



C-580-837
Administrative Review
POR: 01/01/2018 - 12/31/2018
Public Document
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February 28, 2020

MEMORANDUM TO: Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of the
Countervailing Duty Administrative Review: Certain Cut-to-
Length Carbon-Quality Steel Plate from the Republic of Korea

I. SUMMARY

In response to requests from interested parties, the Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on certain cut-to-length carbon-quality steel plate (CTL Plate) from the Republic of Korea (Korea) for the period of review (POR) January 1, 2018 through December 31, 2018. This review covers two producers/exporters of subject merchandise, Hyundai Steel Company (Hyundai Steel) and Dongkuk Steel Mill Co., Ltd. (DSM), both of which Commerce individually examined as mandatory respondents. Commerce preliminarily determines that Hyundai Steel and that DSM received countervailable subsidies that are *de minimis*.

If these preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (CBP) to assess countervailable duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results. We intend to issue final results no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).

II. BACKGROUND

On February 10, 2000, Commerce published the CVD order on CTL Plate from Korea in the *Federal Register*.¹ On February 8, 2019, Commerce published a notice of opportunity to request

¹ See *Notice of Amended Final Determination: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea*; and *Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000) (*Order*).



an administrative review of the *Order*.² On February 26, 2019, we received a timely request for administrative review from Hyundai Steel and, on February 28, 2019, we received a timely request for an administrative review from DSM.³ On February 28, 2019, we received a timely request from ArcelorMittal USA, LLC, Nucor Corporation, and SSAB Enterprises, LLC (collectively, the petitioners), for review of the *Order* for the following firms: BDP International, DSM, Hyundai Steel, and Sung Jin Steel Co., Ltd.⁴ On May 2, 2019, Commerce initiated a CVD review with regard to the producers for which interested parties requested individual review.⁵

On June 7, 2019, Commerce selected DSM and Hyundai Steel as mandatory respondents,⁶ and issued the Initial Questionnaire to the Government of Korea (GOK), DSM, and Hyundai Steel.⁷ On June 21 and 25, 2019, Hyundai Steel and DSM submitted their respective affiliation questionnaire responses.⁸

On July 18, 2019, DSM submitted its response to Section III of the Initial Questionnaire.⁹ On July 29, 2019, the GOK and Hyundai Steel submitted their respective responses to section II and section III of the Initial Questionnaire.¹⁰ On August 1, 2019, DSM submitted its response to Section III of the Initial Questionnaire on behalf of its unaffiliated trading companies.¹¹

On August 19, 2019, the petitioners submitted New Subsidy Allegations (NSAs).¹² On September 5, 2019, Hyundai Steel, DSM, and the GOK submitted rebuttal comments to the

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 84 FR 2816, 2818 (February 8, 2019).

³ See DSM's Letter, "Countervailing Duty Order on Certain Cut-To-Length Carbon-Quality Steel Plate from Korea - Request for Administrative Review," dated February 28, 2019; see also Hyundai's Letter, "Certain Cut-To-Length Carbon-Quality Steel Plate from the Republic of Korea, Case No. C-580-837: Request for Countervailing Duty Administrative Review," dated February 26, 2019.

⁴ See Petitioners' Letter, "Certain Cut-To-Length Carbon-Quality Steel Plate from the Republic of Korea: Request for Administrative Review," dated February 28, 2019.

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 18777 (May 2, 2019).

⁶ See Memorandum, "Countervailing Duty Administrative Review of Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Selection of Respondents for Individual Examination," dated June 7, 2019.

⁷ See Commerce's Letter, "Issuance of Initial Questionnaire," dated June 7, 2019 (Initial Questionnaire).

⁸ See Hyundai Steel's Letter, "Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, Case No. C-580-837: Response to Affiliated Companies Section of Initial Questionnaire," dated June 21, 2019 (Hyundai Steel Affiliation QNR Response); see also DSM's Letter, "Administrative Review of the Countervailing Duty Order on Cut-to-Length Plate from Korea for the 2018 Review Period — Identification of Affiliated Companies Required to Respond to Questionnaire," dated June 25, 2019 (DSM Affiliation QNR Response).

⁹ See DSM's Letter, "Response of Dongkuk Steel Mill Co., Ltd. to Section III of the Department's June 7 Questionnaire," dated July 18, 2019 (DSM Initial QNR Response).

¹⁰ See GOK's Letter, "Response of the Government of Korea to Section II of the Department's June 7 Questionnaire," dated July 29, 2019 (GOK Initial QNR Response); see also Hyundai Steel's Letter, "Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, Case No. C-580-837: Response to Initial Questionnaire," dated July 29, 2019 (Hyundai Steel Initial QNR Response).

¹¹ See DSM's Letter, "Administrative Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon-Quality Steel Plate from Korea for the 2018 Review Period - Response to Section III of Questionnaire," dated August 1, 2019 (DSM Initial QNR Trading Company Response).

¹² See Petitioners' Letter, "Certain Cut-To-Length Carbon-Quality Steel Plate from South Korea: New Subsidy Allegations," dated August 19, 2019 (NSA Submission).

petitioners' new subsidy allegations.¹³ On September 18, 2019, Commerce issued a supplemental questionnaire to DSM to which it responded on September 30, 2019.¹⁴ On October 30, 2019, Commerce submitted clarifying questions regarding the petitioners' NSA Submission, to which they responded on November 4, 2019.¹⁵ On January 3, 2020, Commerce issued its NSA Decision Memorandum in which it determined to initiate an investigation of an upstream subsidy allegation with respect to the GOK, Hyundai Steel, and DSM.¹⁶ On January 8, 2020, Commerce issued an upstream subsidy questionnaire to the GOK, Hyundai Steel, and DSM.¹⁷ On January 15, 16, and 22, 2020, DSM, Hyundai Steel, and the GOK submitted their responses to the upstream subsidy questionnaire, respectively.¹⁸

III. PERIOD OF REVIEW

The POR is January 1, 2018 through December 31, 2018.

IV. SCOPE OF THE ORDER

The products covered by the order are certain hot-rolled carbon-quality steel: (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 to be included in the scope of the order are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section

¹³ See Hyundai Steel's Letter, "Certain Cut-to-Length Steel Plate from the Republic of Korea, Case No. C-580-837: Rebuttal to Nucor's New Subsidy Allegations," dated September 5, 2019; *see also* DSM's Letter, "Countervailing Duty Administrative Review of Cut-to-Length Plate from Korea – Response to New Subsidy Allegations," dated September 5, 2019; and GOK's Letter, "Certain Cut-To-Length Carbon-Quality Steel Plate from the Republic of Korea: Response to Petitioner's New Subsidy Allegation," dated September 5, 2019.

¹⁴ See DSM's Letter, "Administrative Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon-Quality Steel Plate from Korea for the 2018 Review Period – Response to September 18 Supplemental Questionnaire," dated September 30, 2019 (DSM Supplemental QNR Response).

¹⁵ See Petitioners' Letter, "Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: New Subsidy Allegation Supplemental Questionnaire Response," dated November 4, 2019.

¹⁶ See Memorandum, "Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea," dated January 3, 2020 (NSA Decision Memorandum).

¹⁷ See Commerce's Letters, "Countervailing Duty Administrative Review of Certain Cut-to-Length Carbon-Quality Steel Plate from Korea: Upstream Subsidy Questionnaire for Hyundai Steel Company," dated January 8, 2020; "Countervailing Duty Administrative Review of Certain Cut-to-Length Carbon-Quality Steel Plate from Korea: Upstream Subsidy Questionnaire for DSM," dated January 8, 2020, and "Countervailing Duty Administrative Review of Certain Cut-to-Length Carbon-Quality Steel Plate from Korea: Upstream Subsidy Questionnaire for the GOK," dated January 8, 2020.

¹⁸ See DSM's Letter, "Administrative Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon-Quality Steel Plate from Korea for the 2018 Review Period – Response to Commerce's January 8 Upstream Subsidy Questionnaire," dated January 15, 2020 (DSM Upstream QNR Response); *see also* Hyundai Steel's Letter, "Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, Case No. C-580-837: Hyundai Steel's Upstream Subsidy Questionnaire Response," dated January 16, 2020 (Hyundai Steel Upstream QNR Response); and GOK's Letter, "Certain Cut-To-Length Carbon-Quality Steel Plate from the Republic of Korea, 01/01/2018-12/31/2018 Administrative Review, Case No. C-580-837: The GOK's Response to the Upstream Subsidy Questionnaire," dated January 22, 2020 (GOK Upstream QNR Response).

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 this scope. Also, specifically included in the scope of the order is 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 to be included in this 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 this 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.

The merchandise subject to the order is currently classifiable 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, 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by the order is dispositive.

V. PRELIMINARY AD VALOREM RATE FOR NON-SELECTED COMPANIES UNDER 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 limited 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. We also note that section 777A(e)(2) of the Act provides that “[t]he individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” In accordance with section

705(c)(5)(A) of the Act, Commerce determines an all-others rate for companies not investigated by using the weighted-average countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

However, we preliminarily determine that DSM and Hyundai Steel received countervailable subsidies that are *de minimis*. Therefore, in accordance with section 705(c)(5)(A)(ii) of the Act, we are applying the *de minimis* net subsidy rate to BDP International and Sung Jin Steel Co., Ltd.

VI. SUBSIDIES VALUATION INFORMATION

A. Allocation Period

For non-recurring subsidies, we applied the “0.5 percent test,” as described in 19 CFR 351.524(b)(2). Under this test, we divide the amount of subsidies approved under a given program in a particular year by the relevant sales value (*e.g.*, total sales or export sales) for the same year. If the amount of the subsidies is less than 0.5 percent of the relevant sales value, then the benefits are allocated to the year of receipt rather than across the average useful life (AUL). In the instant review, we are relying on a 15-year AUL. However, for purposes of the preliminary results, none of the programs we examined required the allocation of benefits over the AUL.

B. Attribution of Subsidies

Commerce’s regulations at 19 CFR 351.525(b)(6)(i) state that Commerce will normally attribute a subsidy to the products produced by the corporation that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides that Commerce will attribute subsidies received by certain other companies to the combined sales of those companies when: (1) two or more corporations with cross-ownership produce the subject merchandise; (2) a firm that received a subsidy is a holding or parent company of the subject company; (3) there is cross-ownership between an input supplier and a downstream producer and production of the input is primarily dedicated to the production of the downstream product; or (4) a corporation producing non-subject merchandise received a subsidy and transferred the subsidy to a corporation with cross-ownership with the subject company.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This regulation states that this standard will normally be met where there is a majority voting interest between two corporations or through common ownership of two (or more) corporations. The Court of International Trade (CIT) upheld Commerce’s authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.¹⁹

¹⁹ See *Fabrique de Fer de Charleroi v. United States*, 166 F. Supp. 2d 593, 600-604 (CIT 2001).

DSM reported that, during the POR, none of its affiliates produced subject merchandise, DSM is not a subsidiary of any company, and that DSM has no parent company or holding company.²⁰ Accordingly, DSM responded to the Initial Questionnaire only with regard to DSM.²¹ Based on this information and pursuant to 19 CFR 351.525(b)(6)(i), we have preliminarily attributed subsidies received by DSM to the sales of DSM. DSM also submitted a questionnaire response on behalf of its affiliated trading companies. For programs used by DSM's trading companies, in accordance with 19 CFR 351.525(c), we have cumulated the benefits received by the trading companies under a given program with the benefits received by DSM.²² However, all of the subsidies received by the trading companies resulted in a net subsidy rate that is less than 0.005 percent *ad valorem*, which per Commerce's practice does not result in a measurable countervailable subsidy rate.²³

Hyundai Steel reported that, during the POR, none of its affiliates produced subject merchandise, Hyundai Steel was not a subsidiary of any company, and that it had no parent company or holding company.²⁴ Accordingly, Hyundai Steel responded to the Initial Questionnaire only with regard to Hyundai Steel.²⁵ Therefore, pursuant to 19 CFR 351.525(b)(6)(i), we have preliminarily attributed subsidies received by Hyundai Steel to the sales of Hyundai Steel.²⁶

C. Benchmarks for Long-Term Loans and Discount Rates

During the POR, DSM had outstanding long-term, Korean won-denominated loans from a government-owned bank for which a benchmark interest rate was required.²⁷ As benchmarks for countervailable, won-denominated long-term loans and as discount rates, we used, where available, the company-specific interest rates on the company's comparable commercial, won-denominated loans. If such loans were not available, we use, where available, the company-specific corporate bond rate on the company's public and private bonds, as we have determined that the GOK did not control the Korean domestic bond market after 1991.²⁸ This is the

²⁰ See DSM Affiliation QNR Response at 3.

²¹ *Id.*

²² See DSM Initial QNR Trading Company Response, Volume I at Appendices 6-B and 7-A, and Volume III at Appendix 6A.

²³ See, e.g., *Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007) (*CFS from China*) and accompanying Issues and Decision Memorandum (IDM) at 15.

²⁴ See Hyundai Steel Affiliation QNR Response at 9.

²⁵ *Id.*

²⁶ As noted below in the "Programs Preliminarily Determined Not to Confer a Benefit" section, the petitioners alleged that Hyundai Steel was cross-owned with Hyundai Green Power, an affiliated electricity provider, during the POR within the meaning of 19 CFR 351.525(b)(6)(iv) and, thus, that any subsidies received by Hyundai Green Power were attributable to Hyundai Steel. However, because we have preliminarily determined that the sole alleged subsidy program involving Hyundai Green Power did not confer a countervailable benefit, the issue of whether Hyundai Green Power is cross-owned with Hyundai Steel is not relevant for purposes of these preliminary results.

²⁷ See DSM Initial QNR Response at 9.

²⁸ See, e.g., *Final Negative Countervailing Duty Determination: Stainless Steel Plate in Coils from the Republic of Korea*, 64 FR 15530, 15531 (March 31, 1999), and "Analysis Memorandum on the Korean Domestic Bond Market" (March 9, 1999).

approach Commerce has taken in several prior Korean CVD proceedings.²⁹ Specifically, in those cases, we determined that, absent company-specific, commercial long-term loan interest rates, the won-denominated corporate bond rate is the best indicator of the commercial long-term borrowing rates for won-denominated loans in Korea, because it is widely accepted as the market rate in Korea.³⁰ Where company-specific rates were not available, we used the national average of the yields on three-year, won-denominated corporate bonds, as reported by the Bank of Korea. This approach is consistent with 19 CFR 351.505(a)(3)(ii) and our practice.³¹ In accordance with 19 CFR 351.505(a)(2)(i), our benchmarks take into consideration the structure of the government-provided loans. For countervailable fixed-rate loans, pursuant to 19 CFR 351.505(a)(2)(iii), we used benchmark rates issued in the same year that the government loans were issued.

D. Denominators

When selecting an appropriate denominator for use in calculating the *ad valorem* subsidy rate, Commerce considers the basis for the respondent's receipt of benefits under each program. As discussed in further detail below, we determine that only one program, Korea Export Import Bank (KEXIM) financing used by DSM and Hyundai Steel, was tied to export performance. For this program, we used total export sales as the denominator for our calculation. For all other calculations, because they were not tied to export performance, we used total sales as the denominator for our rate calculations for both Hyundai Steel and DSM.

VII. ANALYSIS OF PROGRAMS

A. Programs Preliminarily Determined to be Countervailable

1. Acquisition and Property Tax Benefits to Companies in Industrial Complexes (Restriction of Special Local Taxation Act (RSLTA) Article 78)

Hyundai Steel and DSM reported receiving exemptions from local acquisition taxes and local property taxes under paragraph (4) of the Restriction of Special Local Tax Act (RSLTA) Article 78.³²

²⁹ *Id.*; see also *Final Affirmative Countervailing Duty Determination: Structural Steel Beams from the Republic of Korea*, 65 FR 41051 (July 3, 2000), and accompanying IDM at "Benchmark Interest Rates and Discount Rates"; and *Final Affirmative Countervailing Duty Determination: Dynamic Random Access Memory Semiconductors from the Republic of Korea*, 68 FR 37122 (June 23, 2003), and accompanying IDM at "Discount Rates and Benchmark for Loans."

³⁰ See *Final Affirmative Countervailing Duty Determinations and Final Negative Critical Circumstances Determinations: Certain Steel Products from Korea*, 58 FR 37338, 37345-37346 (July 9, 1993).

³¹ See, e.g., *See Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; and Rescission of Review, in Part; Calendar Year 2016*, 83 FR 10661 (March 12, 2018), and accompanying Preliminary Decision Memorandum (PDM) at 6-7; unchanged in *Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Final Results of Countervailing Duty Administrative Review and Rescission of Countervailing Duty Administrative Review, in Part*, 83 FR 32840 (July 16, 2018), and accompanying IDM.

³² See DSM Initial QNR Response at Appendix D-14-A; see also Hyundai Steel Initial QNR Response at 21-22.

Korean law provides exemptions from local property tax and acquisition tax for manufacturing facilities located in certain designated sites. These exemptions are established by Article 276 of the Local Tax Act, Article 13 of the Addenda to the Local Tax Act (for property acquired before 2011), and Article 78 of the RSLTA (for property acquired in 2011 and after). The tax-exempt sites are designated under Article 16 of the Industrial Sites and Development Act (ISDA) and are limited to land, buildings, or facilities that are located in an industrial complex outside of the Seoul metropolitan area.³³

We preliminarily determine that the tax reductions under RSLTA Article 78 constitute a financial contribution in the form of revenue forgone, as described under section 771(5)(D)(ii) of the Act, and confer a benefit to both DSM and Hyundai Steel, pursuant to section 771(5)(E) of the Act and 19 CFR 351.509(a). We further preliminarily determine that the tax exemptions provided under this program are specific under section 771(5A)(D)(iv) of the Act because the subsidies are limited to enterprises located within designated geographical regions. Our findings in this regard are consistent with Commerce's practice.³⁴

DSM and Hyundai Steel reported their tax benefits including the required Special Rural Development Tax that must be paid in order to receive the acquisition tax benefit, claiming the payment of Special Rural Development Tax as an offset in its benefit calculations.³⁵ However, we previously found that the "Special Rural Development Tax" does not meet the statutory requirement to be recognized as an offset.³⁶ Accordingly, we calculated the tax benefits to Hyundai Steel and DSM without including an offset for the "Special Rural Development Tax."

The tax credits provided under this program are recurring benefits, because the taxes are due annually. Thus, the benefit is expensed in the year in which it is received.³⁷ To calculate the benefit, we subtracted the amount of taxes paid by the firms from the amounts that would have been paid absent the program. To calculate the net subsidy rate, we divided the total benefit by the total sales of the respective company. On this basis, we preliminarily determine the net subsidy rate under the Article 78 program during the POR to be 0.02 percent *ad valorem* for

³³ See GOK Initial QNR Response at 83 and Exhibit Tax-3.

³⁴ See, e.g., *Coated Free Sheet Paper from the Republic of Korea: Notice of Final Affirmative Countervailing Duty Determination*, 72 FR 60639 (October 25, 2007), and accompanying IDM at 12; see also *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2010*, 78 FR 19210 (March 29, 2013) and accompanying IDM at 22.

³⁵ See DSM Initial QNR Response at Appendix D-14-A; see also Hyundai Steel Initial QNR Response at 21-22.

³⁶ See, e.g., *Certain Cut-to-Length Carbon-Quality Steel Plate From the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; and Rescission of Review, in Part; Calendar Year 2017*, 84 FR 15182 (April 15, 2019) (*CTL Plate from Korea 2017 Preliminary Results*), and accompanying PDM at 8-9, "The application of the Special Rural Development Tax is a consequence of the exemption of acquisition or registration taxes; the Special Rural Development Tax obligation arises only when the exemption is granted. It is not a prerequisite to the exemption the way an application fee might be. Furthermore, as provided in 19 CFR 351.503(e), when calculating the amount of the benefit conferred from a countervailable subsidy program, the Department does not consider the tax consequences of the benefit," unchanged in *Certain Cut-to-Length Carbon-Quality Steel Plate From the Republic of Korea: Final Results of Countervailing Duty Administrative Review; Calendar Year 2017*, 84 FR 42893 (August 19, 2019) (*CTL Plate from Korea 2017 Final Results*), and accompanying IDM.

³⁷ See 19 CFR 351.524(a).

Hyundai Steel, and for DSM to be less than 0.005 percent, which does not result in a measurable benefit.³⁸

2. Restriction of Special Taxation Act (RSTA) Article 25(2)

Hyundai Steel reported receiving tax deductions under RSTA Article 25(2).³⁹ DSM reported that it did not use this program during the POR.⁴⁰ Tax deductions under Article 25-2 of the RSTA were first introduced in 1978 to facilitate Korean corporations' investments in the energy utilization facilities. Under the RSTA Article 25-2, an amount equal to 10 percent of the amount of an eligible investment may be deducted from the taxes payable by a corporation or an individual taxpayer.⁴¹ The eligible types of facilities are determined and published by the Presidential Decree, as necessary.⁴²

We preliminarily determine that this program results in a financial contribution from the GOK to recipients in the form of revenue forgone, as described in section 771(5)(D)(ii) of the Act, and confers a benefit that is equal to the difference between the amount of taxes paid and the amount of taxes that would have been paid in the absence of this program (*e.g.* the amount of the tax credit claimed), in accordance with section 771(5)(E) of the Act and described in 19 CFR 351.509(a). Regarding specificity, based on record evidence, we preliminarily determine there is no basis to find the program is limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Information from the GOK indicates that there were 740,215 corporate tax returns filed in 2018,⁴³ of which 749 claimed the Article 25(2) tax deduction.⁴⁴ Accordingly, we preliminarily determine that this program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act because the actual number of recipients is limited in number. This finding is consistent with our findings in the prior review.⁴⁵

The tax credits provided under this program are recurring benefits, because the taxes are due annually. Thus, the benefit is expensed in the year in which it is received.⁴⁶ To calculate the net subsidy rate, we divided the amount of the tax savings received by Hyundai Steel by its total sales during the POR. On this basis, we preliminarily determine that Hyundai Steel received a countervailable subsidy rate of 0.05 percent *ad valorem* under this program.

³⁸ See *CFS from China* IDM at 15.

³⁹ See Hyundai Steel Initial QNR Response at 19 and Exhibit B 3.

⁴⁰ See DSM Initial QNR at 33.

⁴¹ See GOK Initial QNR at 269.

⁴² *Id.*

⁴³ See Memorandum, "Placement of Public Version of Questionnaire Response from the Government of Korea on Record of Review," dated concurrently with this memorandum (GOK QNR Response Memorandum).

⁴⁴ See GOK Initial QNR Response at 277.

⁴⁵ See *CTL Plate from Korea 2017 Preliminary Results* PDM at 10, unchanged in *CTL Plate from Korea 2017 Final Results*.

⁴⁶ See 19 CFR 351.524(a).

3. Restriction of Special Taxation Act (RSTA) Article 25(3)

Both Hyundai Steel and DSM claimed the tax deductions under RSTA Article 25-3 in their income tax return that was filed during the POR.⁴⁷

Introduced in 2007, RSTA Article 25(3) aims to motivate investments in facilities that are constructed for the purpose of preserving the environment.⁴⁸ Under the RSTA Article 25-3, taxpayers may apply for a tax deduction from the income tax or corporate tax equal to three percent (five percent for medium-sized companies, and 10 percent for small-sized companies) of the value of the qualifying investment. Administered by the National Tax Service (NTS), under the direction of the Ministry of Strategy and Finance (MOSF), Article 25(3) of the RSTA is the law authorizing the deduction, which is implemented through Article 22(3) of the Enforcement Decree of the RSTA.⁴⁹

We preliminarily determine this program constitutes a financial contribution from the GOK to recipients in the form of revenue forgone, as described in section 771(5)(D)(ii) of the Act, and confers a benefit that is equal to the difference between the amount of taxes paid and the amount of taxes that would have been paid in the absence of this program (*e.g.* the amount of the tax credit claimed), in accordance with section 771(5)(E) of the Act and described in 19 CFR 351.509(a). Regarding specificity, based on record evidence, we preliminarily determine there is no basis to find the program is limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Information from the GOK indicates that there were 740,215 corporate tax returns filed in 2018,⁵⁰ of which 348 claimed the Article 25(3) tax deduction.⁵¹ Accordingly, we preliminarily determine that this program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act because the actual number of recipients is limited in number. This finding is consistent with our findings in the prior review.⁵²

The tax credits provided under this program are recurring benefits, because the taxes are due annually. Thus, the benefit is expensed in the year in which it is received.⁵³ To calculate the net subsidy rate, we divided the amount of the tax savings received by Hyundai Steel and DSM by their total sales during the POR. On this basis, we preliminarily determine that Hyundai Steel received a countervailable subsidy rate of 0.09 percent *ad valorem* and DSM received a countervailable subsidy rate that was less than 0.005 percent *ad valorem*, which is not measurable.

⁴⁷ See DSM Initial QNR Response at Appendix D-19-D-1; *see also* Hyundai Steel Initial QNR Response at 19 and Exhibit B-4.

⁴⁸ See GOK Initial QNR Response at 282.

⁴⁹ *Id.* at 287-288.

⁵⁰ See GOK QNR Response Memorandum.

⁵¹ See GOK Initial QNR Response at 289-290.

⁵² See *CTL Plate from Korea 2017 Preliminary Results* PDM at 11, unchanged in *CTL Plate from Korea 2017 Final Results*.

⁵³ See 19 CFR 351.524(a).

4. Tax Deduction Under Restriction of Special Taxation Act (RSTA) Article 26

Hyundai Steel claimed tax credits under this program on the tax return filed during the POR.⁵⁴ DSM reported that it did not use the program.⁵⁵

Under Article 26 of the RSTA, the GOK provides tax incentives to companies that make investments in their respective fields of business. Under RSTA Article 26, taxpayers are permitted to apply for a tax deduction from the income tax or corporate tax equal to 10 percent of the value of the qualifying investment. According to the GOK, the following categories of companies qualify for the tax incentives provided under the program: (1) a small- or medium-sized enterprise; (2) a “transitioning” company; or (3) “any other company.” Additionally, the tax incentives provided under the program are limited to firms located outside the Seoul Metropolitan area.⁵⁶

We preliminarily determine that the tax reductions under RSTA Article 26 constitute a financial contribution in the form of revenue forgone, as described under section 771(5)(D)(ii) of the Act, and confers a benefit, pursuant to section 771(5)(E) of the Act and 19 CFR 351.509(a). We further preliminarily determine that the tax exemptions provided under this program are specific under section 771(5A)(D)(iv) of the Act, because benefits are limited to enterprises located within designated geographical regions. Our findings in this regard are consistent with Commerce’s practice.⁵⁷

The tax credits provided under this program are recurring benefits, because the taxes are due annually. Thus, the benefit is expensed in the year in which it is received.⁵⁸ To calculate the benefit for Hyundai Steel, we subtracted the amount of taxes paid by the firms from the amount that would have been paid absent the program. To calculate the net subsidy rate, we divided the total benefit by the total sales of Hyundai Steel. On this basis, we preliminarily determine the net subsidy rate under this program during the POR to be 0.27 percent *ad valorem* for Hyundai Steel.

5. Electricity Discounts under Trading of Demand Response Resources (DRR) Program

DSM and Hyundai Steel each used the Trading of DRR Program during the POR.⁵⁹

The legal basis for this program is Article 31 of the Electricity Business Law (EBL) and Chapter 12 of the Rules on Operation of Electricity Utility Market (ROEUM).⁶⁰ Chapter 12 of the

⁵⁴ *Id.* at 13; *see also* DSM Initial QNR Response at 30.

⁵⁵ *See* DSM Initial QNR at 33.

⁵⁶ *See* Hyundai Steel Initial QNR Response at 21-24.

⁵⁷ *See CTL Plate from Korea 2017 Preliminary Results* PDM at 11, unchanged in *CTL Plate from Korea 2017 Final Results*.

⁵⁸ *See* 19 CFR 351.524(a).

⁵⁹ *See* Hyundai Steel Initial QNR Response at 31 and Exhibit E-3; *see also* DSM Initial QNR Response at 25 and Appendix D-17-A and Appendix D-17-B; *see also* GOK Initial QNR Response at 21.

⁶⁰ *See* GOK Initial QNR Response at 320.

ROEUM governs the program's operations, the purpose of which is to smooth imbalances between supply and demand of power provision by creating a competitive marketplace for the price of demand response resources. The program is divided into two sub-programs, Demand Response Peak Curtailment and Demand Response Program for Electricity Price Curtailment. The former program is designed to curtail load during peak electricity demand periods, and the latter is intended to minimize power generation costs through price competition.⁶¹ The Korean Power Exchange (KPX) operates both programs.⁶² KPX is majority-owned by the Korea Electric Power Corporation (KEPCO), which is, in turn, majority-owned by the GOK.⁶³

Under this program, the KPX pays multiple private Demand Management Business Operators, also called "aggregators," which have direct, contractual relationships with end users of the program.⁶⁴ End users receive payments from those aggregators. Prior to that exchange between the KPX and the aggregators, KEPCO pays the KPX for the latter's role in demand curtailment under the program.⁶⁵ Consistent with our prior findings, we preliminarily find KEPCO to be an "authority" within the meaning of section 771(5)(B) of the Act.⁶⁶ Therefore, we preliminarily determine that a financial contribution in the form of a direct transfer of funds from KPX is provided to companies participating in this program under section 771(5)(D)(i) of the Act, and a benefit exists in the amount of the grant provided to DSM and Hyundai Steel in accordance with 19 CFR 351.504(a). Our findings in this regard are consistent with Commerce's practice.⁶⁷

Regarding specificity, based on record evidence, we preliminarily determine there is no basis to find the program is limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Information from the GOK indicates that 3,639 electricity users participated in the program during the POR.⁶⁸ Consistent with our prior findings for this program, we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act, as the actual recipients are limited in number.⁶⁹

⁶¹ *Id.* at 321.

⁶² *Id.* at 21 and 323.

⁶³ *Id.* at 205.

⁶⁴ *Id.* at 321-322.

⁶⁵ *Id.*

⁶⁶ See *Welded Line Pipe from the Republic of Korea: Final Negative Countervailing Duty Determination*, 80 FR 61365 (October 13, 2015) (*Welded Line Pipe from Korea*), and accompanying IDM at 13-15.

⁶⁷ See *CTL Plate from Korea 2017 Preliminary Results* PDM at 7; unchanged in *CTL Plate from Korea 2017 Final Results*, 84 FR 42893.

⁶⁸ See GOK Initial QNR Response at 332.

⁶⁹ See *CTL Plate from Korea 2017 Preliminary Results* PDM at 7, unchanged in *CTL Plate from Korea 2017 Final Results*; *Non-Oriented Electrical Steel from the Republic of Korea: Final Negative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 79 FR 61605 (October 14, 2014), and accompanying IDM at 11 and 13; *Welded Line Pipe from Korea* IDM at 36; see also Statement of Administrative Action accompanying H.R. 5110, H.R. Doc. No. 316, 103d Cong., 2d Sess. 911, 929 (1994) ("{t}he Administration intends to apply the specificity test in light of its original purpose, which is to function as an initial screening mechanism to winnow out only those foreign subsidies which truly are broadly available and widely used throughout an economy.").

Because we found no evidence on the record indicating that subsidies under the DRR Program were tied to export sales, we used the total sales of DSM and Hyundai Steel, respectively, as a denominator to determine the countervailable subsidy rate under this program during the POR. To calculate the net subsidy rate, we divided the benefit by DSM and Hyundai Steel's respective total sales during the POR. On this basis we preliminarily determine the net subsidy rate that DSM received under this program to be 0.15 percent *ad valorem* and 0.05 percent *ad valorem* for Hyundai Steel.

6. Modal Shift Program

Hyundai Steel reported that it used this program and received a grant during the POR.⁷⁰ DSM reported not using the program.

The GOK established this grant program in 2010 in order to decrease greenhouse gas emissions in the transportation and logistics sector. Specifically, through this program, the GOK aims to increase the transport volume by railroad and vessels, in order to decrease the transport volume by heavy freight motorized vehicles.⁷¹ Under this program, the GOK provides grants from the Ministry of Land, Infrastructure, and Transport to administering agencies for truck-to-rail "modal shift" entities and grants from the Ministry of Oceans and Fisheries to administering agencies for truck-to-marine freight "modal shift" entities. The legal framework for this program is Article 21 of the Sustainable Transportation Logistics Development Act, Article 24 of its Enforcement Decree, and Articles 14 through 17 of the Regulation on Modal Shift Agreement as promulgated by the Ministry of Finance (MOF).

We preliminarily determine that a financial contribution from the GOK exists in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act and that the program confers a benefit in the form of a grant in an amount equal to the assistance as provided under section 771(5)(E) of the Act and as described under 19 CFR 351.504(a). Regarding specificity, based on record evidence, we preliminarily determine there is no basis to find the program is limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Information from the GOK indicates that from 2015 to 2018 assistance under the program was provided to a limited number of recipients.⁷² Therefore, we preliminarily determine that this program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. Our findings are consistent with Commerce's practice.⁷³

We find no evidence on the record indicating that subsidies under this program are tied to export sales. Therefore, we attributed grants received under this program to Hyundai Steel's total sales. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants.⁷⁴ Accordingly, we applied the "0.5 percent test," as discussed

⁷⁰ See Hyundai Steel Initial QNR Response at 30.

⁷¹ See GOK Initial QNR Response at 247.

⁷² *Id.* at 318-319.

⁷³ See *CTL Plate from Korea 2017 Preliminary Results* PDM at 12-13, unchanged in *CTL Plate from Korea 2017 Final Results*.

⁷⁴ See 19 CFR 351.524(c)(1) and (2)(i).

in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by Hyundai Steel during year prior to the POR passed the “0.5 percent test” and were therefore expensed in the year of receipt. To calculate the benefit to Hyundai Steel that it received under this grant program during the POR, we divided the value of the grant that it received by its total sales. Accordingly, we preliminarily determine the net subsidy rate that Hyundai Steel received under this program during the POR is 0.01 percent.

B. Programs Preliminarily Determined Not to Confer a Measurable Benefit

DSM and Hyundai Steel reported receiving assistance under the programs listed below. With the exception of the KEXIM financing program, we find that none of the information from the GOK, DSM, or Hyundai Steel indicate that the programs are contingent upon export performance. Therefore, to determine whether benefits under the programs listed below resulted in measurable net countervailable subsidy rates (*e.g.*, net subsidy rates that were greater than or equal to 0.005 percent), we used the companies’ respective total sales as the denominator. Based on this analysis, we preliminarily determine that the following programs did not confer a measurable benefit during the POR:

1. Electricity Factor Load Program
2. Demand Adjustment Program of Emergent Reduction (ER) (former Emergency Road Reduction) (ELR)
3. RSTA Articles 24, 25, and 94
4. RSTLA Articles 7, 19, 31, 46, 84, 109, 112, and 137
5. Tax Exemptions Under Jeju Tax Ordinance Article 31-10 (DSM)
6. Article 29 of the Framework Act on Employment Policy
7. Various Research and Development (R&D) Grants Provided Under the Industrial Technology Innovation Promotion Act (ITIPA)⁷⁵
8. Incentives Under the Employment Insurance Act (DSM)
9. Grants: Yeongil Harbor
10. Grants: Gwangyang Port
11. Grants: Natural Gas Promotion Grants
12. Grants: Workplace Nursery Program
13. Grants: Hyundai Steel Red Angels Football Club
14. Grants: Korea Women’s Football League
15. Grants: Suncheon Harbor
16. Grants: Pohang Steel Art Festival
17. Grants: LED Efficiency Improvement

⁷⁵ In the *CTL Plate from Korea 2017 Preliminary Results*, Commerce found that ITIPA grants that DSM received for its Earthquake Rebar Project were contingent upon the development of concrete reinforcing bar and, thus, were tied to non-subject merchandise. See *CTL Plate from Korea 2017 Preliminary Results* PDM at 16, unchanged in *CTL Plate from Korea 2017 Final Results* IDM at 6. DSM reported receiving grants under the same ITIPA R&D project in 2018. See DSM Initial QNR Response at 21. Consistent with our finding in the prior review, we preliminarily determine that ITIPA grants under this project are tied to the development of concrete reinforcing bar, which is non-subject merchandise, and, thus, we have not included this grant in our preliminary subsidy calculations.

18. Grants: K-Water
19. Grants: Credits for Electronic Returns
20. Local Tax Act (LTA) Articles 15, 109, and 145
21. KOGAS Natural Gas Promotion Program
22. Wharfage Fee Exemptions at Asan Bay
23. Wastewater Fee Discount
24. RSTA Article 10
25. GOK Directed Credit: 1992-2001 Directed Credit

During the POR, DSM was the only company that had an outstanding loan for this program, which was a loan received from the Korea Housing Bank in 1995 to provide rental housing to employees. The loan is now held by Kookmin Bank (following a merger with the Korea Housing Bank).⁷⁶

To determine whether this loan conferred a benefit upon DSM during the POR, we compared the amount of interest paid during the POR to the amount of interest that would have been paid on a comparable commercial loan.⁷⁷ We used as our loan benchmark, the national average yield on three-year corporate bonds, as described in the “Loan Benchmarks and Interest Rates” section above.⁷⁸ Next, we divided the benefit by DSM’s total sales for the POR, which resulted in a rate that was less than 0.005 percent *ad valorem*, which is not measurable.

26. Import Financing Program of the Export-Import Bank of Korea (KEXIM Financing)

The import financing program of the KEXIM was introduced in July 1976 for the purpose of assisting companies that import essential goods or natural resources that are important to Korea’s national economy. Under this program, KEXIM extends loans up to 80 percent of the transaction value for a period of up to 2 years. The interest rate for the loan extended under this program is calculated by adding a rate which reflects the funding cost, the credit rating, administrative fees and an appropriate amount of profit to the base rate.⁷⁹ DSM and Hyundai Steel reported that they received import financing from KEXIM during the POR.⁸⁰

To determine whether this loan conferred a benefit upon DSM and Hyundai Steel during the POR, we compared the amount of interest paid during the POR to the amount of

⁷⁶ See DSM Initial QNR Response at 8 and Appendix D-11-A.

⁷⁷ See 19 CFR 351.505(a).

⁷⁸ See, e.g., *Certain Cut to-Length Carbon-Quality Steel Plate from the Republic of Korea: Notice of Preliminary Results and Preliminary Partial Rescission of Countervailing Duty Administrative Review*, 72 FR 65299-65300 (November 20, 2007) (2006 Preliminary Results), unchanged in *Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea: Notice of Final Results and Partial Rescission of Countervailing Duty Administrative Review*, 73 FR 14770 (March 19, 2008) (2006 Final Results).

⁷⁹ See the GOK’s Initial QNR Response at Appendix 1.

⁸⁰ See DSM’s Initial QNR Response at 9 and Appendix and D-12-B; see also Hyundai Steel’s Initial QNR Response dated July 29, 2019, at 13 and Exhibit A-1.

interest that would have been paid on a comparable commercial loan.⁸¹ We used commercial loans reported by DSM and Hyundai Steel to derive the interest rate benchmark, as described in the “Loan Benchmarks and Interest Rates” section above.⁸² We find that benefits under this program are less than 0.005 percent *ad valorem* for DSM and Hyundai Steel, even when attributed to the firms’ total export sales, and, thus, we preliminarily determine that benefits under this program are not measurable.

C. Programs Preliminarily Determined Not to be Used

DSM reported non-use of the following programs:

- GOK Pre-1992 Directed Credit Program
- GOK Infrastructure Investment at Incheon North Harbor
- Tax Program Under the Restriction of Special Taxation Act (RSTA) and/or the Tax Reduction and Exemption Control Act (TERCL) -Asset Revaluation (TERCL 56(2)
- Reserve for Investment (Special Case of Tax for Balanced Development Among Areas) RSTA Article 58) (TERCL Articles 42, 43, 44, and 45)
- Price Discounts for DSM Land Purchase at Asan Bay
- Exemption of VAT on Imports of Anthracite Coal
- Provision of Land for Less than Adequate Remuneration in the Godae Complex
- Lease Discounts Provided to Companies Operating in Free Economic Zones
- Tax Reductions Granted to Companies Operating in the Godae Complex
- Tax Subsidies Provided to Companies Operating in Free Economic Zones
- Government Grants and Financial Support to Companies Operating in Free Economic Zones
- Provision of Liquefied Natural Gas (LNG) from (LTAR)
- Electricity Discount under the Power Business Law Program
- Approval under the Special Act on Corporation on Corporation Revitalization

Hyundai Steel reported non-use of the following programs:

- GOK Pre-1992 Directed Credit Program
- GOK Infrastructure Investment at Incheon North Harbor
- Tax Program Under the Restriction of Special Taxation Act (RSTA) and/ or the Tax Reduction and Exemption Control Act (TERCL) -Asset Revaluation (TERCL 56(2)
- Reserve for Investment (Special Case of Tax for Balanced Development Among Areas) RSTA Article 58) (TERCL Articles 42, 43, 44, and 45)
- Price Discounts for DSM Land Purchase at Asan Bay
- Exemption of VAT on Imports of Anthracite Coal
- Provision of Land for Less than Adequate Remuneration in the Godae Complex
- Lease Discounts Provided to Companies Operating in Free Economic Zones
- Tax Reductions Granted to Companies Operating in the Godae Complex

⁸¹ See 19 CFR 351.505(a).

⁸² See, e.g., 2006 Preliminary Results, unchanged in 2006 Final Results.

- Tax Subsidies Provided to Companies Operating in Free Economic Zones
- Government Grants and Financial Support to Companies Operating in Free Economic Zones
- Provision of Liquefied Natural Gas (LNG) for Less than Adequate Remuneration (LTAR)

D. Programs to Be Addressed After the Preliminary Results

We will issue our preliminary findings for the following programs in a post-preliminary decision memorandum:

- Upstream Electricity Subsidies to DSM and Hyundai Steel
- Reduction of Sewage Fees
- Energy-Saving System Electricity Discounts

VIII. RECOMMENDATION

Based on our analysis, we recommend adopting the above positions. If this recommendation is accepted, we will publish the preliminary results of this review in the *Federal Register*.

☒

Agree

☐

Disagree

2/28/2020

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance