

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014–2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: On September 2, 2016, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of the third administrative review of the antidumping duty order on large power transformers from the Republic of Korea. The review covers five producers/exporters of the subject merchandise, Hyosung Corporation (Hyosung), Hyundai Heavy Industries Co., Ltd. (Hyundai), Iljin, Iljin Electric Co., Ltd. (Iljin Electric), and LSIS Co., Ltd. (LSIS). Iljin, Iljin Electric and LSIS, were not selected for individual examination. The period of review is August 1, 2014, through July 31, 2015. As a result of our analysis of the comments and information received, these final results differ from the preliminary results of review. For the final weighted-average dumping margins, *see* the “Final Results of Review” section below.

DATES: *Effective Date:* March 13, 2017.

FOR FURTHER INFORMATION CONTACT: John Drury (Hyosung) or Moses Song (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-0195 or (202) 482-5041, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On September 2, 2016, the Department published the *Preliminary Results*.¹ A summary of the events that occurred since the Department published these results, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.²

¹ *See Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2014–2015*, 81 FR 60672 (September 2, 2016) (*Preliminary Results*).

² *See Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, from Gary Taverman, Associate*

Scope of the Order

The scope of this order covers large liquid dielectric power transformers (LPTs) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080, and 8504.90.9540. For a complete description of the scope of the order, *see* Appendix I.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum. A list of the issues raised by parties is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on our review of the record and comments received from interested parties, we made certain changes to the margin calculations for Hyosung and Hyundai. For Hyosung, the Department has relied on partial facts available under section 776(a)(1) of the Act with respect to adjustments to the cost of manufacturing and U.S. gross unit price for certain sales. In addition, the Department has relied on partial adverse facts available under sections 776(a) and (b) of the Act with respect to ocean freight expenses for certain sales made by Hyosung. Furthermore, pursuant to section 776(a) and (b) of the Act, the Department has relied upon total facts otherwise available, with adverse

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled “Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2014–2015”, dated concurrently with this notice (Issues and Decision Memorandum).

inferences, for Hyundai’s dumping margin. For a discussion of these changes, *see* the “Margin Calculations” section of the Issues and Decision Memorandum. As a result of these changes, the weighted-average dumping margin also changes for the three companies not selected for individual examination.

Final Results of the Review

The final weighted-average dumping margins are as follows:

Manufacturer/exporter	Weighted-average dumping margin (percent)
Hyosung Corporation	2.99
Hyundai Heavy Industries Co., Ltd	60.81
Iljin Electric Co., Ltd	2.99
Iljin	2.99
LSIS Co., Ltd	2.99

Disclosure

We will disclose the calculations performed to parties in this proceeding within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Duty Assessment

The Department shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.³ For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer’s examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), for each respondent we calculated importer (or customer)-specific *ad valorem* rates by aggregating

³ In these final results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

the amount of dumping calculated for all U.S. sales to that importer or customer and dividing this amount by the total entered value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we will apply the assessment rate to the entered value of the importer's/customer's entries during the review period.

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these final results, as provided by section 751(a)(2) of the Act: (1) The cash deposit rate for respondents noted above will be the rate established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 22.00 percent, the all-others rate established in the antidumping investigation.⁴ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the period of review. Failure to comply with this requirement could result in the Department's presumption

that reimbursement of antidumping and/or countervailing duties did occur and the subsequent assessment of doubled antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: March 6, 2017.

Ronald K. Lorentzen,

Acting Assistant Secretary for Enforcement and Compliance.

Appendix I—Scope of the Order

The scope of this order covers LPTs having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete.

Incomplete LPTs are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of LPTs. The "active part" of the transformer consists of one or more of the following when attached to or otherwise assembled with one another: The steel core or shell, the windings, electrical insulation between the windings, the mechanical frame for an LPT.

The product definition encompasses all such LPTs regardless of name designation, including but not limited to step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, and power rectifier transformers.

The LPTs subject to this order are currently classifiable under subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Appendix II—List of Topics Discussed in the Final Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Order

- V. Margin Calculation
- VI. Application of Total Facts Available with Regard to Hyundai
- VII. Selection of Adverse Facts Available (AFA) Rate
- VIII. Rate for Unexamined Respondents
- IX. Discussion of the Issues
 - A. Hyundai-Specific Issues
 - Comment 1: Application of Total Adverse Facts Available
 - Comment 2: Corrections to the Draft Liquidation Instructions
 - Comment 3: Moot Arguments
 - B. Hyosung-Specific Issues
 - Comment 4: The Department's Application of Expense Revenue Caps
 - Comment 5: Should the Department Continue to Apply Expense Revenue Caps, It Should Correct Hyosung's U.S. Inland Freight Cap
 - Comment 6: The Department Should Grant Hyosung a Commission Offset
 - Comment 7: The Department Should Correct Certain Clerical Errors in its *Preliminary Results*
 - Comment 8: The Department Should Not Conduct a Differential Pricing Analysis in the Final Results
 - Comment 9: Hyosung's Allocations for Costs and Prices of Spare Parts and Accessories Are Not Reasonable and Should Be Rejected
 - Comment 10: Hyosung Misreported the Physical Characteristics for Certain Sales
 - Comment 11: Hyosung Failed to Reconcile Its Reported U.S. Sales Data to Its Normal Books and Records
 - Comment 12: Hyosung's Reported Increases to U.S. Prices Are Not Supported by Sales Documentation Generated in Its Normal Course of Business
 1. Freight and Sales Revenues Not Supported by the Record
 2. Hyosung's Commercial Invoices Are Not Reliable
 3. Hyosung's Invoices Show Incorrect Amounts
 4. Hyosung's Reported Warehouse Expenses and Storage Revenues Are Not Correct
 5. Hyosung's Reconciled U.S. Sales Database Is Reliable
 - Comment 13: The Department Should Not Accept Hyosung's Understated Ocean Freight Expenses for U.S. Sales
 - Comment 14: The Department Must Not Accept Hyosung's Reported Cost of Manufacture Data
 - Comment 15: Application of Total Adverse Facts Available Is Not Warranted for The Final Results
 - Comment 16: If The Department Relies On Any Portion of Hyosung's Data Then Additional Corrections Should Be Made in the Final Results
 - Comment 17: Date of Sale
- X. Recommendation

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⁴ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).