

preliminarily determine that there is one LOT in the home market.

DSM claimed one level of trade in the U.S. market because all of its U.S. sales are CEP sales made through its U.S. affiliate, DKA. *See* DSM's November 4, 2002 submission at page 12. DSM reported that it sold through one channel of distribution in the U.S. market, directly from its production facility to the unaffiliated U.S. customer. However, on paper, the sales process is as follows: DSM sold the merchandise to an affiliated Korean trading company, which then resold the merchandise to its U.S. affiliate, DKA, which resold the merchandise to the unaffiliated U.S. customer. *See* DSM's November 13, 2002 submission at page C-9. We determined the LOT of DSM's CEP sales based on the CEP starting price, and adjusted for selling expenses identified in section 772(d) of the Act. We found that the selling functions (*i.e.*, price negotiations, order processing, sales calls and demonstrations, inland freight arrangement in Korea, and international freight arrangement) DSM performs after the section 772(d) adjustments are the same for all of its U.S. sales. *See* DSM's November 4, 2002 submission at Exhibit 6. Therefore, we preliminarily determine that DSM has one LOT in the U.S. market based on its selling functions to the United States.

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 (1) DSM and its home market customers and (2) DSM and its affiliated U.S. reseller, DKA, after deductions for expenses and profits. Specifically, we compared the selling functions performed for home market sales with those performed with respect to the CEP transaction, after deductions for economic activities which occurred 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. DSM 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 Korean markets, including the selling functions, classes of customer, and selling expenses to determine whether a CEP offset was necessary. For CEP sales, we found that DSM provided many of the same selling functions and expenses for its sale to its affiliated U.S. reseller, DKA, as it provided for its home market sales, including: Price negotiation; order processing; sales calls and

demonstrations; warranty services; and freight arrangement. 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 DSM's NV and CEP sales were made at the same LOT, and no LOT adjustment or CEP offset need be granted.

INI

To determine whether an LOT 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.

In both the U.S. and home markets, INI reported one level of trade. *See* INI's November 26, 2002, Sections B-D response, at B-16 and C-16. INI sold through two channels of distribution in the home market: (1) Unaffiliated distributors; and (2) affiliated and unaffiliated end-users. INI claims to have sold through two channels of distribution in the U.S. market: (1) INI sales to unaffiliated U.S. customers; and (2) INI sales through Hyundai U.S.A., a wholly owned U.S. subsidiary of Hyundai Corporation (Hyundai Corporation is INI's affiliated trading company in South Korea), to unaffiliated customers.

For sales in home market channels one and two, INI performed all sales-related activities, including: Inventory maintenance; after sales services/warranty; freight and delivery arrangement; and credit. INI's home market sales in channels one and two were made from inventory. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the home market.

For sales in U.S. channels one and two, INI performed all sales-related activities, including: After sales services/warranty; freight and delivery arrangement; credit and import documents arrangement. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the U.S. market.

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

INI 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 levels of trade constituted more advanced stages of distribution than the CEP level of trade. In the present review, INI did not request a LOT adjustment or a CEP offset. To determine whether a CEP offset was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and Korean markets, including the selling functions, classes of customer, and selling expenses.

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 INI offered many of the same selling functions in both markets, including: After sales services/warranties; freight and delivery arrangement; and credit. Accordingly, we 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. Consequently, we preliminarily determine that a LOT adjustment or CEP offset is not warranted in this case. Furthermore, we find INI's NV and EP sales were made at the same LOT, and thus, no LOT adjustment 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 the Review

As a result of this review, we preliminarily determine that the following weight-averaged dumping margin exists for the period August 1, 2001 through July 31, 2002:

STRUCTURAL STEEL BEAMS FROM KOREA

Producer/Manufacturer/Exporter	Weighted-average margin %
DSM	0.04
INI	4.15

The Department will disclose calculations performed, within five days of publication of this notice, to the