With respect to Torrington's argument concerning a below-cost test for products produced by Barden, the Department did not formally request the COP data from Barden. The original below-cost allegation was made before the companies were collapsed for the purposes of these reviews, and only involved products produced by an unrelated company and sold by FAG U.K. The Barden HM sales are distinct in that they are sales of self-produced merchandise, not resales of purchased products. Furthermore, none of the products purchased by FAG is similar to those produced by Barden. Accordingly, if sales by FAG U.K. were disregarded because they were sold below cost, there is no possibility that HM sales of Barden-made products will be matched to a U.S. sale in place of the product purchased and resold by FAG.

Comment 23: NTN objects to the Department's preliminary decision to increase NTN's reported COM. NTN argues that the Department's analysis memorandum contains certain factual errors and misinterprets certain information in the record. Specifically, NTN contends that: (1) The Department's findings are based on information that does not pertain to the COM data subject to this review; (2) the Department relied on general information when more specific information was available; (3) the Department applied findings based on data from one factory to all of NTN's other factories; (4) the Department's conclusions regarding standard costs for subject and non-subject merchandise are not supported by record evidence; and (5) the non-subject merchandise that the Department examined at verification does not represent a significant portion of NTN's costs. For these reasons, NTN asserts that the Department should not make any adjustments to its reported COM.

NTN further argues that in the event that the Department determines to adjust NTN's reported COM, it should revise the methodology that it used in the preliminary results. NTN contends that the Department's revision artificially increases the adjustment to NTN's reported COM because the Department reallocated certain costs as a percentage of non-subject merchandise only, rather than as a percentage of all products. NTN further contends that the evidence in the record does not warrant the Department's adjusting NTN's total reported COM, because the Department's verification report and exhibits demonstrate the accuracy of certain portions of NTN's reported COM. As a result, NTN requests that the Department revise its adjustment to

NTN's COM by reallocating certain costs to all products, and by adjusting only certain portions of NTN's reported COM.

Torrington responds that NTN is improperly attempting to revise the Department's verification report and to raise issues that the Department did not examine at verification. Torrington further argues that the Department's verification report identifies significant flaws in NTN's reporting methods, and concludes that these methods do not accurately capture cost differences across NTN's product lines. Finally, Torrington argues that the Department would be justified in rejecting NTN's COP and CV responses if they contained the factual errors that the Department found at verification. Given the Department's verification findings, Torrington rejects NTN's arguments and supports the Department's revisions to NTN's reported COP and CV.

Department's Position: We disagree with NTN. First, the COM information that NTN challenges does pertain to cost information which is subject to this review. NTN argues that the information used to support the adjustment to COM was from outside the POR. The information referred to by NTN supports the standard costs used during the POR and is the underlying data for certain aspects of the submitted costs. Therefore it is relevant to this review. NTN relied on pre-POR costs as the basis for revisions to its standard costs. NTN revised certain elements of its standard costs for certain product types during the POR, but not for all product types. The majority of standard costs that remained unchanged were for nonsubject merchandise. Since standard cost revisions are based on pre-POR costs, we tested selected non-subject costs versus actual costs for the pre-POR period. We found that the non-subject standard costs were overstated when compared to actual costs. NTN applied a non-product-specific plant-wide variance to all products. The application of a plant-wide variance shifts costs between products. We adjusted the submitted costs for subject merchandise to account for the inaccurate standard costs of non-subject merchandise.

Second, NTN's allegation that we ignored specific information in favor of more general information is unfounded. We found at verification that NTN routinely calculates actual costs in a more specific manner than that used to calculate costs in its questionnaire responses. Because we prefer to use the most specific information possible to determine a respondent's costs, our use of NTN's own method of calculating actual costs, as examined at verification, to calculate COP and CV for these final results is appropriate and supported by substantial evidence.

Third, our limited resources prohibit verification of all the data submitted by respondents. Verification is intended to provide an examination of representative data rather than a complete review of all submitted data. Therefore, it is our longstanding practice to verify selected information and draw general conclusions regarding all respondents' data based on our verification findings. We followed this longstanding practice in conducting our COP and CV verification at one of NTN's factories. Moreover, NTN has failed to provide any evidence to suggest that the data obtained from this factory is not representative of manufacturing costs at NTN's other plants. In the absence of such evidence, we conclude that our verification findings from the selected NTN factory provide a reasonable basis for reaching conclusions regarding NTN's COP and CV data

Fourth, NTN misrepresents our findings regarding standard rates. Our findings relate to the input factors used in the standards, not the rates applied to the input factors. Although NTN has revised some input factor amounts associated with the production of subject merchandise, we found at verification that NTN has not revised these amounts for the majority of the inputs used for the subject merchandise, while it has revised the input amounts for non-subject merchandise. As demonstrated by our verification findings, the practice of revising input amounts for only certain parts creates distortion when allocating costs. Accordingly, we have adjusted NTN's submitted data to eliminate these distortions.

Fifth, although the non-subject merchandise in question may only represent an insignificant portion of NTN's costs at the selected plant, our verification findings regarding nonsubject merchandise are relevant because they reveal two flaws in the methods that NTN used to calculate COP and CV. As described above, our examination of subject and non-subject merchandise revealed that NTN had available cost information that was more accurate and specific than the information that NTN elected to submit to the Department. Our comparison of subject and non-subject merchandise also revealed that NTN's standard costs contain distortions because NTN has updated only portions of the standard input amounts. The relative significance of the costs that NTN incurred for the non-subject merchandise at issue does