

In accordance with section 773(b)(3) of the Tariff Act, we calculated COP for Viraj based on the sum of the costs of materials and fabrication employed in producing the foreign like product, plus selling, general, and administrative expenses (SG&A) and packing. We relied on the home market sales and COP information provided by Viraj. After calculating COP, we tested whether home market sales of stainless steel flanges were made at prices below COP within an extended period of time in substantial quantities and whether such prices permitted the recovery of all costs within a reasonable period of time. We compared model-specific COPs to the reported home market prices less movement charges, discounts, and rebates.

Pursuant to section 773(b)(2)(C) of the Tariff Act, where less than 20 percent of a respondent's home market sales for a model are at prices less than the COP, we do not disregard any below-cost sales of that model because we determine that the below-cost sales were not made within an extended period of time in "substantial quantities." Where 20 percent or more of a respondent's home market sales of a given model are at prices less than COP, we disregard the below-cost sales because they are (1) made within an extended period of time in substantial quantities in accordance with sections 773(b)(2)(B) and (C) of the Tariff Act, and (2) based on comparisons of prices to weighted-average COPs for the POR, were at prices which would not permit the recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Tariff Act.

The results of our cost test for Viraj indicated that for certain comparison market models, less than 20 percent of the sales of the model were at prices below COP. We therefore retained all sales of these comparison market models in our analysis and used them as the basis for determining NV. Our cost test also indicated that within an extended period of time (one year, in accordance with section 773(b)(2)(B) of the Tariff Act), for certain comparison market models, more than 20 percent of the comparison market sales were sold at prices below COP. In accordance with section 773(b)(1) of the Tariff Act, we therefore excluded these below-cost sales from our analysis and used the remaining above-cost sales as the basis for determining NV.

D. Product Comparisons

We compared Viraj's U.S. sales with contemporaneous sales of the foreign like product in the home market, and Chandan's U.S. sales to its

contemporaneous sales of the foreign like product in the United Kingdom. We considered stainless steel flanges identical based on matching grade, type, size, pressure rating and finish. We used a 20 percent difference-in-merchandise (DIFMER) cost deviation limit as the maximum difference in cost allowable for similar merchandise, the DIFMER being defined as the absolute value of the difference between the U.S. and comparison market variable costs of manufacturing, divided by the total cost of manufacturing of the U.S. product.

E. Level of Trade

In accordance with section 773(a)(1)(B) of the Tariff Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade (LOT) as the EP or CEP transaction. To determine whether comparison market sales are at a different level of trade than U.S. sales, we examined stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. Chandan reported no difference in selling activities in the U.S. and comparison market, and made no claim for an LOT adjustment. We noted no significant differences in functions provided in either of Chandan's markets. Based upon the record evidence, we have determined that there is no difference in LOT between Chandan's U.S. market and third market sales, and therefore we made no LOT adjustment, per 19 CFR 351.412(c)(2).

Viraj also claimed no LOT adjustment, and we noted no differences in selling services provided, in either its EP or CEP sales, between the U.S. and home markets. Therefore, based upon the record evidence, we have determined that there is no difference in level of trade between Viraj's U.S. market and home market sales, and no LOT adjustment is appropriate, per 19 CFR 351.412(c)(2).

F. Comparison Market Price

For Chandan and Viraj, in the United Kingdom and India markets, respectively, we based comparison market prices on the packed, ex-factory or delivered prices to the unaffiliated purchasers. We made adjustments for differences in packing and for movement expenses in accordance with sections 773(a)(6)(A) and (B) of the Tariff Act. In addition, we made adjustments for differences in cost attributable to differences in physical characteristics of the merchandise pursuant to section 773(a)(6)(C)(ii) of the Tariff Act, and for differences in circumstances of sale (COS) in

accordance with section 773(a)(6)(C)(iii) of the Tariff Act and 19 CFR 351.410. For comparison to EP we made COS adjustments by deducting comparison market direct selling expenses and adding U.S. direct selling expenses.

In accordance with section 773(a)(4) of the Tariff Act, we based NV on CV if we were unable to find a contemporaneous comparison market match for the U.S. sale. We calculated CV based on the cost of materials and fabrication employed in producing the subject merchandise, SG&A, and profit. In accordance with 773(e)(2)(A) of the Tariff Act, we based SG&A expenses 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. For selling expenses, we used the weighted-average comparison market selling expenses. Where appropriate, we made COS adjustments to CV in accordance with section 773(a)(8) of the Tariff Act and 19 CFR 351.410. We also made adjustments, where applicable, for comparison market indirect selling expenses to offset commissions in EP comparisons.

Preliminary Results of Review

As a result of our review, we preliminarily determine the weighted-average dumping margins for the period February 1, 2002, through January 31, 2003, to be as follows:

Manufacturer/exporter	Margin (percent)
Chandan	0
Isibars	0
Viraj	0.04 (<i>de minimis</i>)

The Department will disclose calculations performed in connection with these preliminary results of review 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 30 days of publication. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the date of publication, or the first business day thereafter, unless the Department alters the date per 19 CFR 351.310(d). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 35 days after the date of publication of this notice. Parties who submit argument in these proceedings are requested to submit with the argument (1) a statement of the issue, (2) a brief