

generally, Memorandum to the File through Abdelali Elouaradia, Director, AD/CVD Operations, Office 4: Initiation of Antidumping New Shipper Review of Wooden Bedroom Furniture from the People's Republic of China: Marvin Furniture (Shanghai) Co. Ltd.: ("Initiation Checklist"), dated concurrently with this notice.

In addition to the certifications described above, pursuant to 19 CFR 351.214(b)(2)(iv), Marvin submitted documentation establishing the following: (1) The date on which it first shipped wooden bedroom furniture for export to the United States and the date on which the wooden bedroom furniture was first entered, or withdrawn from warehouse, for consumption; (2) the volume of its first shipment; and (3) the date of its first sale to an unaffiliated customer in the United States. See generally, Initiation Checklist.

The Department conducted a CBP database query and confirmed by examining the results of the CBP data query that Marvin's subject merchandise entered the United States during the POR specified by the Department's regulations. See 19 CFR 351.214(g)(1)(i)(A). Pursuant to 19 CFR 351.221(c)(1)(i), the Department will publish the notice of initiation of a new shipper review no later than the last day of the month following the anniversary or semiannual anniversary month of the order.

Initiation of New Shipper Review

Pursuant to section 751(a)(2)(B) of the Act, 19 CFR 351.214(b), and the information on the record, the Department finds that Marvin meets the threshold requirements for initiation of a new shipper review of its shipment(s) of wooden bedroom furniture from the PRC. See generally, Initiation Checklist. The POR for the new shipper review of Marvin is January 1, 2011, through June 30, 2011. See 19 CFR 351.214(g)(1)(i)(B). The Department intends to issue the preliminary results of this review no later than 180 days from the date of initiation, and the final results of this review no later than 270 days from the date of initiation. See section 751(a)(2)(B)(iv) of the Act.

It is the Department's usual practice, in cases involving non-market economies, to require that a company seeking to establish eligibility for an antidumping duty rate separate from the country-wide rate provide evidence of *de jure* and *de facto* absence of government control over the company's export activities. Accordingly, we will issue a questionnaire to Marvin which will include a separate rate section. The

review of the exporter will proceed if the response provides sufficient indication that the exporter is not subject to either *de jure* or *de facto* government control with respect to its exports of wooden bedroom furniture.

We will instruct CBP to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for certain entries of the subject merchandise from Marvin in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e). Because Marvin stated that it both produces and exports the subject merchandise, the sales of which form the basis for its new shipper review request, we will instruct CBP to permit the use of a bond only for entries of subject merchandise which the respondent both produced and exported.

Interested parties requiring access to proprietary information in this new shipper review should submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306.

This initiation and notice are published in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 351.221(c)(1)(i).

Dated: August 25, 2011.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

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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 (CORE) from the Republic of Korea (Korea) for the period of review (POR) January 1, 2009, through December 31, 2009. For information on the net subsidy for Hyundai HYSCO Ltd. (HYSCO), the company reviewed, 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.

DATES: *Effective Date:* August 31, 2011.

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

SUPPLEMENTARY INFORMATION:

Background

On August 17, 1993, the Department published in the **Federal Register** the CVD order on CORE from Korea. See *Countervailing Duty Orders and Amendments of Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Korea*, 58 FR 43752 (August 17, 1993). On August 2, 2010, 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*, 75 FR 45094 (August 2, 2010).

On August 31, 2010, we received timely requests for review and partial revocation of the countervailing duty order from Dongbu Steel Co., Ltd. (Dongbu) and Pohang Iron and Steel Co., Ltd. (POSCO); we also received a timely request for review from Hyundai HYSCO Ltd. On September 29, 2010, the Department published a notice of initiation of the administrative review of the CVD order on CORE from Korea covering the period January 1, 2009, through December 31, 2009. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part (Initiation)*, 75 FR 60076 (September 29, 2010).

On September 27, 2010, and October 1, 2010, Dongbu and POSCO, respectively, withdrew their requests for review and partial revocation of the CVD order on CORE from Korea. On January 25, 2011, we rescinded, in part, this review of the CVD order of CORE from Korea with regard to Dongbu and POSCO. See *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Partial Rescission of Countervailing Duty Administrative Review*, 76 FR 4291 (January 25, 2011).

On October 18, 2010, the Department issued the initial questionnaire to HYSCO, and the Government of Korea (GOK). On December 15, 2010, the Department received questionnaire responses from HYSCO and the GOK. On February 17, 2011, March 25, 2011,

and April 27, 2011, the Department issued supplemental questionnaires to the GOK and HYSCO. On March 17, 2011, April 22, 2011, and May 25, 2011, the Department received supplemental questionnaire responses from the GOK and HYSCO. On April 14, 2011, the Department published in the **Federal Register** an extension of its preliminary results of the instant administrative review. *See Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Extension of Preliminary Results of Countervailing Duty Administrative Review*, 76 FR 20954 (April 14, 2011). On July 18, 2011, the Department issued an additional supplemental questionnaire to the GOK. On August 4, 2011 the Department received the supplemental questionnaire response for the GOK.

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The company that continues to be subject to this review is HYSCO.

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-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness. The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7210.30.0000, 7210.31.0000, 7210.39.0000, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.49.0091, 7210.49.0095, 7210.60.0000, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.21.0000, 7212.29.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000,

7215.90.1000, 7215.9030, 7215.90.5000, 7217.12.1000, 7217.13.1000, 7217.19.1000, 7217.19.5000, 7217.20.1500, 7217.22.5000, 7217.23.5000, 7217.29.1000, 7217.29.5000, 7217.30.15.0000, 7217.32.5000, 7217.33.5000, 7217.39.1000, 7217.39.5000, 7217.90.1000 and 7217.90.5000.

Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise is dispositive.

Subsidies Valuation Information

A. Benchmarks for Short-Term Financing

For those programs requiring the application of a won-denominated, short-term interest rate benchmark, in accordance with 19 CFR 351.505(a)(2)(iv), we used as our benchmark the company-specific weighted-average interest rate for commercial won-denominated loans outstanding during the POR. This approach is in accordance with 19 CFR 351.505(a)(3)(i) and the Department's practice. *See, e.g., Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009) (*Final Results of CORE from Korea 2006*), and accompanying Issues and Decision Memorandum (CORE from Korea 2006 Decision Memorandum) at "Benchmarks for Short-Term Financing."

B. Benchmark for Long-Term Loans

During the POR, HYSCO had outstanding countervailable long-term won-denominated loans from government-owned banks and Korean commercial banks. We used the following benchmarks to calculate the subsidies attributable to respondents' countervailable long-term loans obtained through 2009:

(1) For countervailable, won-denominated long-term loans, 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 used, 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. *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) (*Stainless Steel Investigation*) and

"Analysis Memorandum on the Korean Domestic Bond Market" (March 9, 1999). The use of a corporate bond rate as a long-term benchmark interest rate is consistent with the approach the Department has taken in several prior Korean CVD proceedings. *See Id.*; *see also Final Affirmative Countervailing Duty Determination: Structural Steel Beams from the Republic of Korea (H Beams Investigation)*, 65 FR 41051 (July 3, 2000), and accompanying Issues and Decision Memorandum 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) (*DRAMS Investigation*), and accompanying Issues and Decision Memorandum at "Discount Rates and Benchmark for Loans." 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. *See Final Affirmative Countervailing Duty Determinations and Final Negative Critical Circumstances Determinations: Certain Steel Products from Korea*, 58 FR at 37328, 37345–37346 (July 9, 1993) (*Steel Products from Korea*). 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 (BOK). This approach is consistent with 19 CFR 351.505(a)(3)(ii) and our practice. *See, e.g., CORE from Korea 2006 Decision Memorandum* at "Benchmark for Long Term Loans."

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.

Average Useful Life

Under 19 CFR 351.524(d)(2), we will presume the allocation period for non-recurring subsidies to be the average useful life (AUL) of renewable physical assets for the industry concerned as listed in the Internal Revenue Service's (IRS) 1997 Class Life Asset Depreciation Range System, as updated by the Department of the Treasury. The presumption will apply unless a party claims and establishes that the IRS tables do not reasonably reflect the

company-specific AUL or the country-wide AUL for the industry under examination and that the difference between the company-specific and/or country-wide AUL and the AUL from the IRS tables is significant. According to the IRS tables, the AUL of the steel industry is 15 years. No interested party challenged the 15-year AUL derived from the IRS tables. Thus, in this review, we have allocated, where applicable, all of the non-recurring subsidies provided to the producers/exporters of subject merchandise over a 15-year AUL.

I. Programs Determined To Be Countervailable

A. Short-Term Export Financing

Export-Import Bank of Korea (KEXIM) supplies two types of short-term loans for exporting companies: short-term trade financing and comprehensive export financing. See the GOK's December 15, 2010, questionnaire response (QR) at Exhibit J-1. KEXIM provides short-term loans to Korean exporters that manufacture goods under export contracts. *Id.* The loans are provided up to the amount of the bill of exchange or contracted amount, less any amount already received. *Id.* For comprehensive export financing loans, KEXIM supplies short-term loans to any small or medium-sized company, or any large company that is not included in the five largest conglomerates based on their comprehensive export performance. *Id.* To obtain the loans, companies must report their export performance periodically to KEXIM for review. *Id.* Comprehensive export financing loans cover from 50 to 90 percent of the company's export performance. *Id.*

In *Steel Products from Korea*, the Department determined that the GOK's short-term export financing program was countervailable. See *Final Affirmative Countervailing Duty Determinations and Final Negative Critical Circumstances Determinations: Certain Steel Products From Korea*, 58 FR 37338, 37350 (July 9, 1993) (*Steel Products from Korea*); see also *Notice of Final Affirmative Countervailing Duty Determination: Certain Cold-Rolled Carbon Steel Flat Products From the Republic of Korea*, 67 FR 62102, (October 3, 2002) (*Cold-Rolled Investigation*), and accompanying Issues and Decision Memorandum (Cold-Rolled Decision Memorandum) at "Short-Term Export Financing" section. No new information or evidence of changed circumstances was presented in this review to warrant any reconsideration of the countervailability

of this program. Therefore, we continue to find this program countervailable. Specifically, we determine that the export financing constitutes a financial contribution in the form of a loan within the meaning of section 771(5)(D)(i) of the Act and confers a benefit within the meaning of section 771(5)(E)(ii) of the Act to the extent that the amount of interest the respondents paid for export financing under this program was less than the amount of interest that would have been paid on a comparable short-term commercial loan. See discussion in the "Subsidies Valuation Information" section with respect to short-term loan benchmark interest rates. In addition, we preliminarily determine that the program is specific, pursuant to section 771(5A)(A) and (B) of the Act, because receipt of the financing is contingent upon exporting. HYSCO reported using short-term export financing during the POR.

Pursuant to 19 CFR 351.505(a)(1), to calculate the benefit under this program, we compared the amount of interest paid under the program to the amount of interest that would have been paid on a comparable commercial loan. As our benchmark, we used the short-term interest rates discussed above in the "Subsidies Valuation Information" section. To calculate the net subsidy rate, we divided the benefit by the free on board (f.o.b.) value of the respective company's total exports. On this basis, we determine the net subsidy rate to be 0.09 percent ad valorem for HYSCO.

B. Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials

Under the Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials (Promotion of Specialized Enterprises Act), the GOK shares the costs of research and development (R&D) projects with companies or research institutions. The goal of the program is to support technology development for core parts and materials necessary for technological innovation and improvement in competitiveness. See GOK's December 15, 2010 QR at Exhibit P-1. The program is administered by the Ministry of Knowledge Economy (MKE) and Korea Evaluation Institute of Industrial Technology (KEIT). *Id.*

In accordance with Articles 3 and 4 of the Promotion of Specialized Enterprises Act, MKE prepares a base plan and a yearly execution plan for the development of the parts and materials industry. See GOK's December 15, 2010 QR at Exhibit P-1. Under the execution plan, MKE announces to the public a detailed business plan for the

development of parts and materials technology. *Id.* at 2. This business plan includes support areas, qualifications, and the application process. *Id.* According to the GOK, any person or company can participate in the program by preparing an R&D business plan that conforms with the requirements set forth in the MKE business plan. *Id.* The completed application must then be submitted to KEIT, which evaluates the application and selects the projects eligible for government support. *Id.* After the selected application is finally approved by MKE, MKE and the participating companies enter into an R&D agreement and then MKE provides the grant. *Id.* at 3.

R&D project costs are shared by the GOK and companies or research institutions as follows: (1) When the group of companies involved in the research is made up of a ratio above two-thirds small to medium-sized companies, the GOK provides a grant up to three-fourths of the project cost; (2) when the group of companies involved in the research is made up of a ratio below two-thirds small to medium-sized companies, the GOK provides a grant up to one-half of the project cost. See GOK's December 10, 2010 QR, Exhibit P-1.

Upon completion of the project, if the GOK evaluates the project as "successful," the participating companies must repay 40 percent of the R&D grant to the GOK over five years. See GOK's December 10, 2010 QR, Exhibit P-1 at 2. However, if the project is evaluated by the GOK as "not successful," the company does not have to repay any of the grant amount to the GOK. *Id.*

In the final results of administrative review of the CVD order on CORE from Korea covering the period January 1, 2008 through December 31, 2008, the Department determined that the Promotion of Specialized Enterprises Act was *de jure* specific under section 771(5A)(D)(i) of the Act, because it is expressly limited to (1) enterprises specializing in components and materials and (2) enterprises specializing in development of technology for components and materials. See *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 76 FR 3613 (January 20, 2011) (*Final Results of CORE from Korea 2008*), and accompanying Decision Memorandum (CORE 2008 Decision Memorandum) at "The Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials" section. The Department

preliminarily determines in this administrative review that the Promotion of Specialized Enterprises Act is specific for the same reasons. We also preliminarily find that a financial contribution was provided within the meaning of section 771(5)(D)(i) of the Act because the GOK's payments constitute a direct transfer of funds. See *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review*, 75 FR 55745; 55750.

HYSCO reported that during the POR, it was involved in one R&D project under this program. See HYSCO's December 15, 2010 QR at 18. In a prior review, we found that the R&D grants HYSCO received under this program are for the development of specialized technologies associated with the production of subject merchandise. See *Preliminary Results of CORE from Korea 2008*, 75 FR at 55749, unchanged in *Final Results of CORE from Korea 2008*, 76 FR 3613 and CORE 2008 Decision Memorandum at "The Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials" section. We have reached the same conclusion in these preliminary results.

In the *Final Results of CORE from Korea 2008*, we treated a portion of the subsidy that does not have to be repaid as a grant and the remaining portion of the subsidy that may have to be repaid as a long-term, interest-free contingent liability loan. See *Final Results of CORE from Korea 2008*, 76 FR 3613 and CORE 2008 Decision Memorandum at "The Act on Special Measures for the Promotion of Specialized Enterprises for Parts and Materials" section. This approach is consistent with the Department's regulation and practice. See 19 CFR 351.505(d)(1); see also *Certain Hot-Rolled Carbon Steel Flat Products From India: Final Results of Countervailing Duty Administrative Review*, 73 FR 40295 (July 14, 2008) and accompanying Issues and Decision Memorandum at "Export Promotion Capital Goods Scheme (EPCGS)." We have adopted the same approach in these preliminary results.

To determine the benefit from the GOK funds HYSCO received under the Specialized Enterprises Act program, we calculated the GOK's contribution for the assistance that was apportioned to HYSCO. See 19 CFR 351.504(a). As described immediately above, we treated a portion of this benefit as a grant. In accordance with 19 CFR 351.524(b)(2), we determined whether to allocate the non-recurring benefit

from the grants over a 15-year AUL by dividing the GOK-approved grant amount by the company's total sales in the year of approval. Because the approved amount was less than 0.5 percent of the company's total sales, we expensed the grant to the year of receipt, i.e., to 2009, the POR in this review.

With respect to the portion of the subsidy that we are treating as a long-term, interest-free contingent liability loan, pursuant to 19 CFR 351.505(d)(1) for the reasons described above, we find the benefit to be equal to the interest that HYSCO would have paid during the POR had it borrowed the full amount of the contingent liability loan during the POR. Pursuant to 19 CFR 351.505(d)(1), we used a long-term interest rate as our benchmark to calculate the benefit of a contingent liability interest-free loan because the event upon which repayment of the duties depends (i.e., the completion of the R&D project) occurs at a point in time more than one year after the date in which the grant was received. Specifically, we used the long-term benchmark interest rates as described in the "Subsidies Valuation" section of these preliminary results.

To calculate the total net subsidy amount for this program, we summed the benefits provided under this program. Next, to calculate the net subsidy rate, we divided the portion of the benefit allocated to the POR by HYSCO's total f.o.b. sales for 2009. See 19 CFR 351.525(b)(3). On this basis, we preliminarily determine the net subsidy rate under this program to be 0.02 percent *ad valorem* for HYSCO.

II. Programs Preliminarily Determined Not To Confer a Benefit During the POR

A. Research and Development Grants Under the Industrial Development Act (IDA)

The GOK, through the Ministry of Knowledge Economy (MKE),¹ provides R&D grants to support numerous projects pursuant to the IDA, including technology for core materials, components, engineering systems, and resource technology. See *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review (Preliminary Results of CORE from Korea 2007)*, 74 FR 46100, 46102 (September 8, 2009) unchanged in *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Final Results of Countervailing Duty Administrative Review (Final Results of CORE from*

Korea 2007), 74 FR 55192 (October 27, 2009). The IDA is designed to foster the development of efficient technology for industrial development.² See *Preliminary Results of CORE from Korea 2007*, 74 FR at 46102. To participate in this program a company may: (1) Perform its own R&D project, (2) participate through the Korea Association of New Iron and Steel Technology (KANIST),³ which is an association of steel companies established for the development of new iron and steel technology, and/or (3) participate in another company's R&D project and share R&D costs as well as funds received from the GOK. *Id.* To be eligible to participate in this program, the applicant must meet the qualifications set forth in the basic plan and must perform R&D as set forth under the Notice of Industrial Basic Technology Development Plan. *Id.* If the R&D project is not successful, the company must repay the full amount of the grants provided by the GOK. *Id.*

In the *H Beams Investigation*, the Department determined that through KANIST, the Korean steel industry receives funding specific to the steel industry. Therefore, given the nature of KANIST, the Department found projects under KANIST to be specific. See *Preliminary Negative Countervailing Duty Determination with Final Antidumping Duty Determination: Structural Steel Beams From the Republic of Korea*, 64 FR 69731, 69740 (December 14, 1999) (unchanged in the final results, 65 FR 69371 (July 3, 2000), and accompanying Issues and Decision Memorandum at "R&D Grants Under the Korea New Iron & Steel Technology Research Association (KNISTRA)"). Further, we found that the grants constitute a financial contribution under section 771(5)(D)(i) of the Act in the form of a grant, and bestow a benefit under section 771(5)(E) of the Act in the amount of the grant. *Id.* No new factual information or evidence of changed circumstances has been provided to the Department with respect to this program. Therefore, we preliminarily continue to find that this program is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act and this program constitutes a financial contribution and confers a benefit under sections 771(5)(D)(i) and 771(5)(E) of the Act, respectively.

² The exact nature of the IDA projects are proprietary and therefore cannot be revealed in this public notice. Details on these projects may be found at HYSCO's December 15, 2010 QR at Exhibit G-2.

³ Also known as Korea New Iron & Steel Technology Research Association (KNISTRA).

¹ Prior to February 29, 2008, MKE was known as the Ministry of Commerce, Industry, and Energy (MOCIE).

HYSCO benefitted from this program during the POR. *See* HYSCO's December 15, 2010, QR at 13. HYSCO participated in a project indirectly through KANIST. *Id.* However, according to HYSCO, the project for which grants were received from the government was not related to subject merchandise. *Id.* at 14. The nature of the project for which HYSCO received the grant is business proprietary and cannot be discussed in this public notice. For information on this project, *see* Memorandum to the File titled "HYSCO's R&D Grants under the IDA/ITIPA" (August 31, 2011) (HYSCO IDA/ITIPA Grant Memorandum), of which a public version is on file in the Central Records Unit (CRU).

The Department has previously determined that grants HYSCO received for this particular project under this program are attributable to the production of non-subject merchandise. *See Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review (Preliminary Results of CORE from Korea 2007)*, 74 FR 46100; 46102 (September 8, 2010) unchanged in *Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Final Results of Countervailing Duty Administrative Review (Final Results of CORE from Korea 2007)*, 74 FR 55192 (October 27, 2008); and Memorandum to the File titled "HYSCO's R&D Grants Under the IDA Memorandum to the file in the Countervailing Duty Administrative Review for the period of review (POR) January 1, 2007 through December 31, 2007" (August 31, 2009) (HYSCO IDA Grants Memorandum), of which a public version is on file in the CRU. *See also* HYSCO's December 10, 2010, QR at Exhibit G-5. Therefore, consistent with 19 CFR 351.525(b)(5) and our past practice, we preliminarily determine that these grants for the project in question are tied to non-subject merchandise and, thus, did not confer a benefit to HYSCO's production or sales of subject merchandise during the POR.

B. Research and Development Grants Under the Industrial Technology Innovation Promotion Act (ITIPA)

The GOK's Industrial Technology Innovation Promotion Act program is designed to foster future new industries and enhance the competitiveness of primary industries through fundamental technology development. *See* GOK's December 15, 2010, QR at Exhibit G-3. The program is administered by MKE and the Korean Evaluation Institute of Industrial Technology (KEIT). *Id.*

Under the Industrial Technology Innovation Promotion Act, GOK provides R&D grants to support the areas of transportation system, industrial materials, robots, biomedical equipment, clean manufacturing foundation, knowledge services and industry convergence technology. *See* GOK's December 15, 2010, QR at Exhibit G-3 at 1-2.

Pursuant to Article 11 of the Industrial Technology Innovation Promotion Act, KEIT prepares a basic plan for the development of technology, on behalf of MKE. *Id.* at 3. This plan includes the R&D projects that are eligible, describes the application process, and designates the supporting documentation required. *Id.* The plan is announced to the public. *Id.* According to the GOK, any person who wishes to participate in the program prepares an R&D business plan that meets the requirements set forth in the basic plan and then submits the application to the GOK's Application Review Committee, which then evaluates the application to determine if it conforms to the terms and conditions set forth in the basic plan. *Id.* If the application is approved, MKE and the company enter into an R&D agreement and then MKE provides the grant. *Id.*

The costs of the R&D projects under this program are shared by the company (or research institution) and the GOK. *See* GOK's December 15, 2010, QR at Exhibit G-3 at 2. Specifically, the grant ratio for project costs are as follows: (1) For projects with one small/medium-sized enterprise (SME), the GOK provides grants up to three-fourths of the project costs, (2) for projects with one conglomerate, the GOK provides grants up to one-half of the project costs, (3) for projects with more than two participants of which SMEs comprise more than two-thirds of the participant ratio, the GOK provides up to three-fourths of the project costs, and (4) for projects with more than two participants of which SMEs comprise less than two-thirds of the participant ratio, the GOK provides up to one-half of the project costs. *Id.*

When the project is evaluated as "successful" upon completion, the participating companies must repay 40 percent of the R&D grant to the GOK over five years. *Id.* at 2. However, when the project is evaluated as "not successful," the company does not have to repay the GOK any of the grant amount. *Id.*

During the POR, HYSCO received grants under the Industrial Technology Innovation Promotion Act for two R&D projects in which the company participated with other firms. *See* GOK's

December 15, 2010, QR at 10 and G-3; *see also* HYSCO's December 15, 2010, QR at 13, G-3, and G-4. Based upon our review of program documents submitted in the response, we preliminarily determine that one grant received is related to the first step of the project discussed above in the section "Research and Development Grants Under the Industrial Development Act (IDA)." *See* HYSCO's December 15, 2010, QR at 14. Therefore, we preliminarily determine that this grant is attributable to the production of non-subject merchandise. *See* the HYSCO IDA/ITIPA Grant Memorandum.

The second step of this project is being performed under the auspices of the ITIPA. *Id.* at 13 and G-3. Upon review of the information submitted by HYSCO, we preliminarily determined that this grant pertains specifically to production of a product that is not subject merchandise. *See* Memorandum to the File titled "HYSCO's R&D Grants Under the IDA/ITIPA." (August 31, 2011), of which a public version is on file in the CRU. Therefore, consistent with 19 CFR 351.525(b)(5) and our past practice, we preliminarily determine that this grant is tied to non-subject merchandise. Hence we did not include this grant in our benefit calculations.

In addition, HYSCO reports receiving another grant during the POR for a project that is being performed under the ITIPA. *See* HYSCO's December 15, 2010, QR at 14. Dividing this grant amount by HYSCO's total sales results in a net subsidy rate that is less than 0.005 percent *ad valorem*. Thus, consistent with the Department's practice, we find that the benefit received in connection with this grant is not measurable. *See, e.g.,* CORE from Korea 2006 Decision Memorandum at "GOK's Direction of Credit" section. Consequently, we preliminarily determine that it is not necessary for the Department to make a finding as to the countervailability of this program in this review. If a future administrative review of this proceeding is requested, we will further examine grants provided under ITIPA.

C. R&D Grants Under the Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy

The GOK's Development of Use, and Diffusion of New and Renewable Energy program (formerly the Development of Alternative Energy program) is reportedly designed to contribute to the preservation of the environment, the sound and sustainable development of the national economy, and the promotion of national welfare by diversifying energy resources through

promoting technological development, the use and diffusion of alternative energy, and reducing the discharge of gases harmful to humans or the environment by activating the new and renewable energy industry. See GOK's December 15, 2010, QR at Exhibit O-1. The program is administered by the Ministry of Knowledge Economy (MKE), Korea Energy Management Corporation (KEMCO), and the Korea Institute of Energy Technology Evaluation and Planning (KETEP). *Id.*

Under the Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy (New and Renewable Energy Act), the GOK provides R&D grants to support the following businesses: (1) Electric and Nuclear Power Development, (2) Energy and Resources Technology Development, and (3) New and Renewable Energy Technology Development. *Id.*, at 2.

Pursuant to Articles 5 and 6 of the New and Renewable Energy Act, MKE prepares a base plan and a yearly execution plan for the development of new and renewable energy. *Id.* at 3. The base and execution plans are announced to the public. *Id.* According to the GOK, any person who wishes to participate in the program prepares an R&D business plan and then submits the application to the KETEP, which then evaluates the application and selects the projects eligible for government support. *Id.* After the selected application is finally approved by MKE, KEMCO, and the general supervising institute of the consortium enter into an R&D agreement and then MKE provides the grant through KEMCO. *Id.*

The costs of the R&D projects under this program are shared by the company (or research institution) and the GOK. *Id.* at 2. Specifically, the grant ratio for project costs are as follows: (1) For large companies, the GOK provides grants up to one-half of the project costs, (2) for small/medium-sized companies, the GOK provides grants up to three-fourths of the project costs, (3) for a consortium,⁴ the GOK provides grants up to three-fourths of the project costs, and (4) for others, the GOK provides grants up to one-half of the project costs. *Id.*

When the project is evaluated as "successful" upon completion, the participating companies must repay 40 percent of the R&D grant to the GOK. *Id.* at 2. However, when the project is evaluated as "not successful", the

company does not have to repay any of the grant amount to the GOK. *Id.*

During the POR, HYSCO received an energy-related grant under the New and Renewable Energy Act for a project in which the company participated with other firms. See GOK's December 15, 2010, QR at 14-15 and Exhibit O-1. HYSCO reported that the R&D grant under the New and Renewable Energy Act are provided with respect to specific projects, which are generally multi-year projects where the amount of funds to be provided by the GOK is set out in the project contract. See HYSCO's December 15, 2010, QR at Exhibit O-3. The cost of R&D projects under this program is shared by the participating companies and the GOK. *Id.* HYSCO claims that the project for which the grant was received from the government was not related to subject merchandise. *Id.* at 18.

Upon review of the information submitted by HYSCO, we preliminarily determine that the grant pertains specifically to production of a product that is not subject merchandise. See Memorandum to the File titled "HYSCO's R&D Grants under the Act on the Promotion of the Development, Use, and Diffusion of New and Renewable Energy" (August 31, 2011) (*HYSCO New and Renewable Energy Grant Memorandum*), of which a public version is on file in the CRU. Therefore, consistent with 19 CFR 351.525(b)(5), we preliminarily determine that this grant is tied to non-subject merchandise. Hence, we preliminarily determine that the New and Renewable Energy Act did not confer a benefit during the POR.

D. Reduction in Taxes for Operation in Regional and National Industrial Complexes

Under Article 46 of the Industrial Cluster Development and Factory Establishment Act (Industrial Cluster Act), a state or local government may provide tax exemptions as prescribed by the Restriction of Special Taxation Act. In accordance with this authority, Article 276 of the Local Tax Act provides that an entity that acquires real estate in a designated industrial complex for the purpose of constructing new buildings or enlarging existing facilities is exempt from the acquisition and registration tax. In addition, the entity is exempt from 50 percent of the property tax on the real estate (*i.e.*, the land, buildings, or facilities constructed or expanded) for five years from the date the tax liability becomes effective. The exemption is increased to 100 percent of the relevant land, buildings, or facilities that are located in an industrial complex outside of the Seoul metropolitan area.

The GOK established the tax exemption program under Article 276 in December 1994, to provide incentives for companies to relocate from populated areas in the Seoul metropolitan region to industrial sites in less populated parts of the country. The program is administered by the local tax officials of the county where the industrial complex is located.

During the POR, pursuant to Article 276 of the Local Tax Act, HYSCO received exemptions from the acquisition tax, registration tax, and property tax based on the location of its manufacturing facilities, Suncheon Works, in the Yulchon Industrial Complex, a government-sponsored industrial complex designated under the Industrial Cluster Act. In addition, HYSCO received an exemption from the local education tax during the POR. The local education tax is levied at 20 percent of the property tax. The property tax exemption, therefore, results in an exemption of the local education tax.

In the *CFS Paper Investigation*, the Department determined that the tax exemptions under Article 276 of the Local Tax Act are countervailable subsidies. See *Coated Free Sheet Paper from the Republic of Korea: Notice of Final Affirmative Countervailing Duty Determination*, 72 FR 60639 (October 25, 2007) (*CFS Paper Investigation*), and accompanying Issues and Decision Memorandum at "Reduction in Taxes for Operation in Regional and National Industrial Complexes" (*CFS Paper Decision Memorandum*).

Dividing the total tax exemptions received under this program during the POR by HYSCO's total sales for the POR results in a net subsidy rate of less than 0.005 percent *ad valorem*. Consistent with the Department's practice, we find that the benefits received under this program are not measurable and, therefore, we have not included any benefits under this program in the net subsidy rate. See, *e.g.*, CORE from Korea 2006 Decision Memorandum at "GOK's Direction of Credit" section. We will continue to examine this program in future reviews.

E. Overseas Resource Development Program: Loan From Korea Resources Corporation (KORES)

In *Final Results of CORE from Korea 2006*, the Department found that the GOK enacted the Overseas Resource Development (ORD) Business Act in order to establish the foundation for securing the long-term supply of essential energy and major material minerals, which are mostly imported because of scarce domestic resources.

⁴ If the ratio of small to medium-sized companies in a consortium is above two-thirds, the GOK provides grants up to one-half of the project costs. See GOK's December 10, 2010, QR, Exhibit P-1.

See *Preliminary Results of CORE from Korea 2006*, 73 FR 52315; 52326 (September 9, 2008) unchanged in *Final Results of CORE from Korea 2006*, 74 FR 2512 (January 15, 2009), and accompanying Issues and Decision Memorandum at “Programs Determined To Be Not Used” section. Pursuant to Article 11 of this Act, MKE annually announces its budget and the eligibility criteria to obtain a loan from MKE. See GOK’s May 25, 2011, QR at Exhibit A–9. Any company that meets the eligibility criteria may apply for a loan to MKE. *Id.* The loan evaluation committee evaluates the applications, selects the recipients and gets approval from the minister of MKE. *Id.* For projects related to the development of strategic mineral resources, the Korean Resources Corporation (KORES) lends the funds to the company for foreign resources development. *Id.*

During the POR, HYSCO obtained loans from KORES for investment in a copper mine in Mexico. See HYSCO’s December 22, 2009, QR at 11, Exhibit 8 at 24, HYSCO’s April 22, 2011 QR at Exhibit A–8 and HYSCO’s May 25, 2011, QR at Exhibit A–14. Based upon examination of the loan documents, we preliminarily determine that the KORES loans are tied to copper, which is non-subject merchandise. Further, we find that copper is not an input primarily dedicated to the production of subject merchandise. On this basis, we find the KORE loans are attributable to non-subject merchandise. See 19 CFR 351.525(b)(5). Therefore, we preliminarily determine that HYSCO did not receive a benefit from this program with respect to the subject merchandise during the POR.

F. Overseas Resource Development Program: Loan From Korea National Oil Corporation (KNOC)

In *Final Results of CORE from Korea 2007*, the Department found that the GOK enacted the Overseas Resource Development (ORD) Business Act in order to establish the foundation for securing the long-term supply of essential energy and major material minerals, which are mostly imported because of scarce domestic resources. See *Preliminary Results of CORE from Korea 2007*, 74 FR 46100; 46107–46108 (September 8, 2010) unchanged in *Final Results of CORE from Korea 2007* 74 FR 55192 (October 27, 2008). Pursuant to Article 11 of this Act, the MKE annually announces its budget and the eligibility criteria to obtain a loan from MKE. See GOK’s April 22, 2011, QR at Exhibit A–1. Any company that meets the eligibility criteria may apply for a loan to MKE. *Id.* For projects that are related

to petroleum and natural gas, the Korea National Oil Corporation (KNOC) lends the funds to the company for foreign resources development. *Id.* An approved company enters into a borrowing agreement with KNOC for the development of the selected resource. *Id.* Two types of loans are provided under this program: “General loans” and “success-contingent loans.” For a success-contingent loan, the repayment obligation is subject to the results of the development project. In the event that the project fails, the company will be exempted for all or a portion of the loan repayment obligation. However, if the project succeeds, a portion of the project income is payable to KNOC. *Id.*

During the POR, HYSCO obtained loans from KNOC related to petroleum exploration projects. See HYSCO’s December 22, 2009, questionnaire response (QR) at 11 and Exhibit 8 at 24, HYSCO’s March 17, 2011, QR at 11 and Exhibit A–2 and HYSCO’s April 22, 2011, QR at Exhibits A–9 and A–12. Based upon examination of the loan documents, we preliminarily determine that the KNOC loans are tied to petroleum exploration, which does not involve subject merchandise. On this basis, we find the KNOC loans are attributable to non-subject merchandise. See 19 CFR 351.525(b)(5). Therefore, we preliminarily determine that HYSCO did not receive a benefit from this program with respect to the subject merchandise during the POR. We will continue to examine this program in future reviews.

III. Programs for Which Additional Information Is Required

Restriction of Special Taxation Act (RSTA) Article 26

HYSCO indicated that it used Article 26 under the Restriction of Special Taxation Act (RSTA Article 26) during the 2009 POR. The Department issued supplemental questionnaires to the GOK to gather additional information needed for our analysis of the specificity of this program. The GOK submitted its latest questionnaire response regarding the RSTA Article 26 program shortly before the due date of the preliminary results. See the GOK’s August 17, 2011, questionnaire response. As a result, we were unable to incorporate the information in the GOK’s response into our preliminary findings. Therefore, we will address this program in a post-preliminary decision memorandum.

IV. Programs Preliminarily Determined To Be Not Used

We preliminarily determine that the following programs were not used by HYSCO during the POR:

- Reserve for Research and Manpower Development Fund Under RSTA Article 9 (TERCL Article 8).
- RSTA Article 11: Tax Credit for Investment in Equipment to Development Technology and Manpower (TERCL Article 10).
- Reserve for Export Loss Under TERCL Article 16.
- Reserve for Overseas Market Development Under TERCL Article 17.
- Reserve for Export Loss Under TERCL Article 22.
- Exemption of Corporation Tax on Dividend Income from Overseas Resources Development Investment Under TERCL Article 24.
- Reserve for Investment (Special Cases of Tax for Balanced Development Among Areas Under TERCL Articles 42–45).
- Tax Credits for Specific Investments Under TERCL Article 71.
- Asset Revaluation Under Article 56(2) of the Tax Reduction and Exemption Control Act (TERCL).
- RSTA Article 94: Equipment Investment to Promote Workers Welfare (TERCL Article 88).
- Electricity Discounts Under the Requested Loan Adjustment Program.
- Electricity Discounts Under the Emergency Load Reductions Program.
- Export Industry Facility Loans and Specialty Facility Loans.
- Exemption of VAT on Imports of Anthracite Coal.
- Short-Term Trade Financing Under the Aggregate Credit Ceiling Loan Program Administered by the Bank of Korea.
- Industrial Base Fund.
- Excessive Duty Drawback.
- Private Capital Inducement Act.
- Scrap Reserve Fund.
- Short-Term Document Acceptance (D/A) Financing Provided Under KEXIM’s Trade Rediscount Program.
- Special Depreciation of Assets on Foreign Exchange Earnings.
- Export Insurance Rates Provided by the Korean Export Insurance Corporation.
- Loans from the National Agricultural Cooperation Federation.
- Tax Incentives from Highly Advanced Technology Businesses Under the Foreign Investment and Foreign Capital Inducement Act.
- Other Subsidies Related to Operations at Asan Bay; Provision of Land and Exemption of Port Fees Under the Harbor Act.

- D/A Loans Issued by the Korean Development Bank and Other Government-Owned Banks.
- R&D Grants under the Promotion of Industrial Technology Innovation Act.
- Export Loans by Commercial Banks Under KEXIM's Trade Bill Rediscounting Program.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 2009, through December 31, 2009, we preliminarily determine the net subsidy rate for HYSCO to be 0.11 percent *ad valorem*, a *de minimis* rate. See 19 CFR 351.106(c)(1).

The Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of the final results of this review. If the final results remain the same as these preliminary results, the Department will instruct CBP to liquidate without regard to countervailing duties all shipments of subject merchandise produced by HYSCO, entered, or withdrawn from warehouse, for consumption from January 1, 2009, through December 31, 2009. The Department will also instruct CBP to collect cash deposits of zero percent on shipments of the subject merchandise produced by HYSCO, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

We will instruct CBP to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by this order, but not examined in this review, are those established in the most recently completed administrative proceeding for each company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

Disclosure and Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise indicated by the Department, case briefs must be

submitted within 30 days after the publication of these preliminary results. See 19 CFR 351.309(c)(1)(ii). Rebuttal briefs, which are limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs, unless otherwise specified by the Department. See 19 CFR 351.309(d)(1). Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue; and (2) a brief summary of the argument. Parties submitting case and/or rebuttal briefs are requested to provide the Department copies of the public version on disk. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310(c), within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs.

Pursuant to 19 CFR 351.305(b)(4), representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(i), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: August 24, 2011.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2011-22325 Filed 8-30-11; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XA671

Pacific Fishery Management Council (Council); Work Session To Review Proposed Salmon Methodology Changes

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and

Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Pacific Fishery Management Council's Salmon Technical Team (STT), Scientific and Statistical Committee (SSC) Salmon Subcommittee, and Model Evaluation Workgroup (MEW) will review proposed salmon methodology and conservation objective changes in a joint work session, which is open to the public.

DATES: The work session will be held Tuesday, October 4, 2011, from 9 a.m. to 4:30 p.m., and Wednesday, October 5, 2011 from 9 a.m. to 4 p.m.

ADDRESSES: The work session will be held at the Pacific Council Office, Large Conference Room, 7700 NE Ambassador Place, Suite 101, Portland, OR 97220-1384.

FOR FURTHER INFORMATION CONTACT: Mr. Chuck Tracy, Salmon Management Staff Officer, Pacific Fishery Management Council; telephone: (503) 820-2280.

SUPPLEMENTARY INFORMATION: The purpose of the work session is to brief the STT and SSC Salmon Subcommittee on proposed changes to methods and standards used to manage ocean salmon fisheries. The work session will potentially include review of an abundance-based management framework for Lower Columbia River tulle fall Chinook, review of a harvest model for Sacramento River Winter-Run Chinook, a review and evaluation of preseason and postseason mark-selective fisheries both north and south of Cape Falcon, and an analysis of bias in Chinook and Coho Fishery Regulation Assessment Models due to multiple encounters in mark-selective fisheries.

Although non-emergency issues not contained in the meeting agenda may come before the STT, SSC Salmon Subcommittee, and MEW for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this notice that require emergency action under Section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Mr.