

Scope of the Review

Imports covered by these reviews are brass sheet and strip, other than leaded and tin brass sheet and strip, from Germany. The chemical composition of the products under review is currently defined in the Copper Development Association (C.D.A.) 200 Series or the Unified Numbering System (U.N.S.) C20000 series. These reviews do not cover products the chemical compositions of which are defined by other C.D.A. or U.N.S. series. The physical dimensions of the products covered by these reviews are brass sheet and strip of solid rectangular cross section over 0.006 inches (0.15 millimeters) through 0.188 inches (4.8 millimeters) in gauge, regardless of width. Coiled, wound-on-reels (transverse wound), and cut-to-length products are included. The merchandise is classified under Harmonized Tariff Schedule (HTS) item numbers 7409.21.00 and 7409.29.20. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

These reviews cover one manufacturer/exporter, Wieland. The POR's are March 1, 1990 through February 28, 1991, March 1, 1991 through February 29, 1992, and March 1, 1992 through February 28, 1993.

United States Price

We based USP on purchase price (PP) and exporter's sales price (ESP), as appropriate, in accordance with section 772 of the Act. We calculated PP and ESP based on C.I.F., duty-paid prices, delivered either to independent U.S. warehouses or to the customers' premises. In accordance with section 772(d)(2) of the Act, we made deductions for movement expenses and customs duty.

For ESP transactions, we also made deductions for U.S. movement expenses, direct selling expenses, commissions, where appropriate, and indirect selling expenses.

We adjusted USP for taxes in accordance with our practice as outlined in Siliconmanganese From Venezuela; Preliminary Determination of Sales at Less than Fair Value, 59 FR 31204 (June 17, 1994) (Siliconmanganese).

No other adjustments were claimed or allowed.

Foreign Market Value

Based on a comparison of the volume of home market and third country sales, we determined that the home market was viable. Therefore, in accordance with section 773 of the Act, we

compared U.S. sales with sales of such or similar merchandise in the home market.

We calculated FMV using monthly weighted-average prices of sales of brass sheet and strip having the same characteristics as to alloy, gauge, width, temper, form, and coating. The gauge and width groupings are the same as those used in prior reviews. The model-match methodology in these reviews was the same as that used in the last administrative review (August 22, 1986 through February 29, 1988), except the Department included alloy-specific information for each transaction, instead of assigning sales into one of two alloy grade groups having above or below 70% copper content. This added specificity brings the model-match methodology into conformance with other orders on brass sheet and strip.

On January 5, 1994, the Court of Appeals for the Federal Circuit, in *The Ad Hoc Committee of AZ-NM-TX-FL Producers of Gray Portland Cement v. United States*, No. 93-1239, held that the Department could not deduct home market movement charges from FMV pursuant to its inherent power to fill in gaps in the antidumping statute. Accordingly, we now adjust for home market movement expenses under the circumstance-of-sale (COS) provision of 19 CFR 353.56 and the ESP offset provision of 19 CFR 353.56(b) (1) and (2), as appropriate. In these reviews, home market movement expenses were incurred between factory and customer, after the sale, and were therefore treated as direct COS deductions.

FMV was based on packed, delivered prices to unrelated customers in the home market, with appropriate deductions from the home market price for inland freight and insurance, credit expenses, home market packing, and rebates. We added U.S. packing to the home market price in accordance with section 773(a)(1) of the Act. For PP sales we added credit expenses to FMV, as a direct selling expense. For ESP sales we made adjustments to the home market price for indirect selling expenses, which we limited to the amount of indirect selling expenses in the United States, in accordance with 19 CFR 353.56(b)(2). In addition, we included in FMV the amount of value-added taxes collected in the home market in accordance with our practice as outlined in Siliconmanganese. We also made adjustments for differences in merchandise.

Wieland claimed that "an adjustment should be made for the per unit differences in processing expenses associated with different order size." However, Wieland did not demonstrate

to what extent these claimed adjustments affected price, or how they were related to the transactions under review. Accordingly, since we are not "satisfied that the amount of any price differential is wholly or partly due to that difference in quantities," (19 CFR 353.55), we disallowed this claimed adjustment.

No other adjustments were claimed or allowed.

Cost Test

Because allegations by petitioners in the 1990-1991 administrative review provided the Department with reasonable grounds to believe or suspect that sales in that period had been made below cost, in accordance with section 773(b) of the Act, we investigated whether Wieland sold such or similar merchandise in the home market at prices below the cost of production (COP). 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.

COP was reported as the sum of costs for materials, labor, variable costs of manufacturing, factory overhead, selling and general expenses, net interest, and packing. In accordance with 19 CFR 353.51(c), we compared COP to home market prices net of discounts.

In accordance with our normal practice, when less than 10 percent of the home market sales of a model were at prices below the COP, we did not disregard any sales of that model. When 10 percent or more, but not more than 90 percent, of the home market sales of a particular model were determined to be below cost, we excluded the below-cost home market sales from our calculation of FMV, provided that these below-cost home market sales were made over an extended period of time. When more than 90 percent of the home market sales of a particular model were made below cost over an extended period of time, we disregarded all home market sales of that model in our calculation of FMV. See, for example, *Mechanical Transfer Presses from Japan*, Final Results of Antidumping Duty Administrative Review, 59 FR 9958.

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