

S. 1726 (90th Congress)

There are a number of features of S. 1726 designed to deal with the problem of the unreliability of foreign price data. Remedies are proposed in the following areas:

Reliance on List or Published Prices: In the absence of conclusive evidence that merchandise was actually sold at a different price, the seller's list or published price will prevail. Section: 4 [205(a)(2)].

"Usual Wholesale Quantity": Certain classes of transactions which are not likely to reflect a fair price freely arrived at on the open market should not distort Treasury's determination of what constitutes the "usual wholesale quantity." The Bill would exclude:

- a. Quantity discounts not freely available to all purchasers at the time sales in question were made.
- b. Transactions between "related" persons described in Section 207.
- c. Contracts pursuant to exclusive dealing arrangements, e.g., exclusive distributorships or exclusive requirements contracts. Section: 7 (1)

Cost-Justification of Quantity Discounts: Treasury's recently revised regulations on antidumping, in effect, acknowledged that the long-standing complaint by domestic industry had been valid. Treasury's practice had been to make allowance for differences in quantity discounts--on sales to the U.S. compared with sales in the home market--if they were "reasonable" without explaining what standards it uses in ascertaining what is "reasonable."

Treasury's revised regulations specify that an allowance ordinarily will be made for a quantity discount only if it is actually in effect for six months with respect to 20 percent of the merchandise sold in the home market or in third country markets where applicable, or, in the alternative, unless it is cost-justified.

The 1965 Bill would limit the allowance for quantity discounts to differences in the cost of manufacture, sale, or delivery resulting from differences in wholesale quantities actually considered and taken into account by the vendor in establishing his price. Section: 2 [202 (b)(1) and (c)(1)].