



A-580-878/C-580-879
A-580-881/C-580-882
Changed Circumstances Reviews
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December 29, 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: Preliminary Results of the Changed Circumstances Reviews
Regarding Successor-In-Interest Analysis: Antidumping Duty
Orders and Countervailing Duty Orders on Certain Cold-rolled
Steel Flat Products and Certain Corrosion-resistant Steel Products
from the Republic of Korea

I. SUMMARY

The Department of Commerce (Commerce) is conducting changed circumstances reviews (CCRs) of the antidumping duty (AD) and countervailing duty (CVD) orders on certain cold-rolled steel flat products (cold-rolled steel) and certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). As a result of our analysis, we recommend that Commerce preliminarily determine that KG Dongbu Steel Co., Ltd. (KG Dongbu Steel) is the successor in interest to Dongbu Steel Co., Ltd. (Dongbu Steel) and Dongbu Incheon Steel Co., Ltd. (Dongbu Incheon) for purposes of determining AD cash deposits and liabilities for cold-rolled steel and CORE. Accordingly, for purposes of collecting cash deposits of estimated AD duties, we recommend assigning to KG Dongbu Steel the rates established for Dongbu Steel and Dongbu Incheon. Additionally, Commerce preliminarily does not recommend determining that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon for CVD purposes because the record shows there is a significant change in ownership and operations that could affect the nature and extent of the countervailable subsidies attributable to KG Dongbu Steel.

II. BACKGROUND

On April 13, 2020, KG Dongbu Steel informed Commerce that as of September 1, 2019, KG Steel Co., Ltd (KG Steel) purchased a substantial portion of Dongbu Steel's shares and, as a



result, became the major shareholder of Dongbu Steel.¹ KG Dongbu Steel also reported that on March 2, 2020, Dongbu Steel publicly announced its merger with its wholly-owned subsidiary Dongbu Incheon after Dongbu Steel's Board of Directors had approved the merger.² On March 27, 2020, Dongbu Steel received shareholder approval for the newly-merged Dongbu Steel to change its name to KG Dongbu Steel.³ As such, KG Dongbu Steel requested that Commerce conduct CCRs and find that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon, and that it be subject to the AD margins and CVD rates applicable to Dongbu Steel and Dongbu Incheon for cold-rolled steel and CORE, pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(b). We did not receive comments from other interested parties concerning these requests.

On June 4, 2020, Commerce initiated the AD and CVD CCRs of the orders on cold-rolled steel and CORE from Korea. On June 12, 2020, Commerce requested more information from KG Dongbu Steel regarding the "look-back window" for purposes of the CVD CCRs,⁴ and on June 30, 2020, KG Dongbu Steel filed its response.⁵

III. SCOPE OF THE ORDERS

1. *Certain Cold-Rolled Steel Flat Products*

The products covered by the orders are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (width) of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been "worked after rolling" (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above: (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain

¹ See KG Dongbu Steel's Letter, "Request for Changed Circumstances Review: Change of Name for Dongbu Steel Co., Ltd. and Dongbu Incheon Steel Co., Ltd.," dated April 13, 2020.

² *Id.* at 2.

³ *Id.*

⁴ See Commerce's Letter, "Countervailing Duty Changed Circumstances Reviews of Cold-Rolled Steel and Corrosion Resistant Steel (CORE) from the Republic of Korea," dated June 12, 2020.

⁵ See KG Dongbu Steel's Letter, "Certain Corrosion Resistant Steel Products and Cold-Rolled Steel Products from the Republic of Korea Changed Circumstance Review, Case Nos. C-580-879 and C-580-882: First Supplemental Questionnaire Response," dated June 30, 2020.

products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of the orders are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the orders if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of the orders unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of the orders:

- Ball bearing steels;⁶
- Tool steels;⁷
- Silico-manganese steel;⁸
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel from Germany, Japan, and Poland*.⁹
- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.¹⁰

The products subject to the orders are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

⁶ Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

⁷ Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

⁸ Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

⁹ See *Grain-Oriented Electrical Steel from Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 FR 42501, 42503 (July 22, 2014). This determination defines grain-oriented electrical steel as “a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths.”

¹⁰ See *Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 FR 71741, 71741-42 (December 3, 2014). The orders define NOES as “cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term ‘substantially equal’ means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”

The products subject to the orders may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the orders is dispositive.

2. Certain Corrosion-Resistant Steel Products

The products covered by the orders are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel – or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above

(1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of the orders are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or

- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. If steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the orders if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of the orders unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of the orders:

Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (terne plate), or both chromium and chromium oxides (tin free steel), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating; Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the orders are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030,

7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the orders may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the orders is dispositive.

IV. SUCCESSOR-IN-INTEREST DETERMINATION

In determining whether a change in a company and its relationship with outside entities results in a new company that is not a successor to the pre-change company for purposes of administering AD orders and collecting cash deposits of estimated AD duties, Commerce examines a number of factors including, but not limited to: changes in corporate structure, management, production facilities, supplier relationships, and customer base.¹¹ Although no single, or even several, of these factors will necessarily provide a dispositive indication of succession, generally, Commerce will consider a company to be a successor if its resulting operation is not materially dissimilar to that of its predecessor.¹² Thus, if the “totality of circumstances” demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign to the new company the cash deposit rate of its predecessor.¹³ However, as a general rule in CVD CCRs, Commerce will make an affirmative CVD successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) only where there is no evidence of significant changes in the respondent’s operations, ownership, corporate or legal structure during the relevant period (*i.e.*, the “look-back window”) that could have affected the nature and extent of the countervailable subsidies attributable to the respondent.¹⁴

In its questionnaire response, KG Dongbu Steel detailed the following regarding the company’s operations:

1. Management/Ownership

After KG Steel acquired Dongbu Steel’s shares on September 1, 2019, Dongbu Steel and its subsidiaries became members of the KG Group.¹⁵ The record demonstrates that on

¹¹ See, *e.g.*, *Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review*, 75 FR 34688 (June 18, 2010), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

¹² See, *e.g.*, *Fresh and Chilled Atlantic Salmon from Norway: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

¹³ See, *e.g.*, *id.* at 9980; *Brass Sheet and Strip from Canada: Final Result of Administrative Review*, 57 FR 20461 (May 13, 1992), and accompanying IDM at Comment 1.

¹⁴ See *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances*, 74 FR 47225 (September 15, 2009) (*Turkish Pasta*).

¹⁵ See CCR Requests at 4.

March 27, 2020, at the Dongbu Steel general shareholders' meeting, Dongbu Steel received approval from the shareholders to officially change its name to KG Dongbu Steel.¹⁶ KG Dongbu Steel states that the acquisition occurred through a major issuance of new shares.¹⁷ The acquisition was conducted by the KG Consortium, the members of which are KG Steel and Cactus PE (a private equity group involved in providing financial investments), and thus the KG Consortium effectively controls 71.96 percent of the shares of KG Dongbu Steel, *i.e.*, KG Steel – 39.98 percent and Cactus PE – 31.98 percent.¹⁸ Thus, because the acquisition occurred through a major issuance of new shares, there were substantial changes in the percentages of share ownership. As a result, there were also some changes in management, with all but one of the directors replaced. However, operational management of Dongbu Steel and Dongbu Incheon remained largely unchanged.¹⁹

2. *Production Facilities*

After the acquisition by KG Steel, there were no changes in Dongbu Steel's and Dongbu Incheon's production facilities.²⁰ The production facilities are located in same location and employ approximately the same number of employees.²¹ In addition, the record shows that the production facilities and production of the company remain unchanged.²² Therefore, based on record evidence, we preliminarily determine that KG Dongbu Steel's production facilities and scope of business have remained unchanged since the acquisition and name change.

3. *Supplier Relationships*

KG Dongbu Steel states that there was very little change in suppliers after KG Steel's acquisition of Dongbu Steel and Dongbu Incheon.²³ The major production input suppliers to the company are substantially the same before and after the name change.²⁴ Therefore, based on the record evidence, we preliminary determine that KG Dongbu Steel's supplier relationships remain essentially the same since the acquisition and name change.

¹⁶ *Id.* at Attachment 3.

¹⁷ *Id.* at 4.

¹⁸ *Id.*

¹⁹ *Id.* at 5.

²⁰ *Id.* at Attachment 7.

²¹ *Id.*

²² *Id.* at 5 and Attachment 7.

²³ *Id.* at 6.

²⁴ *Id.* at Attachment 8.

4. Customer Base

KG Dongbu Steel states there has been no significant change to the customer base.²⁵ KG Dongbu Steel provides a list of major customers of the company before and after the name change.²⁶ The same customers that accounted for approximately 75 percent of the sales of Dongbu Steel and Dongbu Incheon before the acquisition now account for 80 percent of domestic and export sales after the acquisition.²⁷ Therefore, based on this information, we preliminarily determine that KG Dongbu Steel's customer base remains substantially the same since before the acquisition and name change.

For the reasons discussed above, we preliminarily find that KG Dongbu Steel has provided sufficient evidence, based on the totality of the circumstances under Commerce's successor-in-interest criteria, to demonstrate that KG Dongbu Steel's operations are not materially dissimilar to those of Dongbu Steel and Dongbu Incheon before the acquisition and name change with respect to the merchandise subject to the AD orders on cold-rolled steel and CORE for purposes of the AD CCRs. Moreover, we preliminarily find that KG Dongbu Steel's production facilities, supplier relationships, and customer base with regard to the merchandise subject to the AD orders on cold-rolled steel and CORE are substantially the same as those in place for Dongbu Steel and Dongbu Incheon before the acquisition and name change. Thus, we recommend that Commerce preliminarily find that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon for purposes of determining AD duty cash deposits and liabilities on cold-rolled steel and CORE and the AD rates assigned to Dongbu Steel/Dongbu Incheon should be the AD rates for KG Dongbu Steel as a result of our successor-in-interest finding.

However, with respect to the CVD CCRs, we preliminarily find that there is evidence of significant changes in ownership during the "look-back window" that could have affected the nature and extent of the countervailable subsidies attributable to KG Dongbu Steel. The purpose of a CVD CCR is limited in comparison to an administrative review. Major changes to a company's ownership structure may affect the nature and extend of the countervailable subsidies attributable to the newly-formed company. However, Commerce does not calculate a new subsidy rate, or revise a subsidy rate, for parties being examined in a CVD CCR.²⁸ Rather, Commerce conducts such analysis and calculations in an administrative review, which is the procedure provided in the statute for such purposes.²⁹ Based on the record for these CCRs, as noted above, the acquisition of Dongbu Steel and Dongbu Incheon occurred through a major issuance of new shares, which resulted in substantial changes in the percentages of share ownership during the relevant period (*i.e.*, the "look-back window"). As a result, there were also some changes in management, with all but one of the directors replaced. These changes in management and ownership would likely have affected the countervailable subsidies attributable to KG Dongbu Steel. An examination of KG Dongbu Steel's subsidy levels, therefore, is appropriate only in the context of an administrative review. Thus, we recommend that Commerce preliminarily determine that KG Dongbu Steel is not the successor in interest to

²⁵ *Id.* at 7.

²⁶ *Id.* at Attachment 9.

²⁷ *Id.*

²⁸ See *Turkish Pasta*, 74 FR at 47227.

²⁹ *Id.*

Dongbu Steel and Dongbu Incheon for purposes of administering the CVD orders on cold-rolled steel and CORE.

V. RECOMMENDATION

For the reasons explained above, we preliminarily determine that KG Dongbu Steel has provided sufficient evidence to find that KG Dongbu Steel is the successor in interest to Dongbu Steel and Dongbu Incheon for purposes of administering the AD orders on cold-rolled steel and CORE. We also preliminarily determine that the AD cash deposits and liabilities currently applicable to Dongbu Steel/Dongbu Incheon should be applied to KG Dongbu Steel. For CVD purposes, we preliminarily determine that changes in ownership and management were significant, and thus, for purposes of administering the CVD orders on cold-rolled steel and CORE, we do not recommend applying to KG Dongbu Steel the CVD cash deposit rates that are currently applicable to that Dongbu Steel/Dongbu Incheon.

☒

☐

Agree

Disagree

12/29/2020

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance