

than the level of trade of the CEP sale, a CEP offset is appropriate. Akzo has claimed a CEP offset. We applied the CEP offset to NV or CV, as appropriate.

We based the CEP offset amount on the amount of the home market indirect selling expenses. We limited the home market indirect selling expense deduction by the amount of the indirect selling expenses incurred on sales to the United States, in accordance with section 772(d)(1)(D).

#### Constructed Value

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Akzo's cost of materials and fabrication employed in producing the subject merchandise, SG&A and profit incurred and realized in connection with production and sale of the foreign like product, and U.S. packing costs. In accordance with section 773(e)(2)(A), we based SG&A and profit on the amounts incurred and realized by Akzo in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. We used the costs of materials, fabrication, and SG&A as reported in the CV portion of Akzo's questionnaire response. We used the U.S. packing costs as reported in the U.S. sales portion of Akzo's questionnaire response. We based selling expenses and profit on the information reported in the home market sales portion of Akzo's questionnaire response. See *Certain Pasta from Italy; Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 61 FR 1344, 1349 (January 19, 1996). For selling expenses, we used the average of the home market selling expenses weighted by the total quantity sold. For actual profit, we first calculated the difference between the home market sales value and home market COP for all home market sales in the ordinary course of trade, and divided the sum of these differences by the total home market COP for these sales. We then multiplied this percentage by the COP for each U.S. model to derive an actual profit.

We derived the CEP offset amount from the amount of the indirect selling expenses on sales in the home market. We limited the home market indirect selling expense deduction by the amount of the indirect selling expenses incurred on sales to the United States.

#### Preliminary Results of the Review

As a result of our comparison of CEP and NV, we preliminarily determine that the following weighted-average dumping margin exists:

Manufacturer/exporter	Period	Margin (percent)
Akzo .....	06/01/95-05/31/96	28.40

Parties to the proceeding may request disclosure within 5 days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the publication of this notice, or the first workday thereafter. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 37 days after the date of publication. Parties who submit argument are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. The Department will publish a notice of final results of this administrative review, including its analysis of issues raised in any written comments or at a hearing, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents calculations of duties on an entry-by-entry basis, we will calculate an importer-specific ad valorem duty assessment rate for each class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries of that particular importer made during the POR. (This is equivalent to dividing the total amount of the antidumping duties, which are calculated by taking the difference between statutory NV and statutory CEP, by the total statutory CEP value of the sales compared, and adjusting the result by the average difference between CEP and customs value for all merchandise examined during the POR).

Furthermore, the following deposit requirements will be effective for all shipments of PPD-T aramid from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this review; (2) if the exporter is not a firm covered in this

review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (3) for all other producers and/or exporters of this merchandise, the cash deposit rate shall be 66.92 percent, the "all others" rate established in the LTFV investigation (59 FR 32678, June 24, 1994), as explained before. These deposit rates, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are published pursuant to section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22(c)(5).

Dated: February 27, 1997.

Robert S. LaRussa

Acting Assistant Secretary for Import Administration.

[FR Doc. 97-5700 Filed 3-6-97; 8:45 am]

BILLING CODE 3510-DS-P

#### [A-580-807]

#### Polyethylene Terephthalate Film, Sheet, and Strip From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Termination in Part

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce and Termination in Part.

**ACTION:** Notice of preliminary results of antidumping duty administrative review, and termination in part.

**SUMMARY:** In response to a request from two respondents and three U.S. producers, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on polyethylene terephthalate film, sheet, and strip (PET film) from the Republic of Korea. The review covers two manufacturers/exporters of the subject merchandise to the United States and the period June 1, 1995 through May 31, 1996. The review indicates the existence

of sales below normal value during the period of review.

If these preliminary results are adopted in our final results of review, we will instruct the U.S. Customs Service to assess antidumping duties equal to the difference between the United States Price and NV.

On November 14, 1996, in accordance with 19 CFR 353.25, we issued a revocation of the order with respect to Kolon Industries (Kolon). Accordingly, we are terminating this review of Kolon.

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument (no longer than five pages, including footnotes).

**EFFECTIVE DATE:** March 7, 1997.

**FOR FURTHER INFORMATION CONTACT:** Michael J. Heaney or Linda Ludwig, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4475/3833.

**APPLICABLE STATUTE:** Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

**SUPPLEMENTARY INFORMATION:**

**Background**

The Department published an antidumping duty order on PET film from the Republic of Korea on June 5, 1991 (56 FR 25660). The Department published a notice of "Opportunity To Request Administrative Review" of the antidumping duty order for the 1995/1996 review period on June 6, 1996 (61 FR 28840). On June 29, 1996, the petitioners, E.I. DuPont Nemours & Co., Inc., Hoescht Celanese Corporation, and ICI Americas, Inc. requested reviews of Kolon, SKC Limited (SKC), and STC Corporation (STC). SKC and Kolon filed requests for review on June 27, 1996 and June 28, 1996, respectively. We initiated the review on August 8, 1996 (61 FR 41373).

On November 14, 1996, the Department revoked the order in part with respect to Kolon. Accordingly, we

are terminating this review with respect to Kolon.

**Scope of the Review**

Imports covered by this review are shipments of all gauges of raw, pretreated, or primed polyethylene terephthalate film, sheet, and strip, whether extruded or coextruded. The films excluded from this review are metallized films and other finished films that have had at least one of their surfaces modified by the application of a performance-enhancing resinous or inorganic layer of more than 0.00001 inches (0.254 micrometers) thick. Roller transport cleaning film which has at least one of its surfaces modified by the application of 0.5 micrometers of SBR latex has also been ruled as not within the scope of the order.

PET film is currently classifiable under Harmonized Tariff Schedule (HTS) subheading 3920.62.00.00. The HTS subheading is provided for convenience and for U.S. Customs purposes. The written description remains dispositive as to the scope of the product coverage.

The review covers the period June 1, 1995 through May 31, 1996. The Department is conducting this review in accordance with section 751 of the Act, as amended.

**United States Price (USP)**

In calculating USP, the Department treated respondents' sales as export price (EP) sales, as defined in section 772(a) of the Act, when the merchandise was sold to unaffiliated U.S. purchasers prior to the date of importation. The Department treated respondents' sales as constructed export price (CEP) sales, as defined in section 772(b) of the Act, when the merchandise was sold to unrelated U.S. purchasers after importation.

EP was based on the f.o.b. or delivered, packed prices to unrelated purchasers in the United States. We made adjustments, where applicable, for Korean and U.S. brokerage charges, terminal handling charges, truck loading charges, containerization charges, Korean and U.S. inland freight, ocean freight, wharfage expenses, U.S. duties, and rebates in accordance with section 772(c) of the Act.

CEP was based on f.o.b. customer's specific delivery point, or delivered, packed prices to unrelated purchasers in the United States. We made adjustments, where applicable, for Korean and U.S. brokerage charges, terminal handling charges, Korean and U.S. inland freight, ocean freight, rebates, wharfage expenses, and U.S. duties, in accordance with section

772(c) of the Act. In accordance with section 772(d)(1) of the Act, we made deductions for selling expenses associated with economic activities in the United States, including warranties, credit, commissions, postage expenses, bank charges and indirect selling expenses. Pursuant to section 772(d)(3) of the Act, the price was further reduced by an amount for profit to arrive at the CEP.

For SKC, we made an offset to interest of interest revenue, and for post-sale cost and quantity adjustments that were not reflected in the gross price. With respect to subject merchandise to which value was added in the United States by SKC prior to sale to unrelated customers, we deducted any increased value in accordance with section 772(d)(2) of the Act.

**Normal Value**

In order to determine whether there were sufficient sales of PET film in the home market (HM) to serve as a viable basis for calculating NV, we compared the volume of home market sales of PET film to the volume of PET film sold in the United States, in accordance with section 773(a)(1)(C) of the Act. Each respondent's aggregate volume of HM sales of the foreign like product was greater than five percent of its respective aggregate volume of U.S. sales of the subject merchandise. Therefore, we have based NV on HM sales.

Based on the fact that the Department had disregarded sales in the third administrative review because they were made below the cost of production (COP), the Department initiated a sales-below-cost of production (COP) investigation for each of the respondents in accordance with section 773(b) of the Act. (The third administrative review was the most recently completed review at the time that we issued our antidumping questionnaire.)

We performed a model-specific COP test in which we examined whether each HM sale was priced below the merchandise's COP. We calculated the COP of the merchandise using SKC's, and STC's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative (SG&A) expenses and packing costs in accordance with section 773(b)(3) of the Act.

In accordance with section 773(b)(1) of the Act, in determining whether to disregard home market sales made at prices below COP, we examined whether such sales were made within an extended period of time in substantial quantities, and whether such sales were made at prices which would

permit recovery of all costs within a reasonable period of time. We compared model-specific prices less any applicable movement charges.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given model where at prices less than COP, we did not disregard any below-cost sales of that model because these below-cost sales were not made in substantial quantities, within an extended period of time. Where 20 percent or more of a respondent's home market sales of a given model were at prices less than the COP, we disregarded the below-cost sales because such sales were found to be made (1) in substantial quantities within the POR (*i.e.*, within an extended period of time) and (2) at prices which would not permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(2)(D) of the Act (*i.e.*, the sales were made at prices below the weighted-average per unit COP for the POR). We found that, for certain models of PET film, 20 percent or more of the home market sales were sold at below-cost prices. We therefore excluded these sales from our analysis and used the remaining above-cost sales as the basis of determining NV if such sales existed, in accordance with section 773(b)(1). For those models of the subject merchandise for which there were no above-cost sales available for matching purposes, we compared U.S. price to constructed value (CV).

In accordance with section 773(e)(1) of the Act, we calculated CV based on the sum of the respondent's cost of materials, fabrication, and SG&A expenses. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by the respondents in connection with the production and sale of the foreign like product in the ordinary course of trade for consumption in the foreign country. For selling expenses we used the weighted-average HM selling expenses. Pursuant to section 773(e)(3) of the Act, we included U.S. packing.

In accordance with section 773(a)(6), we adjusted NV, where appropriate, by deducting home market packing expenses and adding U.S. packing expenses. We also adjusted NV to reflect deductions for HM inland freight, loading charges, and credit expenses. For comparisons to EP, we made an addition to NV for differences in warranty and credit expenses as circumstance-of-sale adjustments pursuant to section 773(a)(6)(C) of the Act.

#### Level of Trade and CEP Offset

As set forth in section 773(a)(1)(B)(i) of the Act and in the Statement of Administrative Action (SAA) accompanying the URAA, reprinted in H.R. Doc. No. 316, 103d Cong., 2d Session 829-831 (1994), to the extent practicable, the Department will calculate NV based on sales at the same level of trade as the U.S. sale. When the Department is unable to find sale(s) in the comparison market at the same level of trade as the U.S. sale(s), the Department may compare sales in the U.S. and foreign markets at a different level of trade.

In accordance with section 773(a)(7)(A) of the Act, if we compare a U.S. sale at one level of trade to NV sales at a different level of trade, the Department will adjust the NV to account for differences in level of trade if two conditions are met. First there must be differences between the actual selling functions performed by the seller at the level of trade of the U.S. sale and at the level of trade of comparison market sale used to determine NV. Second, the differences must affect price comparability as evidenced by a pattern of consistent price differences between sales at the different levels of trade in the market in which NV is determined. When CEP is applicable, section 773(a)(7)(B) of the Act establishes the procedures or making a CEP "offset" when two conditions exist: (1) NV is established at a level of trade which constitutes a more advanced stage of distribution than the level of trade of the CEP; and (2) the data available do not provide an appropriate basis for a level-of-trade adjustment.

In order to determine whether sales in the comparison market are at a different level of trade than the CEP, we examined whether the comparison sales were at different stages in the marketing process than the CEP. We made this determination on the basis of a review of the distribution system in the comparison market, including selling functions, class of customer, and the level of selling expenses for each type of sale. Different stages of marketing necessarily involve differences in selling functions, but differences in selling functions, even substantial ones, are not alone sufficient to establish a difference in level of trade. Similarly, while customer categories such as "distributor" and "wholesaler" may be useful in identifying different levels of trade, they are insufficient in themselves to establish that there is a difference in level of trade. See *Certain Corrosion Resistant Carbon Steel Flat Products and Certain Cut-to-Length*

#### *Carbon Steel Plate from Canada: Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 51896 (October 4, 1996).

In order to implement these principles, each of the respondents provided information with respect to its selling activities associated with each stage of marketing. Both of the respondents identified two stages of marketing in the home market: (1) wholesalers/distributors and (2) end-users. For both stages, SKC and STC perform similar selling functions such as market research and after sales warranty services. Because customer description do not necessarily qualify as separate levels of trade when the selling functions performed for each customer class are sufficiently similar, we determined that there exists one level of trade for each of the respondent's home market sales. Because STC and SKC performed similar marketing functions on EP and home market sales, we determined that EP and HM sales were at the same level of trade for both respondents.

SKC made CEP and EP sales to the United States market and claimed either a level of trade adjustment for its CEP sales, or a CEP offset. For both EP and CEP the relevant transaction for determining the level of trade is the sale from the exporter to the importer, whether unaffiliated or affiliated. Based on SKC's questionnaire responses and response to our request for supplemental information, we determined a difference between the actual selling functions performed by SKC for the CEP sales and those performed for HM sales. SKC provides engineering services, and inventory maintenance services on its HM sales. SKC does not provide these services on its CEP sales. SKC also provides a greater degree of computer, legal, accounting, audit and/or business systems development services on its home market sales than it does on its CEP sales. Therefore, the selling functions performed by SKC for CEP sales are sufficiently different than for HM sales so as to establish different levels of trade. In addition, these differences in selling functions indicated that the home market sales occur at a more advanced stage of distribution than the CEP sales.

Because we compared SKC's CEP sales to HM sales at a different level of trade, we examined whether a level-of-trade adjustment may be appropriate. In this case SKC only sold at one level of trade in the home market; therefore, there is no basis upon which to discern whether there is a pattern of consistent price differences between levels of

trade. Further, we do not have the information which would allow us to examine pricing patterns of SKC's sales of other products, and there is no other respondent's or other information on the record to analyze whether the adjustment is appropriate.

Because the data available do not provide an appropriate basis for making a level-of-trade adjustment but the level of trade in Korea for SKC is at a more advanced stage than the level of trade of the CEP sales, a CEP offset is appropriate in accordance with section 773(a)(7)(B) of the Act. SKC claimed a CEP offset, which we applied to NV. To calculate the CEP offset, we took the amount of home market indirect selling expenses, and deducted this amount from NV, on home market comparison sales. We limited HM indirect selling expenses to the amount of indirect selling expenses incurred on sales in the United States.

**Fair Value Comparisons**

To determine whether sales of PET film in the United States were made at less than fair value, we compared USP to the NV, as described in the "United States Price" and "Normal Value" sections of this notice. In accordance with section 777(A) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

**Preliminary Results of Review**

We preliminarily determine that the following margins exist for the period June 1, 1995 through May 31, 1996:

Manufacturer/exporter	Margin
SKC .....	1.57
STC .....	0.37

Parties to this proceeding may request disclosure within five days of publication of this notice and any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. The Department will publish the final results of this administrative review, which will include the results of its analysis of issues raised in any such written comments or at a hearing, within 120 days after the publication of this notice.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. Because the inability to link sales with specific entries prevents calculation of duties on an entry-by-entry basis, we have calculated an importer specific *ad valorem* duty assessment rate for the merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate these duties. This rate will be assessed uniformly on all entries of that particular importer made during the POR. (This is equivalent to dividing the total amount of antidumping duties, which are calculated by taking the difference between NV and U.S. Price, by the total U.S. value of the sales compared, and adjusting the result by the average difference between U.S. price and customs value for all merchandise examined during the POR.) The Department will issue appraisal instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties.

Furthermore, the following deposit requirements will be effective upon completion of the final results of these administrative reviews for all shipments of PET film from the Republic of Korea entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of these administrative reviews, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for reviewed firms will be the rate established in the final results of administrative review, except if the rate was less than 0.50 percent, and therefore, de minimis within the meaning of 19 CFR 353.6, in which case the cash deposit rate will be zero; (2) for merchandise exported by manufacturers or exporters not covered in these reviews but covered in the original less-than-fair-value (LTFV) investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received a company-specific rate; (3) if the exporter is not a firm covered in these reviews, or the original investigation, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in the final results of these reviews, or the LTFV investigation; and (4) if neither the exporter nor the manufacturer is a firm covered in these or any previous

reviews, the cash deposit rate will be 4.82%, the "all others" rate established in the LTFV investigation.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26(b) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)).

Dated: March 3, 1997.  
 Robert S. LaRussa,  
*Acting Assistant Secretary for Import Administration.*  
 [FR Doc. 97-5710 Filed 3-6-97; 8:45 am]  
 BILLING CODE 3510-DS-M

**[A-570-825]**

**Sebacic Acid From the People's Republic of China; Final Results of Antidumping Duty Administrative Review**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of final results of antidumping duty administrative review.

**SUMMARY:** On September 3, 1996, the Department of Commerce (the Department) published the preliminary results of its administrative review of the antidumping duty order on sebacic acid from the People's Republic of China (PRC). This review covers shipments of this merchandise to the United States during the period July 13, 1994 through June 30, 1995. We gave interested parties an opportunity to comment on our preliminary results. Based upon our analysis of the comments received we have changed the results from those presented in the preliminary results of review.

**EFFECTIVE DATE:** March 7, 1997.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Patience or Jean Kemp, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-3793.

**APPLICABLE STATUTE AND REGULATIONS:** Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the