the confines of U.S. antidumping duty law and regulations. Based on Ege Celik's responses to our questions on this topic and our verification of these responses, as well as our findings with respect to the content, and context, of meetings held by the Turkish Iron and Steel Producers' Association during the POR, we have preliminarily concluded that: 1) Ege Celik is not affiliated with other producers of rebar and is therefore entitled to this new shipper review; and 2) there is no evidence that Ege Celik's home market sales prices were not competitively set during the POR, and as such these prices are useable for purposes of our margin analysis. For further discussion, see the August 31, 2007, Memorandum from Shawn Thompson, Irina Itkin, and Brianne

Riker to David M. Spooner, entitled "Preliminary Finding on Issues Related to the Turkish Government Competition Board's Reports in Certain Steel Concrete Reinforcing Bars from Turkey" and the July 9, 2007, Memorandum to the File from Irina Itkin and Nichole Zink entitled "Verification of the Sales Response of Ege Celik Endustrisi Sanayi ve Ticaret A.S./Ege Dis Ticaret A.S. (Ege Celik) in the Antidumping Duty New Shipper Review of Certain Concrete Steel Reinforcing Bars from Turkey."

#### Comparisons to Normal Value

To determine whether Ege Celik's sale of rebar from Turkey was made in the United States at less than NV, we compared the export price (EP) to the NV, as described in the "Normal Value" section of this notice. When making this comparison in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the "Scope of the Order" section of this notice, above, that were in the ordinary course of trade for purposes of determining an appropriate product comparison to the U.S. sale. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade, we compared the U.S. sale to sales of the most similar foreign like product made in the ordinary course of trade based on the characteristics listed in sections B and C of our antidumping questionnaire.

#### Product Comparisons

In accordance with section 771(16) of the Act, we first attempted to compare products produced by Ege Celik and sold in the U.S. and home markets that were identical with respect to the following characteristics: form, grade, size, and industry standard specification. Where there were no home market sales of foreign like product that were identical in these respects to the merchandise sold in the United States, we compared U.S. products with the most similar merchandise sold in the home market based on the characteristics listed above, in that order of priority.

#### Export Price

We used EP methodology for Ege Celik's U.S. sale, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation, and constructed export price methodology was not otherwise warranted based on the facts of record.

Regarding U.S. date of sale, Ege Celik argued that we should use contract date

as the date of sale for its U.S. sale. The Department's regulations at 19 CFR 351.401(i) state that the Department will normally use the date of invoice as the date of sale, unless a different date better reflects the date on which the material terms of sale are established. We have analyzed the data on the record and preliminarily find that the material terms of sale were set at the contract date, given that the terms did not change prior to invoicing. Further, because this is the first time that the Department is conducting a review of Ege Celik, there is no prior evidence on the record that the terms of sale were changeable after the contract date. Therefore, in accordance with our practice, we preliminarily find that the appropriate U.S. date of sale is the contract date. See *Certain Steel Concrete Reinforcing Bars from Turkey; Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 26455, 26458 (May 5, 2006) (*04-05 Preliminary Results*), unchanged in the final results.

We based EP on the packed price to the first unaffiliated purchaser in the United States. We made deductions from the starting price for foreign inland freight expenses, foreign brokerage and handling expenses, inspection fees, ocean freight expenses (offset by freight commission revenue), U.S. customs duties, U.S. brokerage and handling expenses, and customs bond fees, in accordance with section 772(c)(2)(A) of the Act. Additionally, we added to the starting price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

## Normal Value

### A. Home Market Viability and Selection of Comparison Markets

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV (*i.e.*, the aggregate volume of home market sales of the foreign like product is five percent or more of the aggregate volume of U.S. sales), we compared the volume of Ege Celik's home market sales of the foreign like product to the volume of its U.S. sale of subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we determined that Ege Celik had a viable home market during the POR. Consequently, we based NV on home market sales.

In accordance with our practice, we excluded home market sales of non-prime merchandise made by Ege Celik during the POR from our preliminary analysis based on the limited quantity of

such sales in the home market and the fact that no such sales were made to the United States during the POR. See, *e.g.*, *04-05 Preliminary Results*, 71 FR at 26459, unchanged in the final results; *Certain Steel Concrete Reinforcing Bars from Turkey; Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review and Notice of Intent To Revoke in Part*, 70 FR 23990, 23993 (May 6, 2005), unchanged in the final results; *Certain Steel Concrete Reinforcing Bars From Turkey; Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review and Notice of Intent Not To Revoke in Part*, 69 FR 25066, 25066 (May 5, 2004), unchanged in the final results; and *Certain Steel Concrete Reinforcing Bars from Turkey; Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent Not to Revoke in Part*, 68 FR 23972 (May 6, 2003), unchanged in the final results.

### B. Cost of Production Analysis

Pursuant to section 773(b)(2)(A)(i) of the Act, there were reasonable grounds to believe or suspect that Ege Celik made home market sales at prices below its COP in this review because of information contained in the cost allegation properly filed by the domestic interested parties. As a result, the Department initiated an investigation to determine whether Ege Celik made home market sales during the POR at prices below its COP. See the "Ege Celik Cost Allegation Memo."

#### 1. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Ege Celik's cost of materials and fabrication for the foreign like product, plus amounts for general and administrative (G&A) expenses and interest expenses. See the "Test of Home Market Sales Prices" section below for treatment of home market selling expenses.

We relied on the COP information provided by Ege Celik in its questionnaire responses, except for the following instances where the information was not appropriately quantified or valued:

- 1) We disallowed an adjustment to the total cost of manufacturing for packing materials that had been returned to the warehouse.
- 2) We added an amount for duty drawback to the total cost of manufacturing.
- 3) We adjusted the numerator of the G&A expense calculation to include the revenue from the sale of fixed assets.

- 4) We adjusted the denominator of the G&A and financial expense calculations to exclude packing expenses which had been reported in the home market and U.S. sales listings.

- 5) We revised the financial expense ratio based on the fiscal year 2006 audited consolidated financial statements.

For further discussion, see the Memorandum from Trinette Boyd to Neal Halper entitled, "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results in the New Shipper Review—Ege Celik Endustrisi Sanayi ve Ticaret A.S./Ege Dis Ticaret A.S.," dated September 4, 2007.

#### 2. Test of Home Market Sales Prices

We compared the weighted-average COP figures to home market prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below the COP. On a product-specific basis, we compared the COP to home market prices, less any applicable movement charges, selling expenses, and packing expenses.

In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made: 1) in substantial quantities within an extended period of time; and 2) at prices which permitted the recovery of all costs within a reasonable period of time. See sections 773(b)(1)(A) and (B) of the Act.

#### 3. Results of the COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of Ege Celik's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of Ege Celik's sales of a given product were at prices below the COP, we determined that sales of that model were made in "substantial quantities" within an extended period of time (as defined in section 773(b)(2)(B) of the Act), in accordance with section 773(b)(2)(C)(i) of the Act. In such cases, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, for purposes of this new shipper review, we disregarded these below-cost sales for Ege Celik and used the remaining sales as the basis for determining NV, in accordance with section 773(a)(1) of the Act.

*C. Level of Trade*

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as EP. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on constructed value, that of the sales from which we derive selling expenses, G&A expenses, and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from the exporter to the unaffiliated U.S. customer.

To determine whether NV sales are at a different LOT than EP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different LOT and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act.

Ege Celik claimed that it sold rebar at a single LOT in its home and U.S. markets. Specifically, Ege Celik reported that it only made sales to one customer category (*i.e.*, trading companies) through one channel of distribution in the home market and identical selling functions were performed for all sales. After analyzing the data on the record with respect to these functions, we find that the Ege Celik made all sales at a single marketing stage (*i.e.*, one LOT) in the home market. Further, because Ege Celik only reported one U.S. sale during the POR, we find that there is a single marketing stage (*i.e.*, one LOT) in the U.S. market.

Although Ege Celik provided certain additional services related to freight and brokerage and handling for its U.S. sale and not home market sales, we did not find these differences to be material selling function distinctions significant enough to warrant a separate LOT. Therefore, we find that the home market sales and U.S. sales were made at the same LOT. Accordingly, we determined that no LOT adjustment is warranted.

*D. Calculation of Normal Value*

We based NV on the starting prices to home market customers. Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410(b), we made circumstance-of-sale adjustments for exporter association fees, bank charges, and credit expenses. We deducted home market packing costs and added U.S.

packing costs, in accordance with section 773(a)(6) of the Act.

Where appropriate, we made an adjustment to NV to account for differences in physical characteristics of the merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411(a). We based this adjustment on the difference in the variable costs of manufacturing for the foreign like product and subject merchandise. *See* 19 CFR 351.411(b).

**Currency Conversion**

We made currency conversions into U.S. dollars pursuant to section 773A(a) of the Act and 19 CFR 351.415. Although the Department's preferred source for daily exchange rates is the Federal Reserve Bank, the Federal Reserve Bank does not track or publish exchange rates for the New Turkish Lira. Therefore, we made currency conversions based on exchange rates from the Dow Jones Reuters Business Interactive LLC (trading as Factiva).

**Preliminary Results of New Shipper Review**

As a result of our review, we preliminarily determine that the following percentage margin exists for Ege Celik for the period April 1, 2006, through September 30, 2006:

Manufacturer/Producer/Exporter	Margin Percentage
Ege Celik Endustrisi Sanayi ve Ticaret A.S./Ege Dis Ticaret A.S. ....	0.00

**Disclosure and Public Hearing**

The Department will disclose to parties the calculations performed in connection with these preliminary results within five days of the date of publication of this notice. *See* 19 CFR 351.224(b). Pursuant to 19 CFR 351.309, interested parties may submit cases briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 5 days after the deadline for filing the case briefs. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument: 1) a statement of the issue; 2) a brief summary of the argument; and 3) a table of authorities.

Interested parties who wish to request a hearing or to participate if one is requested must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: 1) the

party's name, address and telephone number; 2) the number of participants; and 3) a list of issues to be discussed. *See* 19 CFR 351.310(c). Issues raised in the hearing will be limited to those raised in the respective case briefs. The Department will issue the final results of this review, including the results of its analysis of issues raised in any written briefs, within 90 days of publication of these preliminary results.

**Assessment Rate**

Upon completion of the new shipper review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries, in accordance with 19 CFR 351.212. The Department intends to issue appraisal instructions for Ege Celik directly to CBP 15 days after the date of publication of the final results of this new shipper review.

Pursuant to 19 CFR 351.212(b)(1), because we have the reported entered value of Ege Celik's U.S. sale, we have calculated an importer-specific assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sale to the total entered value of that sale. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.*, at or above 0.50 percent). Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.*, less than 0.50 percent). *See* 19 CFR 351.106(c)(1).

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

The Department clarified its "automatic assessment" regulation on May 6, 2003 (68 FR 23954). This clarification applies to entries of subject merchandise during the POR produced by companies included in these preliminary results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the All-Others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

## Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of the new shipper review, as provided by section 751(a)(2)(C) of the Act: 1) the cash deposit rate for Ege Celik (*i.e.*, for subject merchandise both manufactured and exported by Ege Celik) will be that established in the final results of this review, except if the rate is less than 0.50 percent, and therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; 2) for previously reviewed or investigated companies not participating in this review, the cash deposit rate will continue to be the company-specific rate published for the most recent period; 3) if the exporter is not a firm covered in these reviews or the original less-than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and 4) the cash deposit rate for all other manufacturers or exporters will continue to be 16.06 percent, the All-Others rate established in the LTFV investigation. These requirements, when imposed, shall remain in effect until further notice.

## Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This new shipper review is issued and published in accordance with sections 751(a)(2)(B)(iv) and 777(i)(1) of the Act, as well as 19 CFR 351.214(i).

Dated: September 4, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

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BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration (C-580-818)

#### Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.  
**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on corrosion-resistant carbon steel flat products from the Republic of Korea (Korea) for the period of review (POR) January 1, 2005, through December 31, 2005. For information on the net subsidy for each of the reviewed companies, see the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results. (See the "Public Comment" section of this notice).

**EFFECTIVE DATE:** September 10, 2007.

**FOR FURTHER INFORMATION CONTACT:** Robert Copyak or Gayle Longest, AD/CVD Operations, Office 3, Import Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2209 or (202) 482-3338, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 17, 1993, the Department published in the **Federal Register** the CVD order on corrosion-resistant carbon steel flat products from Korea. See *Countervailing Duty Orders and Amendments to Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Korea*, 58 FR 43752 (August 17, 1993). On August 1, 2006, the Department published a notice of opportunity to request an administrative review of this CVD order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 43441 (August 1, 2006). On August 31, 2006, we received a timely request for review from Pohang Iron and Steel Co. Ltd. (POSCO) and Dongbu Steel Co., Ltd. (Dongbu). On September 29, 2006, the Department published a notice of initiation of the administrative review of the CVD order on corrosion-resistant carbon steel flat products from Korea covering the POR January 1, 2005, through December 31, 2005. See

*Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 71 FR 57465 (September 29, 2006). On October 16, 2006, the Department sent its initial questionnaire to POSCO, Dongbu, and the Government of Korea (GOK). On December 21, 2006, the Department received questionnaire responses from POSCO, Pohang Steel Co., Ltd. (POCOS, a production affiliate of POSCO), POSCO Steel Service & Sales Co., Ltd. (POSTEEL, a trading company for POSCO),<sup>1</sup> Dongbu, and the GOK. On March 30, 2007, we issued supplemental questionnaires to POSCO and the GOK. On April 16, 2007, we received the responses to these supplemental questionnaires.

On May 9, 2007, the Department published in the **Federal Register** a notice of extension of the time period for issuing the preliminary results. See *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review*, 72 FR 26338 (May 9, 2007).

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The companies subject to this review are POSCO (and its affiliates POCOS and POSTEEL) and Dongbu.

#### Affiliated Companies

In the present administrative review, record evidence indicates that POCOS is a majority-owned production affiliate of POSCO. Under 19 CFR 351.525(b)(6)(iii), if the firm that received a subsidy is a holding company, including a parent company with its own operations, the Department will attribute the subsidy to the consolidated sales of the holding company and its subsidiaries. Thus, we attributed subsidies received by POCOS to POSCO and its subsidiaries, net of intra-company sales. Dongbu reported that it is the only member of the Dongbu group in Korea that was involved with the sale of subject merchandise to the United States.

#### Scope of Order

Products covered by this order are certain corrosion-resistant carbon steel flat products from Korea. These products include flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-

<sup>1</sup>In these preliminary results, unless otherwise stated, we use POSCO to collectively refer to POSCO, POCOS, and POSTEEL.