

Petitioner

The petitioner in this investigation is Micron Technology, Inc. ("the petitioner").

Period of Investigation

The period for which we are measuring subsidies, or period of investigation ("POI"), is January 1, 2001 through June 30, 2002.

Case History

The following events have occurred since the publication of the Department of Commerce's ("the Department") notice of initiation in the **Federal Register**. See *Notice of Initiation of Countervailing Duty Investigation: Dynamic Random Access Memory Semiconductors from the Republic of Korea*, 67 FR 70927 (November 27, 2002) ("Initiation Notice").

On December 6, 2002, we issued countervailing duty questionnaires to the Government of the Republic of Korea ("GOK") and the two major producers/exporters of dynamic random access memory semiconductors ("DRAMs" or "subject merchandise") in the Republic of Korea ("ROK"), Samsung Electronics Co., Ltd. ("SEC") and Hynix Semiconductor Inc. ("Hynix") (formerly, Hyundai Electronics Industries Co., Ltd. ("HEI")).

On January 13, 2003, we published a postponement of the preliminary determination in this investigation until March 31, 2003. See *Dynamic Random Access Memory Semiconductors from the Republic of Korea: Extension of Time Limit for Preliminary Determination of Countervailing Duty Investigation*, 68 FR 1597 (January 13, 2003).

We received the companies' responses to the Department's questionnaire on January 27, 2003, and the GOK's response on February 3, 2003. On February 5 and 11, 2003, the petitioner submitted comments regarding these questionnaire responses. We issued supplemental questionnaires to the companies and the GOK on February 11 and 19, 2003, and received responses to those supplemental questionnaires on February 25 and March 4, 10, and 14, 2003. We issued a second supplemental questionnaire to SEC on March 25, 2003, and received a response to this questionnaire on March 28, 2003.

On February 20, 2003, the petitioner submitted several new subsidy allegations. The petitioner made further submissions regarding these new allegations on February 24 and 28, 2003. Hynix, SEC, and the GOK filed comments on these new subsidy allegations on February 25, 26, and 28,

respectively. SEC filed additional comments on March 4, 2003. We addressed these new subsidy allegations in a March 7, 2003, memorandum to Susan Kuhbach, *New Subsidy Allegations* ("New Subsidy Allegations Memo"), which is on file in the Department's Central Records Unit in Room B-099 of the main Department building ("CRU"). Because we initiated an investigation of two of these newly-alleged programs (as discussed in the *New Subsidy Allegations Memo*), we issued a questionnaire to the each of the respondents with respect to these new programs on March 7, 2003. We received a response to these questionnaires on March 28, 2003.

Finally, both the petitioner and the respondents, as well as other interested parties, submitted comments on the preliminary determination on March 10, 14, 18, 21, 24, 27, and 28, 2003.

Scope of Investigation

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

The scope of this investigation additionally includes memory modules containing DRAMS from the ROK. 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. This investigation also covers future DRAMS module types.

The scope of this investigation additionally includes, but is not limited to, video random access memory and synchronous graphics RAM, 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 this investigation are removable memory modules placed on motherboards, with or without a central processing unit, unless the importer of the motherboards certifies with the Customs Service 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 this investigation does not include DRAMS or memory modules that are re-imported for repair or replacement.

The DRAMS subject to this investigation are currently classifiable under subheadings 8542.21.8005 and 8542.21.8021 through 8542.21.8029 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The memory modules containing DRAMS from the ROK, described above, are currently classifiable under subheadings 8473.30.10.40 or 8473.30.10.80 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the scope of this investigation remains dispositive.

Injury Test

Because the ROK is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"), the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from the ROK materially injure, or threaten material injury to, a U.S. industry. On December 13, 2002, the ITC made its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from the ROK of the subject merchandise. See *Drams and Dram Modules from Korea*, 67 FR 79148 (December 27, 2002).

Subsidies Valuation Information**Allocation Period**

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the average useful life ("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