

**REMAND DETERMINATION**  
*NSK Ltd. v. United States,*  
Court No. 98-07-02527, Slip Op. 03-76

**Summary**

This remand determination, submitted in accordance with the order of the U.S. Court of International Trade (the Court) of June 30, 2003 (Slip Op. 03-76), involves challenges to the determinations of the U.S. Department of Commerce (the Department) in the administrative reviews of the antidumping duty orders on antifriction bearings and parts thereof from Japan (Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and the United Kingdom; Final Results of Antidumping Duty Administrative Review, 63 FR 33320 (June 18, 1998) (AFBs 8)), and its subsequent remand redetermination in *NSK Ltd. v. United States*, Court No. 98-07-02527, Slip Op. 02-61 (December 9, 2002) (First Remand), concerning the period of review from May 1, 1996, through April 30, 1997.

The challenge to the Department's determinations involves the application of the major-input rule under § 773(f)(3) of the Tariff Act of 1930, as amended (the Act), to inputs NTN Corporation used in its production of bearings.

**Background**

In AFBs 8, the Department used the higher of the transfer price or the actual cost of the inputs in calculating cost of production and constructed value (CV) where NTN Corporation (NTN) used parts purchased from affiliated producers. Subsequently, in the First Remand, the Department treated

all of NTN's affiliated-party inputs as minor inputs.

NTN objected that the Department mischaracterized the record, stating that information on the record was available for the Department to identify which affiliated-party inputs were major and which were minor. The Court agreed with NTN that such information existed on the record. Accordingly, the Court ordered the Department on July 8, 2003, to exclude minor inputs from the reach of the Department's methodology reserved for major inputs in all instances where NTN's data sufficiently distinguished between such inputs.

On July 31, 2003, we issued our draft results of redetermination to interested parties for comment. We received no comments on our draft results of redetermination.

## **Discussion**

As we explained in the First Remand, we did not apply the major-input methodology to NTN's costs. Instead, "we ... valued the inputs using the methodology we described for minor inputs in this redetermination." First Remand, at 47. Consistent with our minor-input methodology, for the inputs where NTN provided a market price, we compared the market price to the transfer price from the affiliated supplier. Where the market price exceeded the transfer price, we calculated a "market-price adjustment" by subtracting the transfer price from the market price. For these inputs, we added this "market-price adjustment" to NTN's reported costs which were based on transfer prices. Where the transfer price exceeded or equaled the market price, we made no adjustment. See lines 368 through 581 of the margin-calculation program attached to the December 9, 2002, Final Results of Redetermination Analysis Memorandum. Had we applied the major-input methodology to these inputs, we would also have compared the transfer price and market price to the affiliate's cost of production.

We did not apply the major-input methodology in the First Remand, however, on the grounds that we could not readily distinguish which inputs were major and which were minor.

NTN had a number of inputs for which it did not provide market-price information. Consistent with our minor-input methodology, we used the affiliate's cost of production as a surrogate for market price for those inputs where no actual market price existed. See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 62 FR 2081, 2117 (January 15, 1997); Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al; Final Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews, 62 FR 54043, 54065 (October 17, 1997); AFBs 8, 63 FR at 33337; Mannesmann v. United States, 77 F. Supp. 2d 1302 (CIT 1999) (affirming the Department's affiliated-party input methodology); American Silicon Technology v. United States, 110 F. Supp. 2d 992 (CIT 2000) (affirming the Department's affiliated-party input methodology). For every input NTN reported, we compared the transfer price to the market price where available; where the market price was unavailable, we compared the transfer price to the affiliate's cost of production. In no case did we compare the transfer price to both the market price and the affiliate's cost of production, which would have been the case had we applied our major-input methodology. See lines 583 and 584 of the margin-calculation program attached to the December 9, 2002, Final Results of Redetermination Analysis Memorandum.

Because we did not apply the major-input methodology to any of NTN's affiliated-party inputs in the First Remand, NTN has already received the relief it sought. Therefore, we have complied with

this court's instruction that we "exclude minor inputs from the reach of {our} methodology reserved for major inputs in all instances where NTN's data sufficiently distinguished between such inputs." In fact, we have excluded all inputs from the reach of our methodology reserved for major inputs in all instances. Accordingly, because we have not applied the major-input rule to the NTN inputs at issue, we are in compliance with the Court's remand order and no change to our calculations of NTN's margins is necessary.

We received no comments on this issue.

### **Results of Redetermination**

In accordance with the remand order, the weighted-average dumping margins, which are unchanged from the First Remand, for the period May 1, 1997, through April 30, 1998, did not change and remain 7.10 percent for ball bearings, 11.55 percent for cylindrical roller bearings, and 14.18 percent for spherical plain bearings.

These results of redetermination are pursuant to the remand order of the Court of International Trade in *NSK LTD. v. United States*, Court No. 98-07-02527, Slip Op. 03-76 (CIT June 30, 2003).

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Assistant Secretary  
for Import Administration

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