

DEPARTMENT OF COMMERCE

International Trade Administration

(C580862)

NiResist Piston Inserts from the Republic of Korea: Final Negative
Countervailing Duty Determination

AGENCY:

Import Administration, International Trade Administration, Department of
Commerce.

SUMMARY:

The Department of Commerce (the Department) determines that countervailable
subsidies are not being provided to producers and exporters of Niresist piston
inserts from the Republic of Korea (Korea).

EFFECTIVE DATE:

(Insert Date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT:

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Washington, DC 20230; telephone: (202) 4821009.

SUPPLEMENTARY INFORMATION:

Background

This investigation covers 15 programs and a single producer/exporter, Incheon
Metal Co., Ltd. (Incheon Metal). The petitioner in this investigation is Korff
Holdings LLC dba Quaker City Castings (Petitioner).

Period of Investigation

The period of investigation (the POI) for which we are measuring subsidies is
January 1, 2008, through December 31, 2008, which corresponds to the most
recently completed fiscal year for Incheon Metal and the government of Korea
(GOK). See 19 CFR 351.204(b) (2).

Case History

On July 6, 2009, the Department published in the Federal Register the
preliminary determination in the countervailing duty investigation of Niresist
piston inserts from Korea. See NiResist Piston Inserts from the Republic of
Korea: Preliminary Negative Countervailing Duty Determination, 74 FR 31919 (July
6, 2009) (Preliminary Determination).

In accordance with section 782(i)(1) of the Tariff Act of 1930, as amended (the

Act), from July 30 through August 4, 2009, we conducted verification of the questionnaire responses submitted by the GOK and Incheon Metal (collectively, respondents). We issued the verification reports on August 14, 2009, and August 21, 2009, respectively.<FTREF/>1

1The public version of the verification report and all public reports are on file in the Central Records Unit, Room 1117 in the main building of the Department.

On August 27, 2009, we received a case brief from Petitioner. On August 31, 2009, we received a case brief from the GOK. On September 3, 2009 and September 8, 2009, we received rebuttal briefs from Incheon Metal and the GOK. No hearing was requested.

Scope of the Investigation

The scope of this investigation includes all Niresist piston inserts regardless of size, thickness, weight, or outside diameter. Niresist piston inserts may also be called other names including, but not limited to, Ring Carriers, or Alfin Inserts. Niresist piston inserts are alloyed cast iron rings, with or without a sheet metal cooling channel pressed and welded into the interior of the insert. Niresist piston inserts are composed of the material known as Niresist, of the chemical composition: 13.5% - 17.5% Ni (nickel), 5.5% - 8.0% Cu (copper), 0.8% - 2.5% Cr (chromium), 0.5% - 1.5% Mn (manganese), 1.0% - 3.0% Si (silicon), 2.4% - 3.0% C (carbon). The cast iron composition is produced primarily to the material specifications of the American Society for Testing and Materials (ASTM), ASTM A436 grade 1.

The scope of this investigation does not include piston rings nor did any other product manufacture using the Niresist material. The subject imports are properly classified under subheading 8409.99.91.90 of the Harmonized Tariff Schedule of the United States (HTSUS), but have been imported under HTSUS 7326.90. The HTSUS subheadings are provided for convenience and customs purposes. The written description is dispositive of the scope of this investigation.

Injury Test

Because Korea is a Subsidies Agreement Country within the meaning of section 701(b) of the Act, the International Trade Commission (the ITC) is required to determine whether imports of the subject merchandise from Korea materially injure, or threaten material injury, to a U.S. industry. On March 25, 2009, the ITC published its preliminary determination finding that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Korea of the subject merchandise. See NiResist Piston Inserts from Argentina and Korea, Investigation Nos. 701TA460461 (Preliminary), 74 FR 12898 (March 25, 2009).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Decision Memorandum. Attached to this notice as an Appendix is a list of the issues that parties raised and to which we have responded in the Decision Memorandum. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in

this public memorandum, which is on file in the Department's Central Records Unit. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Suspension of Liquidation

In accordance with section 705(c) (1) (B) (i) (I) of the Tariff Act of 1930 (as amended) (the Act), we have calculated an individual rate for the company under investigation, Incheon Metal which is the producer/exporter of the subject merchandise under investigation. We determine the total estimated net countervailable subsidy rates are as follows:

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Producer/Exporter

Net Subsidy Rate

Incheon Metal Co., Ltd.
de minimis percent ad valorem

All Others
de minimis percent ad valorem

In the Preliminary Determination, the total net countervailable subsidy rate was de minimis and, therefore, we did not suspend liquidation. Because the rate for Incheon Metal remains de minimis, we are not directing U.S. Customs and Border Patrol to suspend liquidation of entries of Niresist pistons from Korea.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination.

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to Administrative Protective Order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: September 14, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary
for Import Administration.

AppendixIssues and Decision Memorandum

List of Comments and Issues in the Decision Memorandum

Comment 1: Whether the Tax Benefits under the Namdong National Industrial Complex are Countervailable

Comment 2: Whether the Technical Development for Innovation Production Environment Program is de facto Specific

Comment 3: Whether the Department Should Expand the POI

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