aforementioned suggested corrections in its rebuttal briefs.

The Department's Position: The Department agrees with both petitioner and respondent and has addressed all of the suggestions in its final margin program. For further explanation see Calculation Memorandum, July 7, 1997.

Final Results of Review

As a result of our review, we determine that the following weighted-average margin exists:

Manufacturer/exporter	Period of review	Margin (percent)
Akzo	6/1/95–5/31/96	26.25
All Other	6/1/95–5/31/96	66.92

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between export price and normal value may vary from the percentage stated above. The Department will issue appraisement instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of PPD–T aramid fiber from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior 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 (4) 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). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final 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 subsequent assessment of double antidumping duties.

Notification to Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: July 7, 1997.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18730 Filed 7–15–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

[A–580–807]

Polyethylene Terephthalate Film, Sheet, and Strip From the Republic of Korea; 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 March 7, 1997, the Department of Commerce (the Department) published the preliminary results of 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.

As a result of comments we received, the dumping margin for one respondent, SKC Limited (SKC) has changed from the one presented in our preliminary results. The margin for STC Corporation (STC) remains the same as the one published in our preliminary results.

EFFECTIVE DATE: July 16, 1997.

FOR FURTHER INFORMATION CONTACT: Michael J. Heaney, Maureen McPhillips, or Linda Ludwig, AD/CVD Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482–4475, 3019, or 3833, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1997 (62 FR 10527), the Department published the preliminary results of administrative review and termination in part of the antidumping duty order on PET film from the Republic of Korea, 56 FR 25669 (June 5, 1991).

This review covers two manufacturers/exporters of the subject merchandise to the United States: SKC and STC, and the period June 1, 1995 through May 31, 1996.

The Department has concluded this review in accordance with section 751 of the Tariff Act of 1930, as amended (the Tariff Act).

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.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Tariff Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all references to the Department's regulations are to 19 CFR part 353, as amended by the regulations published in the **Federal Register** on May 19, 1997 (62 FR 27296).

Analysis of Comments Received

We invited interested parties to comment on the preliminary results of this administrative review. We received timely comments from the respondent, SKC on April 7, 1997. On April 14, 1997, we received a reply to SKC's brief from the petitioners, E.I. DuPont de Nemours & Company, Hoechst Celanese Corporation, and ICI Americas Inc.

Comment 1: SKC objects to the Department's allocation of the cost of scrap equally to A-grade and B-grade films, stating that SKC's cost allocation methodology is reasonable and consistent with widely recognized cost accounting concepts. SKC references its March 8, 1996 case brief filed in the second and third reviews, wherein its arguments in support of its allocation methodology are set forth more fully (see, Attachment I of SKC's April 7, 1997 case brief).

SKC states that allocating the cost of scrap film equally to A-grade and B-grade films improperly overstates the cost of B-grade films while understating the cost of A-grade films. SKC contends that its methodology of initially allocating costs equally among A-grade film, B-grade film, and scrap, and then reallocating the cost of scrap to the cost of A-grade film is consistent with accepted cost accounting methodologies.

SKC also asserts that its methodology is consistent with the Department's treatment of jointly produced in numerous other antidumping proceedings, wherein the Department recognized that a pure quantitative, or physical measures approach to cost allocation is unreasonable where there is a significant difference in the value of the jointly produced products. SKC cites Elemental Sulphur from Canada, 61 FR 8239, 8241–8243 (March 4, 1996) (Sulphur from Canada); Oil Country Tubular Goods from Argentina, 60 FR 33539, 33547 (June 28, 1995) (OCTG from Argentina); Canned Pineapple Fruit from Thailand, 60 FR 29553, 29560 (June 5, 1995) (Pineapple from Thailand) in support of its position.

SKC maintains that it is the Department's well-established practice to calculate costs in accordance with a respondent's normal cost accounting system unless the system results in an unreasonable allocation of costs. SKC states that its reported cost of manufacturing (COM) data were calculated in accordance with its normal and long-established management cost accounting system. Therefore, SKC concludes that the Department should use its COM data as originally reported.

The petitioners argue that there is no change in fact or circumstance in this review with would warrant the Department to reverse its position established in the investigation and earlier reviews of this case, requiring SKC to assign the same costs to A-grade and B-grade PET film. The petitioners note that in the second and third administrative reviews of this order, the Department thoroughly discussed the basis for its conclusion that yield losses should be allocated to A- and B-grade films on the basis of weight, instead of assigning all yield loss to A-grade films (see, Attachment A, Comment 10 of the petitioners April 14, 1997 reply to SKC's case brief). Moreover, the petitioners state that SKC admits that A- and B-grade films ''are produced simultaneously in a single process'' (SKC Case Brief at 3). The fact that SKC sells B-grade products at low prices in the United States does not, in the petitioners' view, justify the assignment of a lower cost of production to B-grade films.

In conclusion, the petitioners challenge SKC's characterization of its proposed allocation methodology as ''normal and long-established.'' The petitioners state that in determining the reasonableness and accuracy of an allocation methodology, the Department must consider ''whether the producer historically used its submitted cost allocation methods to compute the cost of the subject merchandise prior to the investigation or review and in the normal course of its business operation,'' citing the Statement of Administrative Action Accompanying the URAA, at 835). According to the petitioners, at the time of the original investigation, SKC's ''normal'' accounting system assigned an equal cost per-unit weight to all film types, and SKC created its proposed accounting system specifically for the Department's investigation.

Department's Position: As we explained in the final results of previous reviews of this order, we determined that A-grade and B-grade PET film have identical production costs, and accordingly, we continue to rely on an equal cost methodology for both grades of PET film in these final results; (see, Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Review and Tentative Revocation in Part, 61 FR 35177, 35182–83, (July 5, 1996) (Second and Third Reviews); and Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Review and Notice of Revocation in Part, 61 FR 58375–76, (November 14, 1996) (Fourth Review).

Moreover, as noted in the final results of the second through the fourth reviews, the Court of International Trade (CIT) has ruled that our allocation of SKC's production costs between A-grade and B-grade film is reasonable (See, *E.I. DuPont de Nemours & Co., Inc. et al.* v. *United States,* 932 F. Supp. 296 (CIT 1996)).

As explained in previous reviews of PET film, A-grade and B-grade film undergo an identical production process that involves an equal amount of material and fabrication expenses. The only difference in the resulting A- and B-grade film is that at the end of the manufacturing process a quality inspection is performed during which some of the film is classified as high quality A-grade product, while other film is classified as lower quality B-grade film (see Fourth Review, 61 FR 58375).

We continue to maintain that SKC's reliance on Sulphur from Canada, Pineapple from Thailand, and OCTG from Argentina is misplaced. Those cases concerned the appropriate cost methodology for products manufactured from a joint production process. SKC has mischaracterized the continuous production process of PET film as joint processing. A joint production process occurs when two or more products result simultaneously from the use of one raw material as production takes place.'' (see, Management Accountants' Handbook, Keller, et al., Fourth Edition at 11:1.) A joint production process produces two distinct products and the essential point of a joint production process is that ''the raw material, labor, and overhead costs prior to the initial split-off can be allocated to the final product only in some arbitrary, although necessary, manner.'' Id. The identification of different grades of merchandise does not transform the manufacturing process into a joint production process which would require the allocation of costs. In this case, since production records clearly identify the amount of yield losses for each specific type of PET film, our allocation of yield losses to the films bearing those losses is reasonable, not arbitrary (Fourth Review at 58575–76).

SKC is correct in its statement that it is the Department's practice to calculate costs in accordance with a respondent's management accounting system, unless that system results in an unreasonable allocation of costs. Management accounting deals with providing information that managers inside an organization will use. Managerial accounting reports typically provide more detailed information about product costs, revenue and profits. They

are used to identify problems, objectives or goals, and possible alternatives. In order to respond to the Department's questionnaires, SKC officials devised a management accounting methodology for allocating costs incurred in the film and chip production costs centers to individual products produced during the period of investigation. SKC adopted this cost accounting system to reflect a management goal (i.e., to respond to the Department). Under this system, SKC assigns the yield loss from the production of A- and B-grade films exclusively to the A-grade films. This methodology helps management to focus on the film types with low yields. However, notwithstanding SKC management's concern that it accurately portray the cost of their A-grade products, this managerial accounting methodology is not appropriate for reporting the actual costs of A- and B-grade products. As previously noted, A-grade and B-grade films undergo an identical production process, B-grade film is made using the same materials, on the same equipment, at the same time as the A-grade film. As such, both A- and B-grade films must be allocated the same costs. It is within the Department's mandate to accept or reject the allocation methodologies devised by respondents. In this instance, we have continued to rely on an equal cost allocation methodology which reflects the actual costs incurred for both A-grade and B-grade film.

Comment 2: SKC maintains that the Department erroneously deducted indirect selling expenses and inventory carrying costs incurred on its export sales in Korea from the U.S. price (USP). SKC points out that according to the Department's regulations, in calculating constructed export price (CEP), the Department must deduct from the starting price only those expenses incurred by the U.S. reseller in selling to its unaffiliated U.S. customer, not those incurred by the foreign producer in selling to the affiliated U.S. reseller.

SKC notes that the Department's proposed methodology is consistent with the logic of the treatment of CEP profit and level of trade in the URAA, because the Department's goal is to construct an export price at the level of the sale from the foreign producer to its affiliated reseller. SKC cites Dynamic Random Access Memory Semiconductors of One Megabit or Above from the Republic of Korea, 62 FR 965,968, (January 7, 1997); Certain Pasta from Italy, 61 FR 1344, 1348 (January 19, 1996), and Bicycles from the People's Republic of China, 61 FR 19062, 19031 (April 30, 1996) as examples of cases wherein the Department has properly implemented this new methodology and has not subtracted foreign indirect selling expenses and inventory carrying costs from the United States price in calculating CEP.

The petitioners counter that SKC's citation of prior cases in which the Department apparently did not deduct indirect selling expenses and inventory carrying costs incurred in the home market is not necessarily relevant in the instant case. The petitioners maintain that the Statement of Administrative Action (SAA) directs the Department to deduct ''any expenses which result from, and bear a direct relationship to, selling activities in the United States.'' (SAA at 823)

The petitioners conclude that (1) this language clearly mandates that the Department's treatment of such expenses must be case-specific, and (2) SKC is wrong in stating that the deductions are limited to ''only those expenses incurred by the U.S. reseller.'' The petitioners cite the Preliminary Results of Antidumping Administrative Review; Aramid Fiber Formed of Poly Para-Phylene Terephthalamide (PPD–T) from the Netherlands, 62 FR 10524 (March 7, 1997) in support of their position.

Department's Position: We agree with SKC that, in this instance, it is not appropriate to deduct SKC's indirect selling expenses and inventory carrying costs incurred in Korea from CEP. It is clear from the SAA that under the new statute we should deduct from CEP only those expenses associated with economic activities in the United States. The SAA also indicates that CEP ''is now calculated to be, as closely as possible, a price corresponding to an export price between non-affiliated exporters and importers.'' See SAA at 823. In establishing CEP under section 772(d) of the Tariff Act, the Department's new regulations codify this principle, stating that ''the Secretary will make adjustments for expenses associated with commercial activities in the United States that relate to the sale to an unaffiliated purchaser, no matter where or when paid.'' Section 351.402(b), Antidumpting Duties, ''Countervailing Duties,'' final rule, 62 FR 27295, 27411 (May 19, 1997). Therefore, consistent with section 772(d) and the SAA, we deduct only those expenses representing activities undertaken by the affiliated importer to make the sale to the unaffiliated customers. We ordinarily do not deduct indirect expenses incurred in selling to the affiliated U.S. importer. See Gray Portland Cement and Clinker from Mexico; Final Results of Antidumping Duty Administrative Review, 62 FR 17148, 17168 (April 9, 1997).

SKC's reported home market indirect selling expenses represent an allocation of selling expenses over sales and cannot be tied with specificity to SKC's U.S. sales. Likewise, the cost of carrying inventory in the home market for sales to the affiliated importer are not incurred ''on behalf of the buyer'' (i.e., the affiliated importer), but for the benefit of the exporter in order to complete the sale to the affiliated importer. 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 2124 (January 15, 1997).

Evidence on the record in this case indicates that SKC's indirect selling expenses and inventory carrying costs, incurred in the home market on behalf of sales to the U.S., cannot be directly associated to commercial activity in the United States. Moreover, SKC incurs such expenses on its own behalf, and for its own benefit in order to complete the sale to its affiliated importer. Therefore, we have not deducted these expenses from CEP for these final results.

Comment 3: SKC contends that the Department's computer program (1) Fails to accurately read in product matches from SKC's concordance, resulting in numerous sales being erroneously compared to constructed value, (2) incorrectly calculates cost of production (COP) and net price compared with COP, so that many above-cost sales erroneously failed the cost test, (3) does not reflect the calculation of a CEP offset, as stated in the Department's March 3, 1997 analysis memorandum, and (4) contains several clerical errors in the calculation of CEP profit that overstate the amount of the CEP profit adjustment.

Department's Position: For these final results, we have corrected the clerical errors SKC noted for the first three items listed above. Concerning the fourth item, the allegation of clerical errors in the calculation of CEP profit, we agree with SKC that international movement expenses and the cost of manufacturing were inadvertently omitted from the calculations of CEP profit. See, Memorandum from Analyst to File, June 30, 1997, for a more detailed explanation of the specific changes that we made in the computer program.

Comment 4: In its comments on the CEP total profit calculation, SKC also contends that the Department failed to include credit expenses and inventory carrying costs in the total expenses for U.S. sales. SKC notes that these items

were used in the numerator of the fraction used to allocate total profit in determining CEP profit. SKC maintains that the Department must account for these imputed expense in the calculation of total costs.

Department's Position: To derive the total costs of U.S. merchandise, we compute the unit cost of each observation in the U.S. data base by adding the cost of manufacturing, general and administrative expense, and net interest expense from the constructed value (CV) data base. We then multiply the unit cost by the quantity sold to derive the total cost of sales for each U.S. market transaction. To calculate total U.S. selling expenses we add all direct and indirect selling expenses and any further manufacturing costs incurred in the United States. We exclude from this calculation imputed amounts for credit expense and inventory carrying costs because in calculating the total cost of the U.S. merchandise, we included net interest expense from the CV data base. Thus, there is no need to include imputed interest amounts in the profit calculation since we have already accounted for actual interest in computing ''actual profit'' under section 772(f). When allocating a portion of the actual profit to each U.S. CEP sale, we will include imputed credit and inventory carrying costs as part of the total U.S. expenses allocation factor. This is consistent with section 772(f)(10) which defines the term ''total U.S. expenses'' as those described under section 772(d) (1) and (2).

Final Results of Review

As a result of our review, we determine that the following weighted-average margins exist:

Manufacturer/exporter	Period of review	Margin
SKC Limited	6/1/95–5/31/96	0.45
STC Corporation	6/1/95–5/31/96	0.37

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between export price and normal value may vary from the percentage stated above. The Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of review for all shipments of PET film from the Republic of Korea within the scope of the order entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Tariff Act: (1) The cash deposit rate for the reviewed companies will be the rates listed above; (2) for previously reviewed or investigated companies not listed above, the rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (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 (4) for all other producers and/or exporters of this merchandise, the cash deposit rate will be 21.50 percent, the ''all others'' rate established in the remand redetermination of the LTFV investigation, as explained below. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

On May 20, 1996, pursuant to court remand, the Department recalculated the weighted-average dumping margins for the LTFV investigation. As a result of the recalculation, the Department established an ''all others'' rate of 21.50 percent. Final Determination on Remand Pursuant to Court Order, *E.I. Dupont de Nemours & Co., Inc.* v.*United States,* Court No. 91–07–00487, Slip Op. 96–56 (March 20, 1996). On February 5, 1997, the CIT affirmed the Department's remand redetermination of the LTFV investigation. *E.I. Dupont de Nemours & Co., Inc.,* v.*United States,* Court No. 91–07–00487, Slip Op. 97–17 (Gebrary 5, 1997). Accordingly, 21.50 percent is the ''all others'' rate established in the LTFV investigation. Pursuant to the CIT decisions in *Floral Trade Council* v. *United States,* 822 F. Supp. 766 (CIT 1993) and *Federal Mogul Corporation* v. *United States,* 822 F. Supp. 782 (CIT 19930, this ''all others'' rate can only be changed through an administrative review.

This notice serves as a final 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 subsequent assessment of double antidumping duties.

Notification of Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR § 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR § 353.22.

Dated: July 7, 1997.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18731 Filed 7–15–97; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

University of Illinois at Urbana-Champaign; Consolidated Decision on Applications for Duty-Free Entry of Scientific Instruments

This is a decision consolidated pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89–651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 a.m. and 5 p.m. in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C.

Comments: None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instruments described below, for such purposes as each is intended to be used, is being manufactured in the United States.

Docket Number: 97–036. *Applicant:* University of Illinois at Urbana-Champaign, Urbana, IL 61801. *Instrument:* Thermal Analysis Mass Spectrometer, Model STA 409. *Manufacturer:* Netzsch, Germany. *Intended Use:* See notice at 62 FR 27722, May 21, 1997. *Reasons:* The foreign instrument provides a mass spectrometer which allows simultaneous thermal characterizations of materials from room temperature to 2000°C by thermogravimetry, differential thermal analysis, differential