

finding at verification that NTN-Germany's method of calculating rebates results in rebate percentages that differed from those stipulated in NTN-Germany's rebate agreements. Torrington further argues that the Department should deny NTN-Germany's claimed rebates for 1993, because the Department found at verification that certain customers would not qualify for the reported rebates based on 1993 sales.

NTN-Germany replies that its reported rebates are reasonable, because it calculated rebate percentages based on information available in its accounting records at the time that it prepared its questionnaire response. NTN-Germany further argues that the Department was able to verify the additional data on rebates that NTN-Germany did not have at the time that it prepared its questionnaire responses. As a result, NTN-Germany argues that even if the Department does not accept NTN-Germany's reported HM rebates for these final results, the Department should revise NTN-Germany's calculations rather than reject NTN-Germany's claim in its entirety.

*Department's Position:* We agree with NTN-Germany. We verified that NTN-Germany's reported data on HM sales and rebates were accurate, complete and contemplated at the time of sale. Further, because NTN-Germany did not have data on calendar year 1993 sales and rebates at the time that it prepared its questionnaire response, we find that the method that it used to report its HM rebates was reasonable. Accordingly, for these final results we have used in our analysis the data that NTN-Germany reported for rebates on HM sales.

*Comment 20:* Torrington argues that the Department should revise its treatment of NTN-Germany's HM discounts, because NTN-Germany improperly calculated its discounts. According to Torrington, NTN-Germany's calculation of average discounts per-customer is inappropriate, given the Department's finding at verification that NTN-Germany paid discounts on an invoice-specific basis. As a result, Torrington requests that the Department deny entirely NTN-Germany's claim for HM discounts or, at a minimum, treat them as indirect selling expenses for the final results.

*Department's Position:* Because we verified the accuracy and completeness of the customer-specific data that NTN-Germany used to calculate its reported HM discounts and because the discounts pertain to subject merchandise only, it would be inappropriate to deny the adjustment to NTN-Germany's HM prices for

discounts. In the preliminary determination we treated these discounts as indirect selling expenses. In accordance with our discount and rebate policy discussed at the beginning of this section, we have continued to treat NTN-Germany's HM discounts as indirect selling expenses for the final results of these reviews.

*Comment 21:* NTN asserts that the Department erred in classifying NTN's HM discounts as indirect selling expenses. According to NTN, it did not report its discounts by aggregating discounts granted on specific sales and then allocating them over all sales to a particular customer. Rather, NTN states that it reported its discounts on both a product- and customer-specific basis. As a result, NTN requests that the Department treat its reported discounts as direct adjustments to price for the final results of this review.

Torrington and Federal-Mogul reply that NTN's method of reporting HM discounts does not satisfy the Department's criteria for considering discounts to be direct adjustments to price. Torrington states that the Department's verification report indicates that NTN allocates discounts to AFBs and non-subject merchandise. Similarly, Federal-Mogul asserts that NTN did not report discounts on a transaction-specific basis, and provided no evidence that it granted discounts as a fixed percentage of all HM sales. As a result, Federal-Mogul claims that NTN may have overstated its reported HM discounts for certain sales. Because NTN's method of reporting home market discounts was not sufficiently specific, Torrington and Federal-Mogul conclude that the Department properly treated NTN's HM discounts as indirect selling expenses.

*Department's Position:* We agree with Torrington and Federal-Mogul. According to the policy stated above and in previous reviews in these cases, we will treat discounts as direct adjustments to price only if they are reported on a sale-specific basis or if they are granted as a fixed and constant percentage of all sales. Because NTN's reported HM discounts are reported on a product- and customer-specific basis, and pertain only to scope merchandise, we have treated them as indirect selling expenses for the final results of these reviews.

*Comment 22:* NTN argues that the Department made a clerical error in failing to consider billing adjustments when calculating per-unit U.S. and HM selling expenses. According to NTN, the sales amounts over which the Department allocated certain U.S. and HM selling expenses were net of billing

adjustments. Accordingly, NTN requests that the Department calculate per-unit U.S. or HM selling expenses by deducting billing adjustments from the sales prices that it uses to calculate per-unit expenses.

Torrington responds that the record does not specifically demonstrate that the U.S. and HM sales amounts used in the Department's allocations are net of billing adjustments. Therefore, Torrington requests that the Department modify its calculations as requested by NTN only if the Department is able to determine that the sales amounts at issue are net of billing adjustments.

*Department's Position:* We agree with Torrington. There is no evidence in the record of this review that describes the manner in which NTN recorded billing adjustments in its accounting system. In the absence of such information, we cannot confirm that the sales values that NTN used to allocate its expenses were net of billing adjustments. As a result, we have not deducted billing adjustments from the sales prices that we used to calculate per-unit expenses for these final results.

*Comment 23:* Torrington argues that NTN-Japan failed to report all HM billing adjustments on a transaction-specific basis. Citing *Torrington I* at 1579, Torrington contends that adjustments to FMV must be tied to sales of subject merchandise, rather than merely allocated over all sales. Because NTN-Japan used an aggregate method of reporting some billing adjustments, Torrington concludes that the Department should deny NTN's claims for HM billing adjustments or should, at a minimum, treat billing adjustments as indirect selling expenses.

NTN responds that it complied, to the extent possible, with the Department's instructions for reporting billing adjustments, and that there is no evidence that any deviations from this reporting method had any impact on the Department's calculation of NTN's dumping margins. NTN further argues that it did not report any billing adjustments made for sales of non-subject merchandise. Therefore, NTN concludes that the Department should continue to treat NTN's reported billing adjustments as direct adjustments to price for these final results.

*Department's Position:* We agree with NTN. During our verification of NTN's HM sales, we found no discrepancies in NTN's reporting of billing adjustments to home market sales. Thus, we have no reason to believe or suspect that NTN failed to report accurately or completely its HM billing adjustments, or that NTN's method of reporting may have included billing adjustments made on