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DATE: July 9, 2018

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

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of
Antidumping Duty Administrative Review of Certain Cut-to-
Length Carbon-Quality Steel Plate Products from the Republic of
Korea; 2016-2017

Summary

We analyzed the comments filed in the administrative review of the antidumping duty order on certain cut-to-length carbon-quality steel plate products (CTL plate) from the Republic of Korea (Korea) for the period of review (POR) February 1, 2016, through January 31, 2017. We recommend that you approve the position described in the “Discussion of the Issues” section of this memorandum. The sole issue for which we received direct and rebuttal comments from the interested parties pertains to the home market date of sale

Background

On March 12, 2018, the Department of Commerce (Commerce) published the preliminary results of this review.¹ We invited interested parties to comment on the *Preliminary Results*. We received a case brief from Hyundai Steel dated April 11, 2018, and a rebuttal brief from Nucor dated April 16, 2018. The due date for the final results of this review is July 10, 2018.

Scope of the Order

The products covered by the antidumping duty order are certain hot-rolled carbon-quality steel:

¹ See *Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 10670 (March 12, 2018) (*Preliminary Results*).



(1) universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to length (not in coils) and without patterns in relief), of iron or non-alloy quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils). Steel products included in the scope of the order are of rectangular, square, circular, or other shape and of rectangular or non-rectangular cross section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been “worked after rolling”) – for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished, or coated with plastic or other non-metallic substances are included within the scope. Also, specifically included in the scope of the order are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products included in the scope, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of the order unless otherwise specifically excluded. The following products are specifically excluded from the order: (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

Imports of steel plate are currently classified in the HTSUS under subheadings 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, and 7226.99.0000. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the merchandise covered by the order is dispositive.

Discussion of the Issue

Comment: Home-Market Date of Sale

Hyundai Steel argues that Commerce should revise its computer programming language to ensure that the variable SALEDATH² is used to set the date of sale for all home market sales for purposes of determining the pool of sales included in the normal value calculations and for product matching purposes, including for those home market sales where the physical shipment was delayed at the customer's request.³ Hyundai Steel asserts that the SALEDATH field best reflects the date on which the material terms of sale were firmly established. According to Hyundai steel, the prices and quantities did not change between SHIPDAT1H and SHIPDAT2H, and the SHIPDAT2H date was always on the same day or later than the SHIPDAT1H date.

Nucor Corporation (Nucor) argues that Commerce should continue to find that the actual and physical shipment date is the most appropriate date of sale. Nucor contends that Commerce's practice is to use a uniform date of sale for all of a respondent's sales and a single date of sale for each sale. Nucor asserts that the record confirms that the material terms of sale for Hyundai Steel's home-market sales are set once the plate leaves the respondent's factory. According to Nucor, Hyundai Steel provided no evidence to support its assertion that the prices and quantities did not change between SHIPDAT1H and SHIPDAT2H.

Commerce's Position: We normally will use the date of invoice, as recorded in the producer's or exporter's records kept in the ordinary course of business, as the date of sale, but may use a date other than the invoice date if we are satisfied that a different date better reflects the date on which the material terms of sale are established.⁴ Furthermore, we have a long-standing practice of finding that, where shipment date precedes invoice date, shipment date better reflects the date on which the material terms of sale are established.⁵

For home market sales, Hyundai Steel explained that, in most cases, SHIPDAT1H "represents the date on which the products were physically shipped from Hyundai Steel's factory" but that, in certain instances, Hyundai Steel's customer requested that Hyundai Steel delay shipment. In such instances, Hyundai Steel reported a variable, SHIPDAT2H, which represents the actual date of shipment.⁶ Hyundai Steel also reported that "quantity can change up until shipment from Hyundai Steel's factory, and price can change up until Hyundai Steel issues its tax invoice."⁷ Hyundai Steel made no reference in its response to the date of shipment recorded in its sales system as being dispositive as to when quantity can change. There is no evidence on the record to support Hyundai Steel's assertion that the prices and quantities did not change between

² Hyundai Steel contends that the SALEDATH represents the earlier of the invoice date (SALINDTH) and the shipment date recorded in Hyundai Steel's sales system (SHIPDAT1H).

³ Hyundai Steel contends that, where the customer requested that Hyundai Steel delay actual shipment, Hyundai Steel reported the actual date of shipment in SHIPDAT2H, where different from the date recorded in the sales system (*i.e.*, where different from SHIPDAT1H).

⁴ See 19 CFR 351.401(i).

⁵ See, *e.g.*, 2015-16 Prelim and accompanying Decision Memorandum at 8; unchanged in 2015-16 Final.

⁶ See Letter from Hyundai Steel, "Certain Cut-To-Length Carbon-Quality Steel Plate from Korea - Sections A, B, C, and D Questionnaire Responses," dated June 23, 2017 (Hyundai Steel's Original Response) at B-24.

⁷ *Id.* at A-31.

SHIPDAT1H and SHIPDAT2H. Accordingly, we continue to determine that the actual date of shipment (as represented by either the SHIPDAT1H or SHIPDAT2H, as explained above) represents the date on which quantity is set and best represents the date of sale whether it occurs before or after the date of invoice. Therefore, we have made no changes to the date of sale used for Hyundai Steel's home market sales, and have made no changes to our calculation of Hyundai Steel's margin.

Recommendation

Based on our analysis of the comments received, we recommend adopting the above position. If this recommendation is accepted, we will publish the final results of this review and the final dumping margins for all the reviewed companies in the *Federal Register*.



Agree



Disagree

7/9/2018

X



Signed by: GARY TAVERMAN

Gary Taverman

Deputy Assistant Secretary

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