

merchandise in the home market at prices below the COP. In accordance with 19 CFR 353.51(c), we calculated COP for Dillinger as the sum of reported materials, labor, factory overhead, and general expenses. We compared COP to home market prices, net of price adjustments, discounts, and movement expenses.

In accordance with section 773(b) of the Tariff Act, in determining whether to disregard home market sales made at prices below the COP, we examined whether such sales were made in substantial quantities over an extended period of time, and whether such sales were made at prices which permitted recovery of all costs within a reasonable period of time in the normal course of trade.

In accordance with our normal practice, for each model for which less than 10 percent, by quantity, of the home market sales during the POR were made at prices below COP, we included all sales of that model in the computation of FMV. For each model for which 10 percent or more, but less than 90 percent, of the home market sales during the POR were priced below COP, we excluded those sales priced below COP, provided that they were made over an extended period of time. For each model for which 90 percent or more of the home market sales during the POR were priced below COP and were made over an extended period of time, we disregarded all sales of that model in our calculation and, in accordance with section 773(b) of the Tariff Act, we used the constructed value (CV) of those models, as described below. See, e.g., Mechanical Transfer Presses from Japan, Final Results of Antidumping Duty Administrative Review, 59 FR 9958 (March 2, 1994).

In accordance with section 773(b)(1) of the Tariff Act, to determine whether sales below cost had been made over an extended period of time, we compared the number of months in which sales below cost occurred for a particular model to the number of months in which that model was sold. If the model was sold in fewer than three months, we did not disregard below-cost sales unless there were below-cost sales of that model in each month sold. If a model was sold in three or more months, we did not disregard below-cost sales unless there were sales below cost in at least three of the months in which the model was sold. We used CV as the basis for FMV when an insufficient number of home market sales were made at prices above COP. See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan and Tapered Roller Bearings, Four

Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews, 58 FR 64720, 64729 (December 8, 1993).

Because Dillinger provided no indication that its below-cost sales of models within the "greater than 90 percent" and the "between 10 and 90 percent" categories were at prices that would permit recovery of all costs within a reasonable period of time and in the normal course of trade, we disregarded those sales of models within the "10 to 90 percent" category which were made below cost over an extended period of time. In addition, as a result of our COP test for home market sales of models within the "greater than 90 percent" category, we based FMV on CV for all U.S. sales for which there were insufficient sales of the comparison home market model at or above COP. Finally, where we found, for certain of Dillinger's models, home market sales for which less than 10 percent were made below COP, we used all home market sales of these models in our comparisons.

We also used CV as FMV for those U.S. sales for which there was no sale of such or similar merchandise in the home market. We calculated CV in accordance with section 773(e) of the Tariff Act. We included the cost of materials, labor, and factory overhead in our calculations. Where the general expenses were less than the statutory minimum of 10 percent of the cost of manufacture (COM), we calculated general expenses as 10 percent of the COM. Where the actual profits were less than the statutory minimum of 8 percent of the COM plus general expenses, we calculated profit as 8 percent of the sum of COM plus general expenses. Based on our verification of Dillinger's cost response, we adjusted Dillinger's reported COP and CV to reflect certain adjustments to the cost of manufacturing, general and administrative expenses, indirect selling expenses and the calculation of profit.

In accordance with section 773 of the Tariff Act, for those U.S. models for which we were able to find a home market such or similar match that had sufficient above-cost sales, we calculated FMV based on the packed, F.O.B., ex-factory, or delivered prices to unrelated purchasers in the home market. We made adjustments, where applicable, for post-sale inland freight, and for home market direct expenses, such as certain rebates tied to specific sales, credit and discounts. In addition, we adjusted FMV for differences in physical characteristics, U.S. direct selling expenses, and the German value-

added tax. Also, after deducting home market packing, we added packing expenses incurred in Germany for U.S. sales to FMV. No adjustment was made for home market related party commissions because Dillinger did not demonstrate that these commissions were at arm's length, but we offset an addition to FMV for U.S. commissions with home market indirect selling expenses.

Due to discrepancies in Dillinger's reporting of certain customers and level of trade, we are not in a position to know which sales reported as end-user sales were in fact end-user sales and which were sales to service centers/distributors. The only known difference in terms of sale to service centers/distributors and end-users was that service centers/distributors received a trader discount. Consequently, in matching home market sales to sales to U.S. end-users, we adjusted FMV to account for this discount (see Analysis Memorandum to the File, May 25, 1995).

#### Preliminary Results of Review

As a result of our comparison of USP to FMV we preliminarily determine that the following margin exists for the period February 4, 1993, through July 31, 1994:

Manufacturer	Margin
Dillinger .....	2.02%

Interested parties may request disclosure within 5 days of the date of publication of this notice and may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter. Case briefs and/or written comments from interested parties may be submitted no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in those comments, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of these administrative reviews including the results of its analysis of issues raised in any such written comments or at a hearing.

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between the USP and FMV may vary from the percentages stated above.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise