and PP sales, and that different COS adjustments are made depending on whether FMV is matched to PP or ESP transactions. NSK requests that, if the Department is unwilling to conduct a separate price stability test on all HM models matched to PP transactions, the Department should use the monthly, rather than annual, weighted-average FMVs for PP matches.

Department's Position: We disagree. The HM price stability test, which allows for limited price fluctuations on a model-by-model basis, measures the overall stability of HM prices for the class or kind of merchandise under consideration over the POR (see AFBs III at 39734). The test is designed for determining whether HM sales prices during the POR are stable enough to allow the use of annual average, rather than monthly average, HM prices as the basis of FMV. There is no reason to take into consideration whether particular HM models are matched to PP or ESP transactions as the type of U.S. sale is not relevant to the question of whether HM prices are stable. Furthermore, the fact that PP sales are distinguishable from ESP sales, that ESP sales may be sampled while PP sales are not, and that different COS adjustments are made when comparing to PP and ESP sales are not relevant to whether the HM prices underlying FMVs are stable. In deciding whether to calculate POR weightedaveraged FMVs we performed the tests outlined in our preliminary results on HM sales databases to determine whether: (1) There was a minimal variance between monthly and POR weighted-average prices; and (2) there was any significant correlation between fluctuations in price and time. Thus, we conclude that our price stability test, performed on a class or kind basis, does not need to be modified to distinguish between HM models matched to PP sales and those matched to ESP sales.

2. Assessment and Duty Deposits

Comment 1: The FAG Group (Barden, FAG-Germany, and FAG-UK) and NSK contend that the Department's assessment rate methodology is flawed, and state that the Department acted contrary to law in basing assessment rates on the Customs entered values of those sales reviewed by the Department for the POR, because the sales actually reviewed by the Department for the POR may have involved merchandise entered before the POR. Instead, respondents claim that the Department should base assessment rates on the Customs entered values of merchandise actually entered during the POR, as submitted by respondents. Respondents maintain that the Department should determine

assessment rates by dividing total antidumping duties due (calculated as the difference between statutory FMV and statutory USP for the sales reported for the POR) by the entered values of the merchandise actually entered during the POR (not by the entered values of the merchandise actually sold during the POR). Respondents argue that the Department's current methodology can lead to a substantial overcollection of dumping duties.

Both Torrington and Federal-Mogul argue that the Department's methodology is valid. Torrington notes that the Department concluded that the current methodology is reasonable and that it constitutes an appropriate use of the Department's discretion to implement sampling and averaging techniques as provided for in section 777A of the Tariff Act. See AFBs I at 31694. Torrington states that since the U.S. sales used to calculate the dumping margins are only a sample of the total U.S. sales during the POR, application of FAG's proposed methodology would lead to substantial undercollection of antidumping duties, unless the Department adjusts that methodology to take into account all U.S. sales during the POR.

Torrington also states that both the Department's current methodology and FAG's proposed methodology are deficient in that neither method "ties entries to sales." Torrington proposes two methods for dealing with the problem of reviewed sales that do not match to particular entries during the POR. First, Torrington suggests that the Department review entries rather than sales. Torrington points out that this method is not ideal because it could place the Department in the position of reviewing entries made during the POR that contained merchandise that was sold after the POR. Second, Torrington proposes that the Department require respondents to submit adequate information to trace each entry directly to the sale in the United States. Torrington observes that at present this method would be impossible because the administrative record in this review does not permit tracing each sale to the entry

Federal-Mogul states that the Department's methodology is logical because it establishes a link between the values calculated on the basis of the sales analyzed and the actual assessment values over time and, therefore, avoids the distortions that FAG's alternative would engender.

Department's Position: We disagree with the FAG Group and NSK. As stated in AFBs III (at 39737), section 751 of the Tariff Act requires that the Department calculate the amount by which the FMV exceeds the USP and assess antidumping duties on the basis of that amount. However, there is nothing in the statute that dictates how the actual assessment rate is to be determined from that amount.

In accordance with section 751, we calculated the difference between FMV and USP (the dumping margin) for all reported U.S. sales. For PP sales we have calculated assessment rates based on the total of these differences for each importer divided by the total number of units sold to that importer. Therefore, each importer is only liable for the duties related to its entries. In ESP cases, we generally cannot tie sales to specific entries. In addition, the calculation of specific antidumping duties for every entry made during the POR is impossible where dumping margins have been based on sampling, even if all sales could be tied to specific entries. Hence, for ESP sales, in order to obtain an accurate assessment of antidumping duties on all entries during the POR, we have expressed the difference between FMV and USP as a percentage of the entered value of the examined sales for each exporter/ importer (ad valorem rates). We will direct the U.S. Customs Service to assess antidumping duties by applying that percentage to the entered value of each of that importer's entries of subject merchandise under the relevant order during the POR.

This approach is equivalent to dividing the aggregate dumping margins, *i.e.*, the difference between statutory FMV and statutory USP for all sales reviewed, by the aggregate USP value of those sales and adjusting the result by the average difference between USP and entered value for those sales. While we are aware that the entered value of sales during the POR is not necessarily equal to the entered value of entries during the POR, use of entered value of sales as the basis of the assessment rate permits the Department to collect a reasonable approximation of the antidumping duties that would have been determined if we had reviewed those sales of merchandise actually entered during the POR

Comment 2: Federal-Mogul and Torrington object to the Department's policy of calculating the cash deposit rate as a percentage of statutory USP. They claim that this practice results in a systematic undercollection of duty deposits. Federal-Mogul and Torrington propose that the Department base its deposit rate methodology on Customs entered values because duty deposit rates are applied to entered value. Torrington states that the legislative