written description of the scope of this proceeding is dispositive.

## Such or Similar Merchandise

In determining similar merchandise comparisons, we considered the following physical characteristics, which appear in order of importance: (1) Twisted vs. untwisted; (2) number of throws; (3) forging method; (4) engine type; (5) number of bearings; (6) number of flanges; and (7) number of counterweights. We applied weight separately based on a range of plus or minus 20 percent of the weight of the U.S. model. We applied weight as we did to ensure that we would consider all of the matching criteria in making our product comparisons (see Comment 1 in the "Interested Party Comments Section" of this notice). We did not consider cost as a matching criterion (see Comment 2).

# Fair Value Comparisons

To determine whether UEF's sales of crankshafts from the United Kingdom to the United States were made at less than fair value, we compared United States price (USP) to foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice.

# United States Price

We calculated USP according to the methodology described in our preliminary results.

# Foreign Market Value

As stated in the preliminary results, we found that the home market was viable for sales of crankshafts and based FMV on home market sales.

We calculated FMV according to the methodology described in our preliminary results.

For four U.S. products, we found no home market product comparisons after applying the model matching methodology, the contemporaneity test, and the difference-in-merchandise (difmer) test. For the four products, we based FMV on CV. We calculated CV based on the sum of the respondent's submitted cost of materials, fabrication, general and administrative (G&A) expenses, U.S. packing and profit.

We reduced G&A expenses for certain plant redundancy expenses because such expenses were already included in the cost of manufacture (COM) (see Comment 6 for a further discussion).

In accordance with section 773(e)(1)(B) (i) and (ii) of the Act, we included the actual general expenses, which exceeded the statutory minimum of ten percent of the COM. We used the statutory minimum profit, which is

eight percent of the sum of COM and general expenses, because the actual profit amount was less than the statutory minimum (see Comment 7 for a further discussion).

### **Currency Conversion**

We made currency conversions in accordance with 19 CFR 353.60(a). All currency conversions were made at the rates certified by the Federal Reserve Bank.

## **Interested Party Comments**

Comment 1: Application of the Weight Criterion

The petitioner contends that when matching sales of U.S. to home market merchandise, the Department has always applied the weight criterion in its matching hierarchy only to avoid comparisons of models of greatly disparate weight. Moreover, the petitioner contends that the Department's application of the weight criterion in the preliminary results was flawed because the Department's methodology did not consider all matching criteria. Therefore, the petitioner supports the use of a 20 percent weight range in the matching

The respondent argues that the Department should not apply the weight criterion only to avoid comparisons of greatly disparate weight and should keep using the method from the preliminary results. The respondent argues that use of a 20 percent weight range would be arbitrary, too narrow, and would treat differences in weight erratically. The respondent further argues that if the Department must change the application of the weight criterion from the method used in the preliminary results, it should use weight differences only to "break ties" between models that are equally similar in terms of primary characteristics.

### DOC Position

We agree, in part, with the petitioner. In past reviews, we applied the weight criterion to avoid comparisons of models that were "greatly disparate" in weight. See Final Results of Antidumping Duty Administrative Review: Certain Forged Steel Crankshafts from the United Kingdom (56 FR 5975, 5979, Feb. 14, 1991) (Second Review). We did not, however, define the term "greatly disparate" in those reviews. In the final results of this review, we sought to increase the predictability of our matching hierarchy by clarifying what we consider "greatly disparate." In the preliminary results, we

considered weight as the third matching

criterion and applied the criterion by selecting the home market model that was closest in weight to the U.S. model. This was consistent with the matching methodology outlined in a February 1993 memorandum prepared during the third review, and in furtherance of our efforts to increase the predictability of our matching hierarchy. However, we then discovered two flaws in our methodology for applying the weight criterion, which compelled us to seek an alternative methodology to that used in the preliminary results.

First, we realized that in the preliminary results, by applying weight as the third criterion of a descending hierarchy and selecting the home market model that was closest in weight to the U.S. model, our methodology effectively nullified the remaining matching criteria (*i.e.*, forging method, engine type, bearings, flanges and counterweights). This problem would be avoided only in the rare instance where two or more home market models were identical in weight. Thus, our methodology in the preliminary results frustrated the proper operation of our

matching hierarchy.

Second, we realized that simply choosing the home market model that was closest in weight to the U.S. model did not prevent us from comparing models that were greatly disparate in weight, because the methodology failed to address situations where all home market models were greatly disparate in weight compared to the U.S. model. In such cases, one home market model could be "closest" in weight to the U.S. model, but still greatly disparate. This would violate our established practice of not comparing models that are greatly disparate in weight. See Second Review (56 FR 5979). The 20 percent difmer test would not necessarily prevent such comparisons because, in past crankshafts reviews, we have found that the relatively high material costs of heavier crankshafts may be offset by the relatively high cost of producing the other physical differences in lighter crankshafts.

As a result, two products could appear on paper (i.e., according to the difmer test) to be more similar than they actually were. Id.

Due to these problems, on July 26, 1995, we indicated to both interested parties that we were considering applying the weight criterion as a 20 percent weight range rather than by choosing the home market model that was closest in weight to the U.S. model. Under our proposed methodology, the weight of a home market model would have to be within 20 percent of the weight of the U.S. model to be