used the audited financial statement of 2005–2006 Infiniti Modules Pvt. Ltd. (Infiniti Modules).

We are preliminarily granting an offset to Since Hardware for its scrap steel sales. *See* Factors Valuation Memorandum at page 3.

Currency Conversion

Where necessary, the Department made currency conversions into U.S. dollars, in accordance with section 773(A) of the Act, based on the exchange rates in effect on the date of the U.S. sale, as certified by the Federal Reserve Board.

Preliminary Results of Review

We preliminarily determine that the following antidumping duty margins exist:

Exporter	Margin (percent)
Since Hardware	52.06

Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate assessment instructions directly to CBP 15 days after the date of publication of the final results of this review. For assessment purposes, where possible, we calculated importer-specific ad valorem assessment rates for ironing tables from the PRC based on the ratio of the total amount of the dumping duties calculated for the examined sales to the total entered value of those same sales. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above de minimis. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of these reviews and for future deposits of estimated duties, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be established in the final results of this review (except, if the rate is zero or *de minimis, i.e.,* less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 157.68 percent (*see Amended Final and Order*); and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Public Comment

The Department will disclose calculations performed in connection with the preliminary results of this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing will be held 37 days after the publication of this notice, or the first workday thereafter unless the Department alters the date pursuant to 19 CFR 351.310(d). Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Requests for a public hearing should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) to the extent practicable, an identification of the arguments to be raised at the hearing.

Unless otherwise notified by the Department, interested parties may submit case briefs within 30 days of the date of publication of this notice in accordance with 19 CFR 351.309(c)(1)(ii). As part of the case brief, parties are encouraged to provide a summary of the arguments and a table of authorities in accordance with 19 CFR 351.309(c)(2). Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the case brief is filed in accordance with 19 CFR 351.309(d). If a hearing is held, an interested party may make an affirmative presentation only on arguments included in that party's case brief and may make a rebuttal presentation only on arguments included in that party's rebuttal brief in accordance with 19 CFR 351.310(c). Parties should confirm by telephone the time, date, and place of the hearing within 48 hours before the scheduled time. The Department will issue the final results of this review, which will include the results of its analysis of issues raised in the briefs, not later than 120 days after the date of publication of this notice in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties. These preliminary results of administrative review are issued and this notice is published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 7, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 2010–22898 Filed 9–13–10; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–580–851]

Dynamic Random Access Memory Semiconductors 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 is conducting an administrative review of the countervailing duty order on dynamic random access memory semiconductors from the Republic of Korea for the period January 1, 2008, through August 10, 2008. We preliminarily find that Hynix Semiconductor, Inc. received countervailable subsidies during the period of review. If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection to assess

countervailing duties as detailed in 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*: September 14, 2010.

FOR FURTHER INFORMATION CONTACT: Shane Subler or Jennifer Meek, Office of AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 3069, 14th Street, and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0189 and (202) 482–2778, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 11, 2003, the Department of Commerce ("the Department") published a countervailing duty order on dynamic random access memory semiconductors ("DRAMS") From the Republic of Korea ("Korea"). *See Notice of Countervailing Duty Order: Dynamic Random Access Memory Semiconductors From the Republic of Korea,* 68 FR 47546 (August 11, 2003) ("*CVD Order*"). On August 14, 2009, we published a notice of "Opportunity to Request Administrative Review" for this countervailing duty order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review,* 74 FR 41120 (August 14, 2009). On August 18, 2009, we received a request for review from Hynix Semiconductor, Inc. ("Hynix"). On August 21, 2009, we received a request for review of Hynix and its affiliates from the petitioner, Micron Technology, Inc. ("Micron"). In accordance with 19 CFR 351.221(c)(1)(i), we published a notice of initiation of the review on September 22, 2009. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 74 FR 48224 (September 22, 2009).

On December 22, 2009, we issued countervailing duty questionnaires to the Government of Korea ("GOK") and Hynix. We received responses to these questionnaires on February 25, 2010, and February 26, 2010, from Hynix and the GOK, respectively. On May 27, 2010, we issued supplemental questionnaires to Hynix and the GOK. We received responses on June 3, 2010, and June 25, 2010, respectively.

We received new subsidy allegations from Micron on October 5, 2009.[1] On December 22, 2009, we initiated an investigation of preferential income tax treatment for Hynix's 2001 and 2002 debt restructurings. *See* Memorandum to Susan Kuhbach, Director, Office 1, "Sixth Countervailing Duty Administrative Review: Dynamic Random Access Memory Semiconductors From Korea: New Subsidy Allegations Memorandum" (December 22, 2009) ("NSA Memo"), available in the Central Records Unit, Room 1117 of the main Department building.

On April 20, 2010, we published a postponement of the preliminary results in this review until September 7, 2010. *See Dynamic Random Access Memory Semiconductors From the Republic of Korea: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review,* 75 FR 20564 (April 20, 2010).

Scope of the Order

The products covered by the order are DRAMS from Korea, whether assembled or unassembled. Assembled DRAMS include all package types. Unassembled DRAMS include processed wafers, uncut die, and cut die. Processed wafers fabricated in Korea, but assembled into finished semiconductors outside Korea are also included in the scope. Processed wafers fabricated outside Korea and assembled into finished semiconductors in Korea are not included in the scope.

The scope of the order additionally includes memory modules containing DRAMS from Korea. A memory module is a collection of DRAMS, the sole function of which is memory. Memory modules include single in-line processing modules, single in-line memory modules, dual in-line memory modules, small outline dual in-line memory modules, Rambus in-line memory modules, and memory cards or other collections of DRAMS, whether unmounted or mounted on a circuit board. Modules that contain other parts that are needed to support the function of memory are covered. Only those modules that contain additional items which alter the function of the module to something other than memory, such as video graphics adapter boards and cards, are not included in the scope. The order also covers future DRAMS module types.

The scope of the order additionally includes, but is not limited to, video random access memory and synchronous graphics random access memory, as well as various types of DRAMS, including fast page-mode, extended data-out, burst extended data-out, synchronous dynamic RAM, Rambus DRAM, and Double Data Rate DRAM. The scope also includes any future density, packaging, or assembling of DRAMS. Also included in the scope of the order are removable memory modules placed on motherboards, with or without a central processing unit, unless the importer of the motherboards certifies with U.S. Customs and Border Protection ("CBP") that neither it, nor a party related to it or under contract to it, will remove the modules from the motherboards after importation. The scope of the order does not include DRAMS or memory modules that are re-imported for repair or replacement.

The DRAMS subject to the order are currently classifiable under subheadings 8542.21.8005, 8542.21.8020 through 8542.21.8030, and 8542.32.0001 through 8542.32.0023 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The memory modules containing DRAMS from Korea, described above, are currently classifiable under subheadings 8473.30.1040, 8473.30.1080, 8473.30.1140, and 8473.30.1180 of the HTSUS. Removable memory modules placed on motherboards are classifiable under subheadings 8443.99.2500, 8443.99.2550, 8471.50.0085, 8471.50.0150, 8517.30.5000, 8517.50.1000, 8517.50.5000, 8517.50.9000, 8517.61.0000, 8517.62.0010, 8517.62.0050, 8517.69.0000, 8517.70.0000, 8517.90.3400, 8517.90.3600, 8517.90.3800, 8517.90.4400, 8542.21.8005, 8542.21.8020, 8542.21.8021, 8542.21.8022, 8542.21.8023, 8542.21.8024, 8542.21.8025, 8542.21.8026, 8542.21.8027, 8542.21.8028, 8542.21.8029, 8542.21.8030, 8542.31.0000, 8542.33.0000, 8542.39.0000, 8543.89.9300, and 8543.89.9600 of the HTSUS. However, the product description, and not the HTSUS classification, is dispositive of whether merchandise imported into the United States falls within the scope.

Scope Rulings

On December 29, 2004, the Department received a request from Cisco Systems, Inc., to determine whether removable memory modules placed on motherboards that are imported for repair or refurbishment are within the scope of the order. *See CVD Order.* The Department initiated a scope inquiry pursuant to 19 CFR 351.225(e) on February 4, 2005. On January 12, 2006, the Department issued a final

[1] *See* submission from Micron to the Department, Re: Dynamic Random Access Memory Semiconductors From Korea: New Subsidy Allegations (October 5, 2009) ("New Subsidy Allegations").

scope ruling, finding that removable memory modules placed on motherboards that are imported for repair or refurbishment are not within the scope of the *CVD Order* provided that the importer certifies that it will destroy any memory modules that are removed for repair or refurbishment. *See* Memorandum from Stephen J. Claeys to David M. Spooner, regarding Final Scope Ruling, Countervailing Duty Order on DRAMs From the Republic of Korea (January 12, 2006).

Period of Review

The period for which we are measuring subsidies, *i.e.,* the period of review ("POR"), is January 1, 2008, through August 10, 2008.

Changes in Ownership

Effective June 30, 2003, the Department adopted a new methodology for analyzing privatizations in the countervailing duty context. *See Notice of Final Modification of Agency Practice Under Section 123 of the Uruguay Round Agreements Act,* 68 FR 37125 (June 23, 2003). The Department's new methodology is based on a rebuttable "baseline" presumption that non-recurring, allocable subsidies continue to benefit the subsidy recipient throughout the allocation period (which normally corresponds to the average useful life ("AUL") of the recipient's assets). However, an interested party may rebut this baseline presumption by demonstrating that, during the allocation period, a change in ownership occurred in which the former owner sold all or substantially all of a company or its assets, retaining no control of the company or its assets, and that the sale was an arm's-length transaction for fair market value. Hynix's ownership changed during the AUL period as a result of debt-to-equity conversions in December 2002 and various asset sales. In addition, Hynix reported that its ownership changed in 2006 because Hynix's Share Management Council decreased its ownership share in Hynix from 50.6 percent to 36 percent. However, in this administrative review, Hynix did not challenge this baseline presumption. *See* Hynix's February 25, 2010, questionnaire response at 13.

Subsidies Valuation Information

Allocation Period

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the AUL of the renewable physical assets used to produce the subject merchandise. Section 351.524(d)(2) of the Department's regulations creates a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System (the "IRS Tables"). For DRAMS, the IRS Tables prescribe an AUL of five years. During this review, none of the interested parties disputed this allocation period. Therefore, we continue to allocate non-recurring benefits over the five-year AUL.

Discount Rates and Benchmarks for Loans

For loans that we found countervailable in the investigation or in the prior administrative reviews, and which continued to be outstanding during the POR, we have used the benchmarks from the prior administrative reviews.

For long-term, won-denominated loans originating in 1986 through 1995, we used the average interest rate for three-year corporate bonds as reported by the Bank of Korea ("BOK") or the International Monetary Fund's ("IMF's") *International Financial Statistics Yearbook.*

For long-term won-denominated loans that originated in the years in which we previously determined Hynix to be uncreditworthy (2000 through 2003), we used the formula described in 19 CFR 351.505(a)(3)(iii) to determine the benchmark interest rate. We did not use the rates on Hynix's corporate bonds for 2000–2003 for any calculations because Hynix either did not obtain bonds or obtained bonds through countervailable debt restructurings during those years. For the probability of default by an uncreditworthy company, we used the average cumulative default rates reported for the Caa- to C-rated category of companies as published in Moody's Investors Service, "Historical Default Rates of Corporate Bond Issuers, 1920–1997" (February 1998). For the probability of default by a creditworthy company, we used the cumulative default rates for investment grade bonds as published in Moody's Investors Service: "Statistical Tables of Default Rates and Recovery Rates" (February 1998). For the commercial interest rates charged to creditworthy borrowers, we used the rates for won-denominated corporate bonds as reported by the BOK and the U.S. dollar lending rates published by the IMF for each year.

For countervailable short-term and long-term foreign currency-denominated loans, pursuant to 19 CFR 351.505(a)(2)(iv), we would normally use an annual average of the interest rates on comparable commercial loans during the year in which the government-provided loans were taken out. For countervailable variable-rate loans outstanding during the POR, pursuant to 19 CFR 351.505(a)(5)(i), we used the interest rates of variable-rate lending instruments issued during the year in which the government loans were issued. Where such loans were unavailable, the Department, consistent with 19 CFR 351.505(a)(3)(ii), followed our prior practice and relied upon lending rates reported in the IMF's *International Financial Statistics Yearbook. See Final Affirmative Countervailing Duty Determination: Dynamic Random Access Memory Semiconductors From the Republic of Korea,* 68 FR 37122 (June 23, 2003) and accompanying Issues and Decision Memorandum at 5–7.

Analysis of Programs

I. Program Preliminarily Determined To Confer Subsidies—Income Tax Treatment of Hynix's Debt Restructurings

In the NSA Memo, we initiated an investigation into the tax treatment of Hynix's debt restructurings under which Hynix issued shares in 2002 and 2003. In their respective February 25, 2010 and February 26, 2010, questionnaire responses, Hynix and the GOK responded to the Department's standard questions on this program and provided additional explanation. On May 27, 2010, we sent a supplemental questionnaire to the GOK on this program. The GOK responded on June 25, 2010.

Based on information in the GOK's and Hynix's responses, we preliminarily find the GOK's tax treatment of the debt-for-equity swap for which Hynix issued shares in 2002 to be countervailable.[2] A ruling by the Korean tax authority in 2000 (Bubin 46012–1608, July 20, 2000) established new rules for the tax treatment of debt-for-equity swaps by companies undergoing voluntary restructuring. The ruling stated:

> In case a domestic corporation carries out debt-equity swap in accordance with the corporate normalization plan, with respect to the amount accounted, pursuant to the corporate financial accounting standards, as debt exemption gains resulting from the amount of difference between the issuance price of the concerned stock and its market price, said amount ought to be deemed as the

[2] In the NSA Memo, we initiated an investigation into the GOK's tax treatment of the debt-for-equity swaps for which Hynix issued shares in 2002 and 2003. Based on proprietary information in Hynix's February 25, 2010, questionnaire response, however, we preliminarily find that only the 2002 issuance applies to this POR. *See* Memorandum from Shane Subler to Susan Kuhbach, "Preliminary Results Calculations for Hynix Semiconductor, Inc.," (September 7, 2010).

amount in excess of the par value of the stock shares issued * * * and as such, said amount shall not be included into the taxable income or deductible expense of each (applicable) business year.[3]

General Korean tax principles treat decreased liabilities through the exemption or lapse of debts as a taxable gain for income tax purposes.[4] Under the Bubin 46012–1608 ruling, however, the GOK deemed that any gain from debt forgiveness occurring through a debt-for-equity swap could be excluded from taxable income.

On June 7, 2002, in the context of its restructuring under the GOK's Corporate Restructuring Promotion Act ("CRPA"), Hynix converted bonds to equity and issued shares to its creditors. Hynix's 2002 financial statements show that the issue price of these shares exceeded the market value of the shares on June 7, 2002.[5] Because of the Bubin 46012–1608 ruling, Hynix did not include the difference between the issue price and the market price of the shares as a gain for its 2002 tax year taxable income. Due to losses and loss carryforwards in 2002 and subsequent years, the exclusion of this amount from Hynix's taxable income in 2002 did not affect the amount of taxes owed by Hynix until tax year 2007.

We preliminarily find that the exclusion of the gain from Hynix's taxable income constitutes a financial contribution within the meaning of section 771(5)(D)(ii) of the Tariff Act of 1930, as amended ("the Act"), because the GOK forewent income tax revenue that it otherwise would have collected in the absence of the exclusion. We also find that Hynix received a benefit under 19 CFR 351.509(a) because the exemption reduced the base (*i.e.,* Hynix's taxable income) used to calculate Hynix's income taxes for the 2007 tax year. Thus, a benefit exists to the extent that the income taxes paid by Hynix as a result of the exclusion were less than the taxes Hynix would have paid in the absence of the exclusion. Regarding timing, under 19 CFR 351.509(b), the Department will normally consider the date of receipt of a benefit from a tax exemption or remission as the date on which the firm filed its tax return. Because Hynix received this benefit when it filed its 2007 tax year tax return, we preliminarily find that Hynix received the benefit during the POR.

Regarding specificity, in our May 27, 2010, supplemental questionnaire, we asked the GOK to report the number of companies that underwent debt-for-equity swaps in the ROK from 2001 through 2003. The GOK responded that it does not maintain information on which or how many companies went through debt-to-equity swaps during the period.[6] Thus, record information does not allow us to determine actual use of the program.

Section 776(a)(1) of the Act states that the Department may use "facts available" if necessary information is not on the record. Information in Hynix's financial statements and in a press release from the GOK's Financial Supervisory Service ("FSS") shows that Hynix accounted for approximately 36 percent of the debt swapped for equity under the CRPA.[7] We preliminarily determine that this percentage provides the best proxy for measuring Hynix's share of the benefit provided by the Bubin 46012–1608 ruling. We believe this is a reasonable measure because a company's share of the benefit provided by the exclusion is likely to be roughly equal to the company's share of debt-for-equity swaps under the CRPA. On this basis, we preliminarily find the exclusion to be specific to Hynix under section 771(5A)(D)(iii)(III) of the Act because Hynix received a disproportionately large share of the income tax benefits relative to its size among all companies in Korea.

To calculate the benefit under this program, in accordance with 19 CFR 351.509(a), we divided the income taxes Hynix otherwise would have paid in the absence of the exclusion by Hynix's total sales during the POR. On this basis, we preliminarily determine that Hynix received a countervailable subsidy of 2.84 percent *ad valorem.*

II. Programs Previously Determined To Confer Subsidies

We examined the following programs determined to confer subsidies in the investigation and prior administrative reviews.

A. GOK Entrustment or Direction Prior to 2004

In the investigation, the Department determined that the GOK entrusted or directed creditor banks to participate in financial restructuring programs, and to provide credit and other funds to Hynix, in order to assist Hynix through its financial difficulties. The financial assistance provided to Hynix by its creditors took various forms, including new loans, convertible and other bonds, extensions of maturities and interest rate reductions on existing debt (which we treated as new loans), Documents Against Acceptance financing, usance financing, overdraft lines of credit, debt forgiveness, and debt-for-equity swaps. The Department determined that these were financial contributions that constituted countervailable subsidies during the period of investigation.

In prior administrative reviews, the Department also found that the GOK continued to entrust or direct Hynix's creditors to provide financial assistance to Hynix throughout 2002 and 2003. The financial assistance provided to Hynix during this period included the December 2002 debt-for-equity swap and the extensions of maturities and/or interest rate deductions on existing debt.

With the exception of loans outstanding during the POR, all forms of assistance under GOK Entrustment or Direction Prior to 2004 were either fully allocated prior to the POR or were not outstanding during the POR. Thus, we have only calculated the benefit from loans outstanding during the POR. In calculating the benefit, we have followed the same methodology used in prior administrative reviews. We followed the methodology described at 19 CFR 351.505, using the benchmarks described in the "Discount Rates and Benchmarks for Loans" section above.

We divided the total benefit from the outstanding loans by Hynix's POR sales. On this basis, we preliminarily determine the countervailable subsidy from this program to be less than 0.005 percent *ad valorem* during the POR. Therefore, consistent with our past practice, we did not include this program in our preliminary net countervailing duty rate. *See, e.g., Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty*

[3] *See* Micron's New Subsidy Allegations at 6 and Exhibit 13.

[4] *See* "Korean Taxation," Ministry of Finance and Economy (2005), at page 90, Chapter III, 5(a)(7); provided at Attachment 2 of Micron's New Subsidy Allegations. Even though the guide is a 2005 edition, the guide presents established Korean tax principles, not a set of new principles or rules for 2005.

[5] Hynix's financial statements show that the issue price of the shares was 708 won per share; the market price of Hynix's shares on June 7, 2002, was 390 won per share. *See* Hynix's 2002 Non-Consolidated Financial Statements at page 60 (in Micron's New Subsidy Allegations at Attachment 7); *see also* Micron's New Subsidy Allegations at Attachment 9.

[6] *See* the GOK's June 25, 2010, supplemental questionnaire response at 3.

[7] *See* Attachment 7 of Micron's New Subsidy Allegations (Hynix's 2002 Non-Consolidated Financial Statements at 60; *see also id.* at Attachment 8 (Hynix's 2003 Non-Consolidated Financial Statements at 45). The financial statements show that Hynix swapped debts totaling 4.84 trillion won for equity through the 2002 and 2003 stock issuances. The FSS press release (Attachment 26 of Micron's New Subsidy Allegations) shows that companies swapped a total of 13.6 trillion won of debt for equity under the CRPA. Thus, 4.84 trillion won / 13.6 trillion won = 36 percent.

Determination, 72 FR 60645 (October 25, 2007), and accompanying Issues and Decision Memorandum at 15 ("*CFS*"); and *Final Results of Countervailing Duty Administrative Review: Low Enriched Uranium from France,* 70 FR 39998 (July 12, 2005), and accompanying Issues and Decision Memorandum at "Purchases at Prices that Constitute 'More than Adequate Remuneration,'" ("*Uranium from France*") (citing *Notice of Final Results of Countervailing Duty Administrative Review and Rescission of Certain Company-Specific Reviews: Certain Softwood Lumber Products From Canada,* 69 FR 75917 (December 20, 2004), and accompanying Issues and Decision Memorandum at "Other Programs Determined to Confer Subsidies").

B. 21st Century Frontier R&D Program

The 21st Century Frontier R&D Program ("21st Century Program") was established in 1999 with a structure and governing regulatory framework similar to those of the G–7/HAN Program, and for a similar purpose, *i.e.,* to promote greater competitiveness in science and technology. The 21st Century Program provides long-term interest-free loans in the form of matching funds. Repayment of program funds is made in the form of "technology usance fees" upon completion of the project, pursuant to a schedule established under a technology execution or implementation contract.

Hynix reported that it had loans from the 21st Century Program outstanding during the POR. *See* Hynix's February 25, 2010 questionnaire response at 16–17 and Exhibit 10.

In the investigation, we determined that this program conferred a countervailable subsidy on Hynix. No interested party provided new evidence that would lead us to reconsider our earlier finding. Therefore, we continue to find that these loans confer a countervailable subsidy.

To calculate the benefit of these loans during the POR, we compared the interest actually paid on the loans during the POR to what Hynix would have paid under the benchmark described in the "Discount Rates and Benchmarks for Loans" section above. We then divided the benefit by Hynix's total sales in the POR to calculate the countervailable subsidy rate. On this basis, we preliminarily find countervailable benefits of less than 0.005 percent *ad valorem* during the POR. Therefore, consistent with our past practice, we did not include this program in our preliminary net countervailing duty rate. *See CFS* and *Uranium from France.*

C. Import Duty Reduction Program for Certain Factory Automation Items

Article 95(1).4 of the Korean Customs Act provides for import duty reductions on imports of "machines, instruments and facilities (including the constituent machines and tools) and key parts designated by the Ordinance of the Ministry of Finance and Economy for a factory automatization applying machines, electronics or data processing techniques."

Hynix reported that it had received duty reductions under this program during the POR. *See* Hynix's February 25, 2010 questionnaire response at 17–18 and Exhibit 13.

In a prior administrative review, the Department found that the above program provided a financial contribution in the form of revenue forgone and a benefit in the amount of the duty savings. *See Dynamic Random Access Memory Semiconductors from the Republic of Korea: Final Results of Countervailing Duty Administrative Review,* 73 FR 14218 (March 17, 2008), and the accompanying Issues and Decision Memorandum at 6—7 and Comment 6. The Department also found the program to be *de facto* specific under section 771(5A)(D)(iii)(III) of the Act. *Id.* No interested party provided new evidence that would lead us to reconsider our earlier finding. Therefore, we continue to find that these duty reductions confer a countervailable subsidy.

To calculate the benefit, we divided the total duty savings Hynix received during the POR by Hynix's total sales during the POR. On this basis, we preliminarily find countervailable benefits of less than 0.005 percent *ad valorem* during the POR. Therefore, consistent with our past practice, we did not include this program in our preliminary net countervailing duty rate. *See CFS* and *Uranium from France.*

D. Import-Export Bank of Korea Import Financing

As outlined in Article 18, paragraph 1, subparagraph 4 of the Import-Export Bank of Korea ("KEXIM") Act, the "Import Financing Program" is provided to Korean importers to facilitate their purchase of essential materials, major resources, and operating equipment, the stable and timely supply of which is essential to the stability of the general economy. The equipment and materials eligible to be imported under the program fall under 13 headings listed in Article 14 of the KEXIM Business Manual. The listed items range from raw materials to factory automation equipment and include products and materials described in government notices.

Further, according to the GOK, any Korean company is eligible for the "Import Financing Program" as long as the equipment or material appears under the 13 headings of eligible items, the company can satisfy the financial criteria laid out in "KEXIM's Credit Extension Regulation," and KEXIM's Credit Extension Committee approves the financing application. Regarding the last item, the GOK stated that all decisions to offer this financing are based on the application and financial status of the applicant company.

Hynix carried balances into the POR on loans received from KEXIM under this program in 2006 and 2007. *See* Hynix's February 25, 2010 supplemental questionnaire response at 18 and Exhibit 10.

In a prior administrative review, the Department found that the above program provided a financial contribution pursuant to sections 771(5)(B)(i) and 771(5)(D)(i) of the Act, and also provided benefits equal to the difference between what Hynix paid on its loans and the amount it would have paid on comparable commercials loans within the meaning of section 771(5)(E)(ii) of the Act. *See Dynamic Random Access Memory Semiconductors from the Republic of Korea: Final Results of Countervailing Duty Administrative Review,* 74 FR 60238, 60239 (November 20, 2009). The Department also found the program to be *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act. *Id.* No interested party provided new evidence that would lead us to reconsider our earlier finding. Therefore, we continue to find this program to be countervailable.

To calculate the benefit under this program, we used the benchmarks described in the "Discount Rates and Benchmarks for Loans" section above, as well as the methodology described in 19 CFR 351.505. We then divided the benefit during the POR by Hynix's total sales during the POR. On this basis, we preliminarily determine that Hynix received a countervailable subsidy of 0.10 percent *ad valorem* under this program.

III. Programs Preliminarily Found To Have Provided No Benefits

A. KEXIM Short-Term Export Financing

KEXIM provides short-term export financing to small-, medium- and large-sized companies (not including companies included in the largest five conglomerates in the ROK, unless the company's headquarters is located

outside the Seoul Metropolitan area). The loans are not tied to particular export transactions. However, a company, along with the financing application, must provide its export performance periodically for review by KEXIM. Further, any loan agreement may only cover an amount ranging from 50 to 90 percent of the company's export performance up to 30 billion won.

Hynix carried a balance on a loan under this program during the POR and provided documentation (*e.g.* loan application, approval document, and loan agreement), as well as data regarding the loan amount and interest paid during the POR. *See* Hynix's February 25, 2010 questionnaire response at Exhibits 10, 12, and 18. Based on Hynix's submitted interest payment information for this loan, we preliminarily determine that the interest Hynix paid was greater than the interest Hynix would have paid under the benchmark interest rate. Thus, we preliminarily determine that Hynix received no benefit from these loans during the POR.

B. Export Insurance

At pages 22–25 of its February 25, 2010, questionnaire response, Hynix reported that it purchased short-term export insurance from the Korea Export Insurance Corporation ("KEIC") during the POR. On page 1 of its supplemental questionnaire response dated June 3, 2010, Hynix stated that it received no insurance payouts from the KEIC during the POR and otherwise made no claims on KEIC insurance.

Under 19 CFR 351.520(a)(2), the Department will normally calculate the benefit from an export insurance program as the difference between the amount of premiums paid by the firm and the amount received by the firm under the insurance program. Because Hynix stated that it did not receive any payouts from the KEIC during the POR, we preliminarily determine that Hynix received no benefit from this program during the POR.

IV. Programs Previously Found Not To Have Been Used or Provided No Benefits

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

A. Reserve for Research and Human Resources Development (formerly Technological Development Reserve) (Article 9 of the Restriction of Special Taxation Act ("RSTA")/formerly, Article 8 of Tax Reduction and Exemption Control Act ("TERCL"))

B. Tax Credit for Investment in Facilities for Productivity Enhancement (Article 24 of RSTA/Article 25 of TERCL)

C. Tax Credit for Investment in Facilities for Special Purposes (Article 25 of RSTA)

D. Reserve for Overseas Market Development (formerly, Article 17 of TERCL)

E. Reserve for Export Loss (formerly, Article 16 of TERCL)

F. Tax Exemption for Foreign Technicians (Article 18 of RSTA)

G. Reduction of Tax Regarding the Movement of a Factory That Has Been Operated for More Than Five Years (Article 71 of RSTA)

H. Tax Reductions or Exemption on Foreign Investments under Article 9 of the Foreign Investment Promotion Act ("FIPA")/FIPA (Formerly Foreign Capital Inducement Law)

I. Duty Drawback on Non-Physically Incorporated Items and Excessive Loss Rates

J. Electricity Discounts Under the Requested Load Adjustment ("RLA") Program

K. Import Duty Reduction for Cutting Edge Products

L. System IC 2010 Project

M. Operation G–7/HAN Program

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for Hynix, the producer/exporter covered by this administrative review. We preliminarily determine that the total estimated net countervailable subsidy rate for Hynix for the POR is 2.94 percent *ad valorem.*

If these preliminary results are adopted in our final results of this review, 15 days after publication of the final results of this review the Department will instruct CBP to liquidate shipments of DRAMS by Hynix entered or withdrawn from warehouse, for consumption from January 1, 2008, through August 10, 2008, at 2.94 percent *ad valorem* of the entered value.

On October 3, 2008, the Department published a **Federal Register** notice that, *inter alia,* revoked this order, effective August 11, 2008. *See Dynamic Random Access Memory Semiconductors From the Republic of Korea: Final Results of Sunset Review and Revocation of Order,* 73 FR 57594 (October 3, 2008). As a result, CBP is no longer suspending liquidation for entries of subject merchandise occurring after the revocation. Therefore, there is no need to issue new cash deposit instructions in the final results of this administrative review.

Public Comment

Interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed not later than five days after the date of filing the case briefs. Parties who submit briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Interested parties may request a hearing within 30 days after the date of publication of this notice. Unless otherwise specified, the hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs.

The Department will publish a notice of the final results of this administrative review within 120 days from the publication of these preliminary results.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: September 7, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–816]

Certain Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Notice of Preliminary Results of the Sixteenth Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In response to timely requests, the Department of Commerce (the Department) is conducting the sixteenth administrative review of the antidumping order on corrosion-resistant carbon steel flat products (CORE) from the Republic of Korea (Korea).[1] This review covers eight manufacturers and/or exporters (collectively, the respondents) of the subject merchandise: LG Chem., Ltd. (LG Chem); Haewon MSC Co. Ltd. (Haewon); Dongbu Steel Co., Ltd.,

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part,* 74 FR 48224, 48225 (September 22, 2009) (*Initiation Notice*).