

had been made over an extended period of time. Where we found that more than 90 percent of a UES's sales were at prices below the COP over an extended period of time, we disregarded all sales for that model and calculated FMV based on CV.

To determine if sales below cost were made over an extended period of time, we compared the number of months in which sales below cost had occurred for a particular model to the number of months in which the model was sold. If the model was sold in three or fewer months, we did not find that below-cost sales were made over an extended period of time unless there were sales below cost of that model in each month. If a model was sold in more than three months, we did not find that below-cost sales were made over an extended period of time unless there were sales below cost in at least three of the months in which the model was sold. See, e.g., *Tapered Roller Bearings from Japan, Final Results of Antidumping Duty Administrative Review*, 58 FR 64720 (Dec. 9, 1993). See also *Antifriction Bearings from France, et al., Preliminary Results of Antidumping Duty Administrative Review*, 59 FR 9463 (Feb. 28, 1994).

For those models for which there was an adequate number of sales at prices above the COP, we based FMV on home market prices to related and unrelated purchasers, in accordance with 19 CFR 353.45(a). We used prices to related purchasers only if such prices were made at arm's length (see arm's-length discussion above). We calculated FMV based on packed, delivered prices. We made deductions, where appropriate, for rebates and invoice corrections. Pursuant to section 773(a)(4)(B) of the Act, and 19 CFR 353.56(a)(2), we made circumstance-of-sale adjustments, where appropriate, for differences in credit expenses, warranty expenses, warehousing expenses, inland freight, and commissions. We also made a circumstance-of-sale adjustment for differences in credit insurance expenses. Credit insurance charges for U.S. sales were assessed on a sale-by-sale basis, while in the home market, a single amount was charged for insurance, regardless of the level of sales. We therefore preliminarily determine as we determined in the final determination of sales at LTFV for this case, that credit insurance is a direct expense in the U.S. market, and an indirect expense in the home market. Accordingly, we made this adjustment by adding the amount of credit insurance assessed on each U.S. sale to the FMV. When commissions were paid on the U.S. sale and not on the home

market sale, we made an adjustment for indirect selling expenses in the home market to offset the commissions in the U.S. market.

Because the home market prices were reported net of VAT, we added to the home market price the amount of VAT incurred on each individual home market sale.

Where appropriate, we made further adjustments to FMV to account for differences in physical characteristics of the merchandise, in accordance with 19 CFR 353.57.

Petitioner argued against using differences in "residuals," or trace elements, as a criterion in determining whether home market merchandise was most similar to merchandise sold to the United States. However, product differences due to residuals are commercially significant and not incidental, as they are designed into the product. Therefore, we continued to consider residuals in model matching, as we did in the LTFV investigation of this case.

For those models without an adequate number of sales made at prices above the COP, in accordance with section 773(b) of the Act, we based FMV on CV. We calculated the CV based on the sum of the cost of materials, fabrication, general expenses, U.S. packing cost, and profit, in accordance with section 773(e) of the Act. We adjusted UES's CV data in the same manner as we adjusted its COP data as discussed above. In accordance with section 773(e)(1)(B)(i) of the Act, we included in CV the greater of the company's reported general expenses or the statutory minimum of ten percent of the cost of manufacture (COM). For profit we used the actual profit earned by UES where the actual figure was higher than the statutory minimum of eight percent of the sum of COM and general expenses, or the statutory minimum of eight percent where the actual profit was lower, in accordance with section 773(e)(1)(B)(ii) of the Act. We made circumstance-of-sale adjustments, where appropriate, for differences in direct selling expenses, including credit, credit insurance, warranty, inland freight, and policy stock warehousing.

No other adjustments were claimed or allowed.

Currency Conversion

We made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York.

Verification

As provided in section 776(b) of the Act, we verified information provided by respondent by using standard verification procedures, including the examination of relevant sales and financial records, and selection of original source documentation containing relevant information.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following dumping margin exists for the period September 28, 1992 through February 28, 1994.

Manufacturing/exporter	Period of review	Margin
United Engineering Steels Ltd. (UES)	9/28/92-2/28/94	4.03

Any interested party may request a hearing within 10 days of publication of this notice. Any hearing will be held 44 days after the date of publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the publication date of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication of this notice. The Department will publish a notice of the final results of this administrative review, which will include the result of its analysis of issues raised in any such case briefs.

The following deposit requirements shall be effective for all shipments of the subject merchandise that are entered, or withdrawn from warehouse for consumption, on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rates for the reviewed company shall be those rates established in the final results of this review; (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 LTFV investigation, but the manufacturer is, the cash deposit rate shall be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review, the cash deposit rate will be 25.82 percent, the all others rate established in the LTFV investigation.