compels the conclusion that there is a single class or kind of merchandise. According to petitioner, the physical characteristics of carbon and alloy pipe represent a continuum of products produced with varying chemical compositions to meet a range of heat, pressure and tensile requirements. According to petitioner, there is simply no bright dividing line between the physical characteristics of the products. Petitioner states that the customer's expectations and use of the product are dictated by the engineering specification required by the intended application. Because the majority of all subject seamless pipe is triple-certified, the pipe may be put to any of the uses that apply to each of the individual specifications to which it is certified. Petitioner points out that the vast majority of seamless pipe is sold through the same channel of tradedistributors. Finally, petitioner adds that, because the majority of seamless pipe is triple-certified, it has identical costs regardless of the customer to whom it is sold.

## DOC Position

We agree with petitioner that the subject merchandise constitutes a single class or kind for the reasons outlined in the "Scope Issues" section of this notice. Furthermore, respondent's reliance on *Torrington* is misplaced. In Torrington, the Court of International Trade found that the Department's division of antifriction bearings into five classes or kinds, based in large part on the physical characteristics of the different types of antifriction bearings, was supported by substantial evidence on the record. In this case, as we stated in our "Scope Issues" section, that there is insufficient evidence to show that the difference between carbon and alloy steel rises to a class or kind distinction. See "Scope Issues" section of this notice for further discussion on class or kind.

## Company-Specific Issues

## Comment 1

Petitioner argues that BIA must be applied to Mannesmann's responses for the following reasons:

- (a) the Department was unable to verify the accuracy or completeness of Mannesmann's sales listings;
- (b) MSA's difmer data is erratic and contains serious errors; and
- (c) the information for various sales charges and adjustments reported by respondent could not be verified.

Petitioner maintains that Mannesmann's home market sales response must be considered unreliable when viewed in the context of the totality of problems identified at verification and the additional opportunities Mannesmann had prior to verification to provide an accurate response.

With respect to reason (a) above, petitioner states that the Department's verification report confirms that Mannesmann omitted certain sales of subject merchandise from its home market sales listing, often characterizing these omissions as insignificant in terms of the percentage they constitute of total reported sales. Petitioner asserts that since only a portion of Mannesmann's total reported sales will be matched to U.S. sales in dumping margin analysis and the Department's standard hyperinflation methodology requires separate FMV calculations for each month, omissions such as those observed by the Department can have a significant impact on the ultimate margin calculation. According to petitioner, the Department must examine each of the errors and omissions noted in the verification report in the context of its potential impact on monthly sales matches.

In addition to these sales omissions, petitioner notes further that certain sales were reported incorrectly because of errors in accounting for merchandise returns and invoice price corrections. Also, the gross prices for numerous transactions and the surface treatment codes for certain products were reported incorrectly.

With respect to reason (b), petitioner maintains that the cost data submitted by respondent remains erratic and unusable even after the Department's request for its revision in a deficiency letter issued subsequent to the preliminary determination. Reason (b) is discussed in detail under Comment 2 below.

With respect to reason (c), petitioner takes issue with verification findings for certain charges and adjustments, *i.e.*, that MSA's home market inland freight and insurance expenses were overstated, that foreign inland freight charges incurred by MSA on U.S. sales were not reported, that home market and U.S. packing costs were not verified, MPS' reporting of estimated movement charges for certain U.S. transactions, and U.S. shipment date.

Respondent argues that the discrepancies noted by the Department in the verification reports either do not have appreciable effects on antidumping analysis or serve to disadvantage respondent. Therefore, its responses should be used in the Department's final analysis. For example, respondent asserts that a portion of the unreported sales would be irrelevant to product

comparisons in the Department's analysis because it did not make any sales of those same products in the United States during the POI.

With respect to the transactions which were omitted inadvertently from MCSA's February 28, 1995, sales listing due to programming errors, respondent points out that these sales were originally reported to the Department in the December 9, 1994, sales listing, and considered in the Department's preliminary analysis. Respondent states that these omitted sales fall into two categories: (1) sales of products which were not matched to U.S. products in the preliminary determination and were irrelevant in the margin calculation; and (2) sales of products which were potential matches for products sold to the United States. However, the sales of potentially matchable products were either not made in the same month as the corresponding U.S. products to which they were matched, or the Department has the necessary data from the December 9 response to utilize the sales for matching purposes. With respect to certain sales of cold-drawn pipe which were never reported to the Department, respondent argues that this is an insignificant portion of total reported home market sales, and that examining these sales within the context of the Department's preliminary determination product concordance indicates that none of the unreported sales should be treated as the most similar match to U.S. sales of cold drawn pipe. With respect to another group of products that were not reported to the Department because of a product selection error made during response preparation, respondent argues that these products are irrelevant to product comparisons on the basis of specification.

Furthermore, respondent notes that any other discrepancies found at verification are minor and/or disadvantage respondent. Such discrepancies include: the incorrect reporting of four U.S. product codes for certain transactions; the overstatement of MSA's home market inland freight and insurance charges; MSA's omission of foreign inland freight charges for U.S. sales; and certain estimated U.S. movement charges which were not updated to reflect actual charges incurred.

## DOC Position

We disagree with petitioner that Mannesmann's responses cannot be used for the final determination. While we noted several discrepancies at verification, these discrepancies were neither pervasive nor representative of a