The Department is now conducting these reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994.

We have preliminarily determined to revoke the antidumping duty order for Cheil. Cheil submitted a request in accordance with 19 CFR 353.25(b) to revoke the order with respect to its sales of PET film in the United States; that request constituted a request for review. Cheil's request was accompanied by a certification that it had not sold PET film to the United States at less than FMV for at least a three-year period, including the subject review periods, and would not do so in the future. Since we preliminarily determine that Cheil has not sold the subject merchandise at less than FMV for at least the required three-year period, we intend to revoke the order with respect to Cheil.

## Scope of the Review

Imports covered by the 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. The Department has determined that roller transport cleaning film which has at least one of its surfaces modified by the application of 0.5 micrometers of SBR latex is 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.

## Verification

As provided in section 776(b) of the Act, we verified information provided by Cheil and SKC for the second review by using standard verification procedures including inspection of the manufacturer's facilities, the examination of relevant sales and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public versions of the verification reports.

United States Price (USP)

In calculating USP, the Department treated respondents' sales as purchase price (PP) sales, as defined in section 772(b) of the Act, when the merchandise was sold to unrelated U.S. purchasers prior to importation. The Department treated respondents' sales as exporter's sale price (ESP) sales, as defined in section 772(c) of the Act, when the merchandise was sold to unrelated U.S. purchasers after importation.

PP was based on ex-factory, f.o.b. Korean port, f.o.b. customer's specific delivery point, c.i.f. U.S. port, or packed, delivered prices to unrelated purchasers in the United States. We made adjustments, where applicable, for Korean and U.S. brokerage and handling, terminal handling charges, Korean and U.S. inland freight, ocean freight, marine insurance, containerization expenses and taxes, sample movement charges, return movement charges, discounts, wharfage expense, consolidated freight charges, and U.S. duties in accordance with section 772(d)(2) of the Act.

ESP was based on ex-warehouse, f.o.b. customer's specific delivery point, or packed, delivered prices to unrelated purchasers in the United States. We made adjustments, where applicable, for Korean and U.S. brokerage and handling, Korean and U.S. inland freight, ocean freight, marine insurance, consolidated freight charges, miscellaneous handling charges, containerization expenses and taxes, wharfage expenses, warranty expenses, rebates, discounts, U.S. duties, U.S. commissions, U.S. credit expenses, and indirect selling expenses (which include inventory carrying costs and pre-sale warehousing expenses), in accordance with section 772(d)(2) of the Act.

We increased both PP and ESP by the amount of import duties which were rebated or which were not collected by reason of the exportation of PET film, pursuant to section 772(d)(1)(B) of the Act.

We adjusted USP for taxes in accordance with our practice as outlined in Silicomanganese from Venezuela, Preliminary Determination of Sales at Less Than Fair Value, 59 FR 31204, June 17, 1994.

With respect to subject merchandise to which value was added in the United States by SKC and STC prior to sale to unrelated U.S. customers, we deducted any increased value in accordance with section 772(e)(3) of the Act. The value added consists of the costs associated with the production and sale of the further-processed merchandise, other than the costs associated with the

imported PET film, an a proportional amount of profit or loss related to the value added. Profit or loss was calculated by deducting from the sales price of the further-processed merchandise all production and selling costs incurred by SKC and STC in the value-added process. The profit or loss was then allocated proportionally to all components of cost.

No other adjustments were claimed or allowed.

## Foreign Market Value

In order to determine whether there were sufficient sales of PET film in the home market to serve as a viable basis for calculating foreign market value (FMV), we compared the volume of home market sales of PET film to the volume of third-country sales of PET film, in accordance with section 773(a)(1) of the Act and 19 CFR 353.48 (a). All four respondents had viable home markets with respect to sales of PET film made during the PORs.

Due to the existence of sales below the cost of production (COP) in the original investigation for Cheil and SKC, which was the last completed proceeding at the time we initiated the COP investigations, the Department had reasonable grounds to believe or suspect that sales below the COP may have occurred during these reviews. See Oil Country Tubular Goods from Canada Preliminary Results of Antidumping Duty Administrative Review, 59 FR 18798, 18799 (April 20, 1994). Accordingly, the Department initiated a COP investigation for Cheil and SKC for the second and third administrative reviews in accordance with section 773 (b) of the Act.

Furthermore, based on an allegation by petitioners, the Department also determined that reasonable grounds existed to believe or suspect that sales below cost had been made by Kolon and STC in the third administrative review. See Carbon Steel Butt-Weld Pipe Fittings from Taiwan; Preliminary Results of Administrative Review, 59 FR 66001 (December 22, 1994). Thus, the Department initiated a COP investigation for Kolon and STC for the third administrative review in accordance with section 773(b) of the Act. However, because the petitioners filed an untimely allegation of sales below cost for Kolon and STC for the second review, we did not initiate a sales below cost investigation for these companies for that period.

We performed a model-specific COP test, in which we examined whether each home market sale was priced below the merchandise's COP. We calculated the COP of the merchandise