

only the selling activities reflected in the price after the deduction of expenses and profit, pursuant to section 772(d) of the Act. *See Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001).

To determine whether the comparison-market sales are at a different LOT than CEP sales, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. 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 LOT 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 affect price comparability, we adjust NV under section 773(a)(7)(B) of the Act (“the CEP offset provision”). *See, e.g., Certain Carbon Steel Plate from South Africa, Final Determination of Sales at Less Than Fair Value*, 62 FR 61731 (November 19, 1997).

In implementing these principles in this review, we asked DSM to identify the specific differences and similarities in selling functions and support services between all phases of marketing in the

home market and the United States. DSM identified two channels of distribution in the home market: (1) direct sales and (2) warehouse sales. For both channels DSM performs similar selling functions such as negotiating prices with customers, setting similar credit terms, arranging freight to the customer, and conducting market research and sales calls. The remaining selling activities did not differ significantly by channel of distribution. Because channels of distribution do not qualify as separate levels of trade when the selling functions performed for each customer class or channel are sufficiently similar, we determined that one level of trade exists for DSM’s HM sales.

For the U.S. market, DSM reported one channel of distribution sales to unaffiliated U.S. customers through DKA, DSM’s affiliated U.S. sales company. All of DSM’s U.S. sales were CEP transactions and DSM performed the same selling functions in each instance. Therefore, the U.S. market has one LOT.

When we compared CEP sales (after deductions made pursuant to section 772(d) of the Act) to HM sales, we determined that for CEP sales, DSM did not have interaction with customers, did not perform market research, and did not provide inventory maintenance. However, these functions are performed for HM sales. The differences in selling functions performed for home market and CEP transactions indicate that HM sales involved a more advanced stage of distribution than CEP sales. In the home

market, DSM provides services normally found further down the chain of distribution which are normally performed by the affiliated reseller in the U.S. market (*e.g.*, interaction with customers, market research).

Based on our analysis, we determined that CEP and the starting price of HM sales represent different stages in the marketing process, and are thus at different LOTs. Therefore, when we compared CEP sales to HM sales, we examined whether a LOT adjustment may be appropriate. In this case, DSM sold at one LOT in the home market; therefore, there is no basis upon which to determine whether there is a pattern of consistent price differences between levels of trade. Further, we do not have the information which would allow us to examine pricing patterns of DSM’s sales of other similar products, and there is no other record evidence upon which such an analysis could be based.

Because the data available do not provide an appropriate basis for making a LOT adjustment, but the LOT in Korea for DSM is at a more advanced stage than the LOT of the CEP sales, a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act, as claimed by DSM. Therefore, we applied the CEP offset to NV.

Preliminary Results of Review

As a result of our review, we preliminarily determine the following weighted-average dumping margin exists for the period January 30, 2001 through August 31, 2002:

Manufacturer / Exporter	Weighted Average Margin (percentage)
Dongkuk Steel Mill Co., Ltd./Korea Iron and Steel Co., Ltd. ....	10.37

The Department will disclose the calculations performed within five days of the date of publication of this notice in accordance with 19 CFR § 351.224(b). An interested party may request a hearing within thirty days of publication. *See* CFR § 351.310(c). The date of any hearing, if requested, will be announced to all interested parties by the Department pursuant to 19 CFR § 351.310(d). The Department will establish a schedule for interested parties to submit case briefs regarding the preliminary results and verification findings. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 5 days after the submission of case briefs. Parties who submit argument in these proceedings are requested to submit with the argument (1) a statement of the issue, (2)

a brief summary of the argument and (3) a table of authorities. Further, parties submitting written comments should provide the Department with an additional copy of the public version of any such comments on diskette. The Department will issue final results of these administrative reviews, including the results of our analysis of the issues raised in any such written comments, within 120 days of publication of these preliminary results. The Department shall determine, and BCBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR § 351.212(b)(1), we will calculate importer-specific *ad valorem* assessment rates for the merchandise subject to this review. These rates will be assessed uniformly on all entries the respective importers made during the

POR if these preliminary results are adopted in the final results of review. The Department will issue appropriate appraisal instructions directly to BCBP within fifteen days of publication of the final results of review. Furthermore, the following cash deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of rebar from Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: 1) the cash deposit rate for DSM/KISCO will be the rate established in the final results of this review; 2) for previously reviewed or investigated companies not listed above, the cash deposit rate will