

EXHIBIT 3

The Treasury Department Should At Least Limit These Questionable Adjustments In The Home Market Price Used As A Basis For "Fair Value" To Those Established By Credible Evidence To Be Due To Differences In Circumstances Of Sale.

The Bureau of Customs, in its administration of the questionable provisions of the Customs Regulations permitting allowances for differences in circumstances of sale, has made adjustments in the home market price in its antidumping investigations for a number of alleged differences in circumstances of sale. Typical of these are (1) costs of warranty on home market sales; (2) differences in credit costs; (3) differences in the cost of technical services; (4) differences in branding costs; and (5) selling commissions on home market sales. An examination of the manner in which these adjustments have been made discloses a real need for reform in the procedures followed by the Bureau in making these determinations if the intent of Congress expressed in the Antidumping Act to prevent unfair practices in our import trade is to be carried out.

*Adjustments To Reflect Cost of
Warranty on Home Market Sales*

In making adjustments to the home market price to reflect the cost of warranty on home market sales, the Bureau of Customs, we have been informed, relies primarily upon information supplied by the foreign manufacturers of the merchandise in question as to the