demonstrating that the use of weightedaverage values is reasonable. Also Koyo did not indicate that only in-scope merchandise was included in its calculations.

In rebuttal, Koyo contends that it provided in its submission of November 23, 1993, a detailed explanation of its methodology for determining whether the weighted-average entered values of Koyo's in-scope products that were incorporated into non-scope products by its affiliates exceeded one percent of the sales value of the non-scope merchandise.

Department's Position: We agree with respondent. Koyo provided sufficient information in its letter of November 23, 1993, to demonstrate the applicability of the "Roller Chain" rule to certain identified sales. Notably, Koyo submitted examples of all calculations necessary to determine the one-percent threshold. Furthermore, there is no evidence on the record to indicate that the estimated resale prices submitted by Koyo are unreliable. In addition, while the best evidence of the value of the finished product sold to an unrelated party is the actual price, an estimated price is suitable if verified, as was done in this instance. See AFBs III (at 39766).

Comment 5: Torrington claims that Koyo reported only those imported inscope products that were further-processed into merchandise within the scope of the order and that Koyo did not report any sales of products further processed into non-scope merchandise. Torrington contends that the Department should continue to apply a partial BIA rate for any model that exceeds the one-percent "Roller Chain" rule, as well as apply the highest margin calculated for Koyo in the LTFV or prior reviews for any sale that has not been reported.

Department's Position: We disagree. There is no evidence on the record to suggest that Koyo has failed to report any sales of in-scope merchandise further-processed into non-scope merchandise.

Comment 6: Torrington objects to the fact that the Department has excluded the vast majority of Honda's imports based on the "Roller Chain" rule. Torrington states that, in Honda's case, the dumping law is not ensuring that Japanese-origin AFBs used in U.S. automobile production are sold at fair value. Instead, Torrington contends that the order is merely guaranteeing that Honda's "aftermarket" spare parts sales in Japan and the United States are made at comparable prices since spare parts are the only non-"Roller Chain" sales made by Honda. As a result, Torrington claims that the Department is not

effectively administering the antidumping duty order with respect to Honda.

Honda states that Torrington has not offered any specific data to support its contention and that Torrington's arguments have been previously rejected by the Department. Honda argues that an antidumping duty order is clearly not meant to apply to parts imported by a company for use in its own manufacturing operations unless the imported parts constitute a significant amount of the value of the products manufactured in the United States

Department's Position: We agree with Honda. The majority of Honda's imports constituted less than one percent of the value of the finished product sold to the first unrelated customer in the United States. The "Roller Chain" standard is clearly established (see Comment 1 of this section) and, by this standard, the majority of Honda's imports will not be assessed antidumping duties for entries during the POR. Furthermore, Torrington has provided no specific evidence demonstrating that circumvention is occurring.

Comment 7: NMB/Pelmec-Thailand states that the Department should not use BIA for its further-manufactured sales. NMB/Pelmec sold a small number of bearings to a related company, which were further manufactured. The companies reported CV data for the bearings that were further manufactured and, therefore, the Department should not use BIA.

Torrington argues that respondents did not submit complete and accurate information, and, as such, it is irrelevant whether or not CV was provided for the further-manufactured models. In light of the evidence on record, the Department should not accept the contentions of NMB/Pelmec for purposes of the final results.

Department's Position: We agree with respondent. For our preliminary results, we incorrectly assigned a BIA margin to two further-manufactured sales due to a program error. For the final results, we corrected the margin program. Since NMB/Pelmec properly reported CV data for the bearings that were further manufactured, we did not use BIA for these transactions.

Comment 8: NPBS requests that the Department correct the omission of variable COPFM (home market cost of production) used in allocating profit to further-manufactured bearing units by modifying several lines of the computer program. NPBS states that, due to differing product codes, the margin program failed to recognize this variable in the further-manufactured data file.

Torrington argues that, although NPBS' suggested correction seems reasonable, they have failed to demonstrate that the data are comparable. Instead, Torrington offers an example demonstrating that the CV and COP data are not comparable.

Department's Position: We agree with Torrington. Although Torrington cites an example allegedly showing that the CV data and COP data are not comparable, Torrington fails to realize that the example is based on data from the wrong files and is cited from the wrong submission (October 19, 1993, versus corrected data from December 30, 1993). Notwithstanding these facts, Torrington is correct in asserting that the data are not compatible without modification. See NPBS Final Analysis memo, June 2, 1994.

These modifications, made for the final results, are necessary to account for a difference in interest expenses and the exclusion of packing expenses. The difference in interest expenses can be corrected by multiplying it by a certain ratio. The exclusion of packing expenses cannot be corrected but, since it results in a lower COPFM, it increases the dumping margin. This is to the detriment of NPBS. Therefore, we are satisfied that modifying the CV data in the aforementioned manner will result in an acceptable surrogate for COPFM.

Comment 9: Torrington explains that NSK used a FIFO system to link imported bearing parts to finished bearings. Thus, imported parts could be matched to a finished bearing that was sold even before the parts were imported. This created a situation whereby imported parts were assigned resale prices and an ESP was calculated regardless of whether those parts were actually consumed during the POR.

Torrington notes that the only solution to this problem is to trace parts directly to finished bearings or to take account of the entire inventory of parts from all sources, applying the FIFO method to parts inventory until all of the parts are used up. The prices for finished bearings should be based upon the BIA, which is the lowest USP for each relevant part number.

NSK states it formulated its methodology for reporting Section E data in conjunction with the Department's Office of Accounting. This methodology was fully disclosed in the second, third, and present reviews. NSK notes that the Department has accepted as reasonable and proper NSK's assumptions and methodology in the second and third reviews. See *AFBs III*, 58 FR 39766.

Department's Position: We have concluded that NSK's FIFO