

As this is a change in practice, we invite the parties to the proceeding to comment on this issue.

We relied on the COP information the respondents provided in their questionnaire responses, except for the following adjustments:

A. Colakoglu

1. Colakoglu has claimed a proprietary item as a by-product offset to its electricity production costs. Although we have treated this item as a by-product in past segments of this proceeding, we have reconsidered this position for purposes of the preliminary results. Therefore, we have reclassified this item as a co-product. Due to the proprietary nature of this information, we are unable to discuss it here.

For further discussion, see the Preliminary Calculation Memorandum from Nancy Decker to Neal Halper entitled "Cost of Production and Constructed Value Adjustments for the Preliminary Results," dated April 30, 2003.

B. Habas

1. We revised the G&A rate calculation to exclude dividend income.
2. We revised the financial expense rate calculation to include all foreign exchange gains and losses, with the exception of foreign exchange gains and losses on raw material purchases. See the policy change discussed above.

For further discussion, see the memorandum from Heidi Schriefer to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Determination," dated April 30, 2003.

C. ICDAS

1. We revised the reported total COM related to ICDAS's claim for an adjustment for start-up costs. Specifically, we revised the start-up adjustment to reflect an earlier end to the start-up period. In addition, we decreased the time period used to amortize costs related to the difference between the actual costs and the cost of production calculated for the start-up costs.

2. We reclassified the foreign exchange gains earned by ICDAS on home market sales made in foreign currency from G&A expense to financial expense. In addition, we revised the financial expense rate calculation to include all foreign exchange gains and losses, with the exception of foreign exchange gains and losses on raw material purchases. See the policy change discussed above.

For further discussion, see the memorandum from Sheikh M. Hannan

to Neal Halper entitled "Cost of Production and Constructed Value Adjustments for the Preliminary Results," dated April 30, 2003.

2. Test of Home Market Sales Prices

We compared the weighted-average COP figures to home market prices of the foreign like product, as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. On a product-specific basis, we compared the COP to home market prices, less any applicable movement charges, selling expenses, and packing expenses.

Regarding the indirect selling expense ratios calculated for certain of ICDAS's affiliated resellers, we note that the ratios provided at verification contain errors. See the memorandum from Irina Itkin and Elizabeth Eastwood to Louis Apple entitled "Verification of the Sales Questionnaire Responses of Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S. in the Antidumping Duty Administrative Review on Certain Steel Concrete Reinforcing Bars (Rebar) from Turkey," dated December 12, 2002, at page 18.

Consequently, because we requested in the verification outline that ICDAS provide an accurate calculation of these expenses based on its financial data and ICDAS did not do so in the time allotted for verification, we have based the indirect selling expenses for certain downstream sales on facts available, in accordance with section 776(a)(2)(D) of the Act. That provision requires the use of facts available when an interested party provides information that cannot be verified. Furthermore, section 776(b) of the Act provides that in selecting from the facts available, the Department may use an inference adverse to the interested party if that party has failed to cooperate to the best of its ability. As noted in the ICDAS Sales Calculation Memorandum, ICDAS had the ability to provide accurate selling expense information to the Department but failed to do so. Accordingly, we find that ICDAS failed to cooperate by not acting to the best of its ability, in accordance with section 776(b) of the Act, and thus we find that an adverse inference is appropriate. As adverse facts available, we have based the indirect selling expenses for certain downstream sales on the highest indirect selling expense ratio reported for ICDAS or any of its affiliates. For further discussion, see the ICDAS Sales Calculation Memorandum.

In determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made: 1) in substantial quantities within an extended period of time; and 2) at prices which permitted

the recovery of all costs within a reasonable period of time. See sections 773(b)(2)(B), (C), and (D) of the Act.

3. Results of the COP Test

Pursuant to section 773(b)(2)(C)(i) of the Act, where less than 20 percent of a respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product were at prices below the COP, we found that sales of that model were made in "substantial quantities" within an extended period of time (as defined in section 773(b)(2)(B) of the Act), in accordance with section 773(b)(2)(C)(i) of the Act. In such cases, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act. Therefore, for purposes of this administrative review, we disregarded these below-cost sales for each of the three respondents and used the remaining sales as the basis for determining NV, in accordance with section 773(b)(1) of the Act. For those U.S. sales of rebar for which there were no comparable home market sales in the ordinary course of trade, we compared EP to CV in accordance with section 773(a)(4) of the Act.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of the respondent's cost of materials, fabrication, selling, general, and administrative expenses (SG&A), profit, and U.S. packing costs. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by the respondent in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country.

D. 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 LOT as EP. 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 selling, SG&A, and profit. For EP, the U.S. LOT is also the level of the starting-price sale, which is usually from the exporter to the unaffiliated U.S. customer.

To determine whether NV sales are at a different LOT than EP sales, we examine stages in the marketing process