

Kangwon explained that the only differences between Kangwon's sales to government end-users and its sales to end-users and distributors are that most sales to the latter are made through Sampyo Corporation and that different terms of sale and terms of delivery are offered to government entities. We reviewed the selling functions and services performed by either Kangwon or Sampyo Corporation and preliminarily determined that for both channels of distribution and all classes of customer, the selling functions and services offered are similar. See *Analysis Memorandum: Kangwon*. Consequently, because channels of distribution do not qualify as separate LOTs when the selling functions performed for each customer class are sufficiently similar, we preliminarily determine that there exists one LOT for Kangwon's home market sales.

Kangwon identified three channels of distribution in the U.S. market: (1) Sales made by Kangwon directly to U.S. distributors; (2) sales made by Kangwon to U.S. distributors through Sampyo Corporation; and (3) sales made by Kangwon to unaffiliated Korean trading companies for shipment to the United States. In addition, Kangwon reported that its U.S.-based subsidiary, Sampyo America, was involved in the sales process for certain U.S. channel one and two sales. However, pursuant to our analysis above, such sales were treated as EP sales. Kangwon claimed one LOT in the U.S. market. The Department examined the claimed selling functions performed by Kangwon, Sampyo Corporation, and Sampyo America for all U.S. sales. These selling functions included warranty, freight and delivery arrangements, and invoicing customers.

Based on our analysis of the chains of distribution and selling functions performed for sales in the home market and EP sales in the U.S. market, we preliminarily find that EP sales to all three channels of distribution are made at the same stage in the marketing process and involve identical selling functions. Therefore, we preliminarily determine that Kangwon, Sampyo Corporation, and Sampyo America provided a sufficiently similar degree of services on sales to all three channels of distribution, and that the sales made to the United States constitute one LOT.

Based on a comparison of the selling activities performed in the U.S. market to the selling activities in the home market, we preliminarily determine that there is not a significant difference in the selling functions performed in both markets, and thus, a LOT adjustment is not appropriate. For a further

discussion, see *Analysis Memorandum: Kangwon*.

#### 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.

Section 773A(a) of the Act directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars unless the daily rate involves a fluctuation. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in accordance with established practice. Further, section 773A(b) of the Act directs the Department to allow a 60-day adjustment period when a currency has undergone a sustained movement. A sustained movement has occurred when the weekly average of actual daily rates exceeds the weekly average of benchmark rates by more than five percent for eight consecutive weeks. (For an explanation of this method, see Policy Bulletin 96-1: Currency Conversions (61 FR 9434, March 8, 1996).)

#### Verification

As provided in section 782(i) of the Act, we will verify all information relied upon in making our final determination.

#### The All-Others Rate

Section 735(c)(5) of the Act provides that the estimated all-others rate is the amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely under section 776 of the Act. Therefore, for this preliminary determination, we have calculated the all-other rate based on the weighted average of the estimated weighted average dumping margins for both Kangwon and Inchon.

#### Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the

posting of a bond equal to the weighted-average amount by which the NV exceeds the export price, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted average margin (percent)
Inchon .....	14.95
Kangwon .....	47.55
All-Others .....	30.30

#### ITC Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

#### Public Comment

Case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than 50 days after the publication of the preliminary determination, and rebuttal briefs, limited to issues raised in case briefs, no later than 55 days after the publication of the preliminary determination. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. Such summary should be limited to five pages total, including footnotes. In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held 57 days after the publication of the preliminary determination, time and room to be determined, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number;