

In the present review, neither YUSCO nor Chia Far requested a LOT adjustment. 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.

YUSCO

In the home market ("HM"), YUSCO reported one level of trade. *See October 23, 2002 Questionnaire Response from YUSCO*, at B-27. YUSCO sold through one channel of distribution in the HM. For these HM customers, YUSCO provided the following selling functions: inland freight, warranty services, and technical advice. Because there is only one sales channel involving similar functions for all sales, we preliminarily determine that there is one LOT in the home market.

For the U.S. market, YUSCO reported one level of trade. *See October 9, 2002 Questionnaire Response from YUSCO*, at A-11. YUSCO sold through one channel of distribution in the U.S. market: to unaffiliated local customers. For U.S. sales, YUSCO provided the following selling functions: Arranging freight and delivery; invoicing; and packing. YUSCO did not incur any expenses in the United States for its U.S. sales. Because there is only one sales channel in the United States, we preliminarily determine that there is one LOT in the United States.

Based on our analysis of the selling functions performed for sales in the HM and U.S. market, we preliminarily determine that the sales in the HM and U.S. market were made at the same LOT. Despite the existence of certain additional selling functions (*i.e.*, general consultation of technical advice and warranty services) performed by YUSCO for its HM sales, no significant difference exists in the selling functions performed in the HM and U.S. market. Therefore, a LOT adjustment is not warranted.

Chia Far

For its home market sales, Chia Far reported one channel of distribution, direct sales from inventory, and two customer categories, unaffiliated end users and unaffiliated distributors. *See Section A Questionnaire Response from Chia Far* at Exhibit A-5, dated October 9, 2002 ("AQR"). For HM sales to both distributors and end-users, Chia Far performed many of the same major selling functions, including after-sale inventory maintenance, technical

advice, warranty services, freight and delivery arrangement, after-sale processing and packing. *See Supplemental Questionnaire Response from Chia Far* at Exhibit A-24, dated March 3, 2003 ("SQR"). Therefore, based on Chia Far's selling functions performed for each type of customer, we preliminarily determine that there is one LOT in the home market.

For its U.S. sales, Chia Far reported one channel of distribution: CEP sales made to order; and one customer category: Chia Far sold through Lucky Medsup, an affiliated U.S. company, which then sold to unaffiliated distributors in the United States. *See AQR* at page 2. We examined the claimed selling functions performed by Chia Far for all of its U.S. sales. Chia Far provided the same level of the following services for its sales made to Lucky Medsup (CEP sales) in the United States as its home market sales: After-sale inventory maintenance, technical advice, warranty services, freight and delivery arrangement, after-sale processing and packing. *See SQR* at Exhibit A-24.

In order to determine whether NV was established at a different LOT than CEP sales, we examined stages in the marketing process and selling functions along the chains of distribution between Chia Far and its home market customers. We compared the selling functions performed for home market sales with those performed with respect to the CEP transaction, 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. Chia Far 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 Taiwan markets, including the selling functions, classes of customer, and selling expenses to determine whether a CEP offset was necessary. For CEP sales, Chia Far provided many of the same selling functions and expenses for its sale to its affiliated U.S. reseller Lucky Medsup as it provided for its home market sales, including after-sale inventory maintenance, technical advice, warranty services, freight and delivery arrangement, after-sale processing and packing. 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 not a significant difference in the selling functions performed in the home

market and the U.S. market for CEP sales. Thus, we find that Chia Far's NV and CEP sales were made at the same LOT, and no LOT adjustment or CEP offset need be granted.

Currency Conversion

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales, as certified by the Federal Reserve Bank, in accordance with Section 773A(a) of the Act.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following weighted-average dumping margins exist for the period July 1, 2001 through June 30, 2002:

STAINLESS STEEL SHEET AND STRIP IN COILS FROM TAIWAN

Manufacturer/exporter/reseller	Margin (percent)
YUSCO	1.95
Chia Far	0.64
Tung Mung	21.10

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to this proceeding in accordance with section 351.224(b) of the Department's regulations. An interested party may request a hearing within 30 days of publication of these preliminary results. *See* section 351.310(c) of the Department's regulations. Any hearing, if requested, will be held 37 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. *See* section 351.309(c)(ii) of the Department's regulations. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 35 days after the date of publication. *See* section 351.309(d) of the Department's regulations. Further, we would appreciate it if parties submitting written comments also provide the Department with an additional copy of those comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to 751(a)(3)(A) of the Act.