commissions to its employees and independent sales agents. The commissions RHP paid both to independent agents and to employees were expenses directly tied to sales. Therefore, for these final results, we treated these expenses as direct selling expenses by deducting commissions from both the FMV and the USP. See Final Results of Antidumping Duty Administrative Review; Porcelain-on-Steel Cookware From Mexico, 58 FR 43330 (August 16, 1993). See also Final Determination of Sales at Less Than Fair Value; Industrial Forklift Trucks from Japan, 53 FR 12552 (April 15, 1988) and Final Results of Administrative Review of Antidumping Finding; Drycleaning Machinery from West Germany, 50 FR 32154 (August 8, 1985).

Comment 25: Torrington argues that the Department erred in treating NTN's commissions on HM sales as direct selling expenses. According to Torrington, NTN's method of calculating commission rates by allocating total commissions paid to a commission agent over total sales by that agent provides no indication that the reported commissions are directly related to HM sales of subject merchandise. As a result, Torrington requests that the Department either deny an adjustment to FMV for NTN's HM commissions, or treat them as indirect selling expenses for the final results.

NTN responds that it reported commissions by applying a specific rate for each commissionaire to sales that NTN made through that commissionaire. NTN further argues that the Department confirmed at verification that NTN reported commissions only on sales of subject merchandise. Therefore, NTN argues that the Department should continue to treat NTN's reported HM commissions as direct selling expenses for these final results.

Department's Position: We agree with NTN. At verification, we examined documents that confirmed that NTN paid commissions on sales of subject merchandise and that NTN's method of reporting commissions reflected the commissions that NTN actually paid. Accordingly, we have treated NTN's reported HM commissions as direct selling expenses for the final results of this review.

Comment 26: Torrington and Federal-Mogul argue that certain expenses that NTN classified as related-party U.S. commissions appear to be directly related to PP sales to one U.S. customer. Citing *LMI-La Metalli Industriale S.p.A.* v. *United States*, 912 F.2d 455, 459 (Fed.

Cir. 1990), Torrington and Federal-Mogul contend that the Department must examine the circumstances surrounding related-party commissions before determining that they should not be used in the Department's analysis. In this regard, Torrington states that NTN incurred the expenses at issue for activities similar to those made by unrelated commission agents, and that the rates NTN paid to related agents are comparable to the rates that NTN paid to unrelated U.S. commission agents. Accordingly, Torrington and Federal-Mogul conclude that the Department should consider these expenses to be direct selling expenses in the U.S. market. Federal-Mogul further contends that, because NTN failed to report commission rates paid to the related party, the Department should resort to BIA in determining the commission amount to be deducted.

NTN responds that there are no facts that distinguish this review from the three previous reviews of this case in which the Department rejected Torrington's and Federal-Mogul's arguments concerning related-party commissions in the United States. NTN further argues that Torrington overstated the alleged commission rate that NTN paid to a related company in the United States. Accordingly, NTN supports the Department's preliminary determination that the expenses are not direct selling expenses for PP sales.

Department's Position: We disagree with Torrington and Federal-Mogul. NTN stated that it made commission payments to its U.S. subsidiary, NTN Bearing Company of America (NBCA), for expenses that NBCA incurred with respect to sales to a specific PP customer. In its questionnaire responses, NTN provided specific data on the expenses that NBCA incurred with respect to the sales in question. Accordingly, rather than use the commission, which is the transfer payment between NTN and NBCA, we have used the actual expenses incurred by NBCA with respect to these sales Further, an examination of the specific types of expenses that NBCA incurred with respect to the sales in question shows that the expenses are those that we typically consider to be indirect expenses incurred by sales organizations. Therefore, we have used the actual expenses that NBCA incurred with respect to the sales in question in our analysis, and have treated them as indirect selling expenses.

4F. Credit

Comment 27: Torrington notes that at verification the Department discovered that Nachi did not report actual dates of

payment for its HM sales, but had estimated dates of payment based on each customer's terms of payment. Therefore, Torrington asserts that Nachi's calculation of HM credit expenses is not based on actual credit experience. As a result, Torrington argues that Nachi's HM credit expenses claim should be denied.

Nachi responds that although it does not keep invoice-specific records of when it receives payment, its credit expenses were calculated on an average customer-specific credit period derived from actual experience. Therefore, Nachi concludes the Department should continue to deduct HM credit expenses from FMV.

Department's Position: At verification, the Department discovered that Nachi did use estimated dates of payment based on each customer's terms of payment. However, the payment records reviewed suggested that Nachi was understating its HM credit period in most cases, which resulted in a higher FMV. Therefore, the Department accepted the payment dates submitted by Nachi and will continue to do so for the final results, and has deducted HM credit expenses from FMV. See Nachi-Fujikoshi Home Market Sales Verification Report, at 10–11 (February 28, 1994).

Comment 28: Torrington argues that the Department should not accept NPBS's credit expense methodology because NPBS reported payment dates based on the maturity date of the promissory notes, not the actual payment date per transaction. Torrington further argues that the Department should reject credit expenses that are not based on actual payment dates or on average customerspecific credit periods, and that NPBS's credit expenses should be rejected because it failed to report its short-term interest rate accurately.

NPBS responds that its credit expenses are properly reported and suggests that sampling error could account for a discrepancy between the reported interest rate and the discounted rate for a few sales. NPBS notes that it inadvertently included two long-term loans in the calculation of short-term interest. These loans were later deleted and short-term interest was recalculated. Finally, NPBS argues that the firm's short-term interest rate provides the best estimate of the discount rate. The exact discount rate is nearly impossible to calculate since each NPBS branch discounts numerous notes each week at varying rates.

Department's Position: The Department agrees with NPBS. The Department verified NPBS' credit