

which, although not subject merchandise, is used in the production of subject merchandise. Petitioners allege that affiliation existed through direct and indirect stock ownership; through control by members of the boards of directors at YUSCO, Yieh Loong Enterprise Co. Ltd. ("YL"), and CSC; and by cross-ownership through various investment companies affiliated with I.S. Lin, YUSCO, YL, and CSC. Furthermore, CSC which produces hot-rolled steel, was found to be affiliated with, and collapsed with, YL, another producer of hot-rolled steel, in *Final Determination of Sales at Less Than Fair Value; Certain Hot-Rolled Carbon Steel Flat Products from Taiwan* 66 FR 49618 (September 28, 2001) and accompanying *Issues and Decision Memorandum* at Comments 1 and 2. Petitioners do not argue for collapsing in this case, but do argue that the Department find affiliation between YUSCO and CSC. Petitioners argue that because YUSCO has not responded fully to the Department's questionnaire pertaining to affiliation, it has failed to cooperate to the best of its ability. Petitioners therefore argue that the Department should assign total adverse facts available to YUSCO.

At the Department's request, YUSCO submitted information regarding CSC's, and YL's corporate structure, ownership, and relationships with YUSCO. The information on the record indicates the following: (1) Prior to the POR, CSC acquired 40 percent of the outstanding stock of YUSCO's affiliate, YL; (2) CSC maintained operational and managerial control over YL during the entire POR;⁷ (3) as a result of CSC's acquisition of YL's stock, CSC gained an indirect, long-term investment in YUSCO, through YL's ownership of 2 percent of YUSCO's outstanding shares;⁸ (4) Lien Shuo Investment Co., Ltd. ("Lien Shuo"), an investment company owned and controlled by YUSCO's chairman, Mr. I.S. Lin, was the chairman of the board at YL for the entire POR; and, (5) YUSCO made sales of subject merchandise to an affiliate who then sold the subject merchandise to CSC.⁹

Although there is circumstantial information on the record relating to relationships between YUSCO, YL, and CSC, that evidence does not lead us to definitively conclude that the requisite

"control" exists (or does not exist) for a determination of the existence/nonexistence of affiliation of YUSCO and CSC on the record, pursuant to section 771(33) of the Act. However, even if the Department were to find that all of these parties were affiliated, it would have no impact on our dumping analysis. A finding of affiliation in this case would only affect our calculation of normal value. However, section 351.403(d) of the Department's regulations states that the Department will "not normally calculate normal value based on the sale by an affiliated party if sales of the foreign like product by an exporter or producer to affiliated parties account for less than five percent of the total value (or quantity)" of sales in the home market. The quantity of sales between YUSCO and CSC was less than five percent of the total quantity of sales in the home market. Therefore, pursuant to section 351.403(d) of the Department's regulations, even if the Department were to determine that YUSCO and CSC were affiliated, based upon the facts of the record of this case, it would not calculate normal value based on CSC's downstream sales of YUSCO's merchandise sold in the home market. Additionally, the Department would not use the sales from YUSCO's affiliate to CSC to calculate normal value because they would not be matched to any of YUSCO's U.S. sales during this review period. Thus, any affiliation between YUSCO and CSC, if any, would not effect the outcome of the review and we need not further address it.

Finally, the Department finds that YUSCO has, to date, responded to all of the Department's requests for information pertaining to this matter. Therefore, the application of facts available is not warranted.

Normal Value Comparisons

To determine whether respondent's sales of subject merchandise from Taiwan to the United States were made at less than normal value, we compared the export price ("EP") and CEP, as appropriate, to the NV, as described in the "Export Price and Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A of the Act, we calculated monthly weighted-average prices for NV and compared these to individual EP and CEP transactions.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products covered by the description in the "Scope of the Review" section of this

notice, *supra*, and sold by YUSCO and Chia Far in the home market during the POR to be foreign like product for the purpose of determining appropriate product comparisons to SSSS products sold in the United States. We have relied on nine product characteristics to match U.S. sales of subject merchandise to comparison sales of the foreign like product: Grade, hot or cold-rolled, gauge, surface finish, metallic coating, non-metallic coating, width, temper, and edge. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the September 4, 2002 antidumping duty questionnaire and instructions, or to constructed value ("CV"), as appropriate.

Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, EP is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States. In accordance with section 772(b) of the Act, CEP is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter.

YUSCO

For purposes of this administrative review, YUSCO classified its U.S. sales as EP sales, stating that it sold its SSSS to unaffiliated customers in the United States during the POR. Therefore, we are using EP as defined in section 772(a) of the Act because the merchandise was sold, prior to importation, outside the United States by YUSCO to an unaffiliated purchaser in the United States. We based EP on packed prices to unaffiliated purchasers in the United States. We made deductions for inland freight (from YUSCO's plant to the port of export), international freight, and marine insurance in accordance with section 772(c) of the Act. We made no changes or corrections to the U.S. sales information reported by YUSCO in the calculation of YUSCO's dumping margin.

⁷ See YUSCO's April 16, 2003 Supplemental Questionnaire Response at Page 6 and YUSCO's May 16, 2003 Supplemental Questionnaire Response at Page 8.

⁸ See YUSCO's July 10, 2003 Supplemental Questionnaire Response at Pages 1–2.

⁹ See YUSCO's Section October 23, 2002 Section B–D Response at Exhibit 5 and at Exhibit 7.