customers and merchandise exported by Meter. Since the statute requires that the general expenses included in CV be those "usually reflected in sales which are made by producers in the country of exportation," no reduction in Meter's G&A expenses may be made for gains on foreign exchange or for customs reimbursement.

Meter argues that reported G&A expenses were taken directly from its audited financial statements and allocated based on cost of sales. Meter contends that it is standard Department practice not to eliminate certain expenses from G&A that are unrelated to subject merchandise or a particular market. Instead, the Department treats G&A as general expenses of the company as a whole.

Department's Position: We agree in part with Federal-Mogul. Meter's "Foreign Exchange Gain or Loss" relates to trade accounts receivable on export sales transactions. At verification we found that the "Customs Reimbursement" related to returned merchandise. Accordingly both of the above items are directly related to the company's sales revenues, not G&A expenses, and therefore were excluded from the G&A calculation.

Comment 4: Federal-Mogul argues that Meter understated its factory overhead cost for CV as outlined in the cost verification report. Therefore, the Department must adjust Meter's submitted fixed overhead costs in order to accurately compute CV for subject merchandise.

Meter argues that the methodology it used to report factory overhead expenses was the same methodology the Department directed Meter to use in the second review. The Department should not penalize Meter for using an incorrect allocation methodology which the Department suggested in the first place. Therefore, resorting to BIA, as suggested by Federal-Mogul, would be unreasonable.

Department's Position: It was not Meter's fixed overhead costs but rather Meter's submitted variable overhead costs that were understated. Variable costs were understated due to the fact that Meter inappropriately allocated these costs on the basis of total hours incurred to produce all subject merchandise rather than the hours incurred to produce only the U.S. merchandise. Therefore, we adjusted Meter's submitted variable overhead costs in order to appropriately capture all costs.

Comment 5: Federal-Mogul notes that during the POR, Meter relocated its production facilities. Federal-Mogul contends that Meter should have submitted separate manufacturing costs for each facility that produced subject merchandise during the POR. Petitioner argues that since Meter did not submit facility-specific manufacturing costs, the Department should reject submitted weighted-average grinding and assembly labor rates and, as BIA, use the higher of the grinding and assembly rates experienced at each facility.

Meter argues that the Department did not ask for separate CV data for its labor rates in the old and new facilities. Furthermore, Meter argues that it complied with the Department's regulations in submitting weightedaverage costs to account for different production facilities being used in the same POR.

Department's Position: We agree with Meter. It is our policy that if a respondent produces subject merchandise at more than one facility, the reported COM should be the weighted-average manufacturing costs from all facilities. The costs reported by Meter properly reflect the costs of both facilities.

Comment 6: Federal-Mogul contests Meter's claim that each of Meter's model numbers reported in the company's HM database represents a unique product. According to Federal-Mogul, certain models in Meter's HM database are reported to be in different families, but the models are identical in all family criteria, and therefore, these models should be in the same family. In addition, Federal-Mogul states that two other HM models vary insignificantly from reported U.S. models in one criterion. For these reasons, Federal-Mogul argues, the Department should not accept Meter's claim that there are no HM matches for any U.S. sales.

Meter claims that it correctly utilized the matching methodology prescribed by the Department and such methodology accurately reflects Meter's business and production processes.

Department's Position: We disagree with Federal-Mogul. When we reviewed Meter's family designations we found two U.S. models with identical family characteristics that had been assigned different family designations. Likewise, we found two HM models which should have been given the same family designation but were not. However, in no instance were any HM models identical or similar to U.S. models based on our criteria for determining such or similar merchandise. Therefore, these errors did not affect these results.

We also disagree with Federal-Mogul's argument that "insignificant" variations in family matching characteristics, between HM and U.S. models, should have been disregarded.

The U.S. and HM models in question were not identical in all characteristics. Furthermore, we consider a bearing sold in the HM to be similar to a U.S. model when the eight characteristics outlined in our questionnaire are identical. Because these eight characteristics were not identical for these bearings, we do not consider these bearings to be identical or similar matches.

Comment 7: FAG-Italy contends that the Department's assessment rate methodology is flawed, and states 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, FAG-Italy claims that the Department should base assessment rates on the Customs entered values of merchandise actually entered during the POR, as submitted by respondent. FAG-Italy maintains 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). FAG-Italy argues 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-Italy'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-Italy'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