

Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders, 60 FR 10925, February 28, 1995.)

*Comment 10:* Petitioner states that the Department should reject JST's home market direct warranty expense claim and treat warranty as an indirect selling expense. Petitioner cites the verification report, which states that JST calculated its reported home market warranty expense claim based on its warranty experience for both subject and non-subject merchandise. Petitioner argues that, because warranty expenses can vary significantly by product, JST's warranty expense allocation methodology may result in the overstatement of the company's actual home market LPT warranty expense.

JST argues that, at verification, the Department was given detailed warranty expense information by year and by transformer type. JST states that it did report actual warranty expenses incurred on the subject merchandise and distinguished warranty expenses incurred on LPTs sold in the home market from warranty expenses sold on exports.

*Department's Position:* JST reported warranty expense on home market sales which included both subject and non-subject merchandise. At verification, we were able to separate warranty expense into three categories: subject merchandise, non-subject merchandise, and export sales. We agree with petitioner that we should calculate warranties based only on subject merchandise. We disagree with petitioner that warranty expense should be considered an indirect selling expense because, as we found at verification, warranty expenses are associated with specific sales. We have thus recalculated warranty expense on home market subject merchandise and

have continued to treat it as a direct selling expense adjustment to foreign market value.

*Comment 11:* Petitioner argues that JST improperly allocated shared production expenses for 1993 by allocating a portion of these expenses to off-site production labor hours.

JST stated that, because its off-site production was LPT-related, it properly allocated shared production expenses.

*Department's Position:* We agree with JST. Shared production expenses for 1993 were properly allocated to all its production because (1) the off-site production performed by JST was LPT-related, and (2) of the nature of the shared production expenses. (See proprietary memorandum to the file dated June 30, 1995.)

*Comment 12:* Petitioner argues that the Department improperly included insurance in SG&A, rather than treating it as a movement charge on JST's U.S. sales.

JST states that the insurance associated with freight was included in JST's movement charges, and that the general insurance covering plant and inventory was included in the SG&A charge that JST reported in its questionnaire response. JST asserts that the Department properly included both sets of insurance costs in its preliminary dumping calculation.

*Department's Position:* We agree with JST. At verification, in our examination of JST's internal cost sheets, which listed all of JST's expenses, we found that insurance had not been specifically listed. In our examination of freight documents, we found that the freight companies that JST used for shipping transformers to the United States included, in their charges, amounts for insurance. Therefore, JST properly reported freight insurance as a movement expense. In our examination of insurance reported as SG&A, we found that JST had been charged an amount for all its sales in the year we used to calculate SG&A. Based on the

above information, we conclude that JST has properly reported insurance as a movement expense or an SG&A expense, depending on the nature of the insurance.

*Comment 13:* Petitioner states that the Department correctly determined that only two entries were covered by this administrative review. Petitioner notes that during the period of review two JST units entered into the United States; however, JST requested the Department review a third unit which JST sold during the period of review. Petitioner argues that, while the Department has based certain administrative reviews on sales rather than entries, it has not mixed entry- and sale-based analyses in the same review, nor has it varied its methodology from review to review. Petitioner also notes that, at verification, the Department found that several important components of the margin calculation for this third sale could not be quantified because they had not yet been incurred. Petitioner contends that for its final results the Department should reaffirm its decision to exclude this unit from this review.

*Department's Position:* We agree that this sale should not be included in this administrative review. At verification we examined this sale in detail; however, we could not verify receipt of payment for the transformer, or payment of movement expenses and commissions. In addition, we found that material cost could change due to adjustments that had not yet been made to materials removed from stock. Further, our general practice, in purchase price situations, is to review sales corresponding to shipments or entries made during the period of review. We have, therefore, not included this sale in our analysis.

Final Results of Review

As a result of our review, we determine that the following weighted-average margin exists:

Manufacturer/exporter	Period of review	Margin (percent)
Jeumont Schneider Transformateurs .....	06/01/93-05/31/94	1.50

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between U.S. price and foreign market value may vary from the percentage stated above. The Department will issue appraisal instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of LPTs from France entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for the reviewed

company will be the rate listed above; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review or the original less-than-fair-value investigation, but