

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. *See also* 19 C.F.R. 351.412. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. *See* 19 C.F.R. 351.412(2)(iii). For EP, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. *See* 19 C.F.R. 351.412(2)(i). For CEP, it is the level of the constructed sale from the exporter to the affiliated importer. *See* 19 C.F.R. 351.412(c)(ii).

To determine the LOT of a sale, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. Substantial differences in selling activities are a necessary, but not sufficient condition for determining that there is a difference in the stage of marketing. *See* 19 C.F.R. 351.412(C)(2). If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the differences in the levels between NV and CEP sales affect price comparability, we adjust NV under section 773(A)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

In implementing these principles in this review, we obtained information from Mukand and the Viraj Group about the marketing stages involved in their respective U.S. and home market sales, including a description of the selling activities performed by Mukand and the Viraj Group for each channel of distribution. In identifying levels of trade for CEP, we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001). Generally, if the reported levels of trade are the same in the home and U.S. markets, the functions and

activities of the seller should be similar. Conversely, if a party reports levels of trade that are different categories of sales, the functions and activities should be dissimilar.

In the present review, while Mukand requested an LOT adjustment, the Viraj Group did not. To determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and home markets, including the selling functions, classes of customer, and selling expenses.

Mukand

In the home market ("HM"), Mukand reported three levels of trade. *See April 5, 2002 Questionnaire Response from Mukand*, at 18. Mukand sold through four channels of distribution in the HM. The Department has preliminarily determined that in each of these four channels of distribution, only minor differences in selling functions existed. *See Antidumping Duty Review of Stainless Steel Wire Rod from India: Level of Trade Analysis ("LOT Memo")*. Because the Department has preliminarily determined that only minor differences exist between selling functions in each of the four HM channels of distribution, we preliminarily determine that there is one LOT in the HM. *See LOT Memo*.

For the U.S. market, Mukand reported one level of trade. *See April 5, 2002 Questionnaire Response from Mukand* at 50. For its U.S. sales, Mukand reported two channels of distribution: EP sales made to order to an unaffiliated customer before importation; and CEP sales sold on consignment by an unaffiliated customer after importation. For details of this situation, *See Mukand Consignment Memorandum*. For its EP sales, MIL sold directly to an unaffiliated U.S. customer, and for its CEP sales, MIL sold through a U.S. customer, after importation, which sold the merchandise, or a consignment basis, to other unaffiliated customers in the United States. *See Mukand Consignment Memorandum*. All of Mukand's U.S. sales were made by its wholly-owned subsidiary MIL, which was based in London during the POR. We examined the claimed selling functions performed by MIL for all U.S. sales and have determined that MIL provided the same level of services for both its EP and CEP sales to the United States. *See LOT Memo*.

For EP sales in the U.S. market, Mukand provided the same level of services for both EP and NV sales with only minor differences. *See LOT Memo*.

Based on our analysis of the selling functions performed for sales in the HM and EP sales in the U.S. market, we preliminarily determine that there is not a significant difference in the selling functions performed in the home market and U.S. market, and that these sales are made at the same LOT. *See LOT Memo*.

In order to determine whether NV was established at a different LOT than CEP, we examined stages in the marketing process and selling functions along the LOT between Mukand and its home market customers. We compared the selling functions performed for home market sales with those performed with respect to the CEP transactions, after deductions for economic activities occurring in the United States, pursuant to section 772(d) of the Act, to determine if the home market level of trade constituted a different level of trade than the CEP level of trade. Mukand did not request a CEP offset. Nonetheless, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and the Indian markets, including the selling functions, classes of customer, and selling expenses to determine whether a CEP offset was necessary. In identifying levels of trade for CEP, we considered only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. *See LOT Memo*. Based on our analysis of the channels of distribution and selling functions performed for sales in the home market and CEP sales in the U.S. market, we preliminarily find that there is no significant difference in the selling functions performed in the home market and the U.S. market for CEP sales. *See LOT Memo*. Thus, we find that Mukand's NV and CEP sales were made at the same LOT, and no LOT adjustment or CEP offset need be granted.

The Viraj Group

In accordance with the principles discussed above, we examined information regarding the Viraj Group's distribution systems in both the United States and Indian markets, including selling functions, classes of customers, and selling expenses for the Viraj group.

The Viraj Group claimed only one level of trade in the home market. *See* the Viraj Group's April 8, 2002 submission at B-6 and October 7, 2002 submission at 1. Additionally, the Viraj Group reported that it sold through one channel of distribution in the home market: directly to unaffiliated customers (trading companies and end-users). *See* Viraj Group's April 8, 2002