practices for related and unrelated customers. The failure to weight our test by quantity would give disproportionate weight to sales of small quantities, which would result in distortions. Therefore, we have not revised our arm's-length test for these final results.

Finally, we reject NTN's arguments that we have not established any standard for assessing the comparability of sales prices to related and unrelated parties. As discussed in Comment 3 above, our longstanding practice has been to exclude related-party sales from our analysis if the sales prices to related parties are lower than those to unrelated parties. See AFBs III. Because NTN's sales prices to related parties for BBs and CRBs were lower than sales prices to unrelated parties, we have excluded sales of these products to related parties from our calculation of FMV for these final results.

12. Samples, Prototypes, and Ordinary Courses of Trade

Comment 1: NTN argues that the Department should not use sample sales or sporadic, small quantity sales of certain products in its calculation of FMV. NTN states that these sales are not in the ordinary course of trade. NTN further states that the Department verified NTN's recording of sample sales in its accounting system, and the sales data that NTN used to classify certain other sales as being outside the ordinary course of trade. Because the Department excluded sample sales and sporadic, small-quantity sales from its analysis in Final Results of Antidumping Duty Administrative Review; Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, 57 FR 4960 (February 11, 1992), NTN urges the Department to exclude such sales from its analysis in the final results of this review.

Torrington and Federal-Mogul reject NTN's argument regarding sample sales because NTN has provided no evidence regarding the circumstances surrounding the sample sales in question. In the absence of such evidence, Torrington and Federal-Mogul assert that NTN has failed to meet its burden of proof in demonstrating that such sales fall outside the ordinary course of trade. Similarly, Torrington and Federal-Mogul assert that a pattern of infrequent sales of small quantities of specific products is insufficient to establish that such sales fall outside the ordinary course of trade. In this context, Torrington and Federal-Mogul note that the Department's verification of NTN's claims focused solely on the method that NTN used to prepare its response rather than NTN's sales practices.

Accordingly, Torrington and Federal-Mogul support the Department's exclusion from its calculation of FMV of NTN's sample sales and sporadic, small-quantity sales.

Department's Position: We agree with Torrington and Federal-Mogul. As we stated in the final results of the previous review, the fact that NTN identified sales as sample sales does not necessarily render them outside the ordinary course of trade. Thus, our verification of the designation of certain sales as samples merely demonstrates that NTN recorded such sales as samples in its own records. This designation, however, does not indicate that NTN made such sales outside the ordinary course of trade. We also reject NTN's claim that small quantity sales of products with sporadic sales histories fall outside the ordinary course of trade. Infrequent sales of small quantities of certain models is insufficient evidence to establish that NTN made these sales outside its ordinary course of trade because such sales histories are typical of certain types of products. Therefore, because NTN failed to demonstrate that samples and sporadic, small-quantity sales fall outside the ordinary course of trade, we have included them in our analysis for these final results.

Comment 2: FAG-Germany and FAG-UK contend that the Department improperly used zero-priced U.S. sample and prototype sales in the calculation of USP because such sales are not made in the ordinary course of trade and are therefore similar to the type of sales the statute permits the Department to exclude in the HM. Additionally, FAG claims the Department is not required to review each and every U.S. sale.

Alternatively, FAG argues that if the Department compares the U.S. zero-price sample sales to HM sales in which value was received, the Department should make a COS adjustment to account for the different circumstances under which the sales were made. FAG argues that the Department should adjust FMV in the amount of the expenses directly associated with the U.S. sample sale and suggests reducing FMV by the amount of the COP of the U.S. sample sale.

Federal-Mogul and Torrington contend that, in order to assure the validity of the Department's sample, the Department must not drop these U.S. sample and prototype sales from its analysis. Federal-Mogul and Torrington further maintain that the arguments regarding the ordinary course of trade are completely irrelevant because the ordinary course of trade provision applies only to the calculation of FMV,

not USP. Section 751(a)(2)(A) of the Tariff Act (19 USC 1675(a)(2)(A)) requires the Department to calculate the amount of duty payable on "each entry of merchandise" into the United States. Torrington states that this provision should be compared with section 773(a)(1)(A) of the Tariff Act (19 USC 1677b(a)(1)(A)), which requires FMV to be calculated on the basis of sales in the "ordinary course of trade."

Federal-Mogul also rejects the idea of a COS adjustment, arguing that the cost to produce the merchandise cannot reasonably be used to quantify any difference between a sample sale and a sale with a price because the cost to produce the merchandise remains the same whether the producer sells it at a profit, sells it at a dumped price, or gives it away.

Department's Position: The Department agrees with Federal-Mogul and Torrington. As set forth in AFBs II (at 28395), other than for sampling, there is neither a statutory nor a regulatory basis for excluding any U.S. sales from review. The Department must examine all U.S. sales within the POR. See Final Results of Antidumping Administrative Review; Color Television Receivers From the Republic of Korea, 56 FR 12701, 12709 (March 27, 1991).

Although we have made COS adjustments as required by section 773 of the Tariff Act and 19 CFR 353.56, we disagree with FAG's argument that a further COS adjustment should be made if the U.S. sample sales are not excluded from the analysis. This adjustment is not warranted under sections 772 and 773 of the Tariff Act. FAG's argument that a COS adjustment should be made when a zero-price U.S. sale is compared either to HM sales in which value was received or to CV, which includes profit, suggests that a COS adjustment should be made because of the marked difference in the prices of the U.S. sale (\$0) and the comparable HM sale. However, differences in prices do not constitute a bona fide difference in the circumstances of sale. Furthermore, it would clearly be contrary to the purpose of the dumping law to make a COS adjustment in order to compensate for price discrimination. Moreover, we do not deduct expenses directly related to U.S. sales from FMV either in PP or ESP comparisons. In making COS adjustments in PP comparisons, U.S. selling expenses are added to FMV, while in ESP comparisons U.S. selling expenses are neither added to nor deducted from FMV; they are deducted from USP. Finally, regarding FAG's argument that we should use the COP of U.S. merchandise (SAMPCOPE) as the basis for such an adjustment, the difmer