findings and recommendations of the examiner's report and finds that the requirements of the Act and the Board's regulations are satisfied, and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants to the Grantee the privilege of establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 215, at the site described in the application, subject to the Act and the Board's regulations, including Section 400.28.

Signed at Washington, DC, this 26th day of July 1996.

Michael Kantor,

Secretary of Commerce, Chairman and Executive Officer.

Attest:

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 96–21060 Filed 8–16–96; 8:45 am]

BILLING CODE 3510–DS–P

[Order No. 840]

Grant of Authority; Establishment of a Foreign-Trade Zone, Ocala, FL

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, by an Act of Congress approved June 18, 1934, an Act ''To provide for the establishment of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' as amended (19 U.S.C. 81a–81u) (the Act), the Foreign-Trade Zones Board (the Board) is authorized to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs ports of entry;

Whereas, the Economic Development Council, Inc. (of Ocala/Marion County) (the Grantee), a Florida non-profit corporation, has made application to the Board (FTZ Docket 23–95, 60 FR 27077, 5/22/95), requesting the establishment of a foreign-trade zone at sites in Ocala and Marion County, Florida, at and adjacent to the Ocala Regional Airport, a Customs user fee airport; and,

Whereas, notice inviting public comment has been given in the Federal Register, and the Board adopts the findings and recommendations of the examiner's report and finds that the requirements of the Act and the Board's regulations are satisfied, and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants to the Grantee the privilege of establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 217, at the sites described in the application, subject to the Act and the Board's regulations, including Section 400.28, subject to the standard 2,000-acre activation limit.

Signed at Washington, DC, this 7th day of August 1996.

Michael Kantor,

Secretary of Commerce, Chairman and Executive Officer.

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 96–21061 Filed 8–16–96; 8:45 am]

BILLING CODE 3510–DS–P

International Trade Administration

[A–301–602]

Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Reviews

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

ACTION: Notice of Final Results of Antidumping Duty Administrative Reviews.

SUMMARY: On June 8, 1995, the Department of Commerce (the Department) published the preliminary results of three concurrent administrative reviews of the antidumping duty order on certain fresh cut flowers from Colombia. These reviews cover a total of 348 producers and/or exporters of fresh cut flowers to the United States for at least one of the following periods: March 1, 1991 through February 29, 1992; March 1, 1992 through February 28, 1993; and March 1, 1993 through February 28, 1994.

We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received and the correction of certain clerical errors, we have made certain changes for the final results. The review indicates the existence of dumping margins for certain firms during the review periods.

EFFECTIVE DATE: August 19, 1996.

FOR FURTHER INFORMATION CONTACT: Thomas Schauer, J. David Dirstine, or Richard Rimlinger, Office of Antidumping Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–4733.

APPLICABLE STATUTE AND REGULATIONS: The Department is conducting these administrative 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 references to the provisions as they existed on December 31, 1994.

SUPPLEMENTARY INFORMATION:

Background

On March 5, 1992, March 12, 1993, and March 4, 1994, the Department published notices in the Federal Register of ''Opportunity to Request Administrative Review'' (57 FR 7910, 58 FR 13583, and 59 FR 10368, respectively) of the antidumping duty order on certain fresh cut flowers from Colombia. On May 21, 1992, May 28, 1993, and May 2, 1994, in accordance with 19 CFR 353.22(c)(1994), we initiated administrative reviews of this order for more than 500 Colombian firms covering the periods March 1, 1991 through February 29, 1992 (the 5th review), March 1, 1992 through February 28, 1993 (the 6th review), and March 1, 1993 through February 28, 1994 (the 7th review), respectively (*see* 57 FR 21643, 58 FR 31010, and 59 FR 22579, respectively).

On June 8, 1995, we published a notice of Preliminary Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Notice of Intent to Revoke Order (In Part) (Preliminary Results), wherein we invited interested parties to comment. *See* 60 FR 30270 (June 8, 1995). At the request of interested parties, we held a public hearing on September 8, 1995.

Although the Preliminary Results indicated that Cultivos Miramonte, Flores Aurora, the Funza Group, and Industrial Agricola were being considered for revocation, our recalculations for these final results indicate that these firms no longer meet our requirements of not selling the subject merchandise at less than fair value for a period of at least three years and that it is not likely that they will sell the subject merchandise at less than fair value in the future. *See* 19 CFR 353.25(a)(2). Therefore, we are no longer considering these firms for revocation.

A number of respondents have asked that we correct clerical errors contained in their responses. We have had a longstanding practice of correcting a respondent's clerical errors after the preliminary results only if we can assess from information already on the record that an error has been made, that the error is obvious from the record, and that the correction is accurate. *See Industrial Belts and Components and Parts Thereof, Whether Cured or Uncured, From Italy: Final Results of Antidumping Duty Administrative Review*, 57 FR 8295, 8297 (March 9, 1992). In light of a recent decision of the United States Court of Appeals for the Federal Circuit (CAFC), we have reevaluated our policy for correcting clerical errors of respondents. *See NTN Bearing Corp.* v. *United States,* Slip Op. 94–1186 (Fed. Cir. 1995) *(NTN).*

In *NTN*, the CAFC ruled that the Department had abused its discretion by refusing to correct certain clerical errors, which the respondent brought to the Department's attention after the preliminary results of review. Specifically, the CAFC found that the application of our test for determining whether to correct clerical errors in *NTN* was unreasonable for the following reasons: (1) The requirement that the record disclose the error essentially precludes corrections of clerical errors made by a respondent; (2) draconian penalties are inappropriate for clerical errors because clerical errors are by their nature not errors in judgment but merely inadvertencies; (3) in NTN's case, a straightforward mathematical adjustment was all that was required, so correction of NTN's errors would neither have required beginning anew nor have delayed issuance of the final results of review.

As a result of the NTN decision, we are modifying our policy regarding the correction of alleged clerical errors. We will accept corrections of clerical errors under the following conditions: (1) The error in question must be demonstrated to be a clerical error, not a methodological error, an error in judgment, or a substantive error; (2) the Department must be satisfied that the corrective documentation provided in support of the clerical error allegation is reliable; (3) the respondent must have availed itself of the earliest reasonable opportunity to correct the error; (4) the clerical error allegation, and any corrective documentation, must be submitted to the Department no later than the due date for the respondent's administrative case brief; (5) the clerical error must not entail a substantial revision of the response; and (6) the respondent's corrective documentation must not contradict information previously determined to be accurate at verification. In the Analysis of Comments Received section of this notice, we have evaluated company-specific situations using the above criteria.

Scope of Review

Imports covered by these reviews are shipments of certain fresh cut flowers from Colombia (standard carnations, miniature (spray) carnations, standard chrysanthemums and pompon chrysanthemums). These products are currently classifiable under item numbers 0603.10.30.00, 0603.10.70.10, 0603.10.70.20, and 0603.10.70.30 of the Harmonized Tariff Schedule (HTS). The HTS item numbers are provided for convenience and Customs purposes. The written description of the scope of this order remains dispositive.

Although we initiated reviews on more than 500 firms, we have only reviewed a total of 348 firms for at least one of the three review periods. We initiated reviews for a large number of firms which could not be located in spite of our requests for assistance from diverse sources such as the Floral Trade Council (the FTC), Asocolflores, the American Embassy in Bogotá, and the U.S. Customs Service. Therefore, we were unable to conduct administrative reviews for these firms. We shall assess duties for those unlocatable firms that have not previously been reviewed at the ''all others'' rate of 3.10 percent. Assessment of duties, as well as cash deposits, on entries from firms which we were not able to locate but that had been previously reviewed will be collected at the most recent cash deposit rate applicable to them. The unlocatable firms are:

Achalay
Agricola Altiplano
Agricola de Occidente
Agricola del Monte
Agricola Megaflor Ltda.
Agrocaribu Ltd.
Agro de Narino
Agroindustrial Madonna, S.A.
Agroindustrias de Narino Ltda.
Agropecuaria la Marcela
Agropecuaria Mauricio
Agrocosas
Agrotabio Kent
Aguacarga
Alcala
Alstroflores Ltda.
Amoret
Andalucia
Ancas Ltda.
A.Q.
Arboles Azules Ltda.
Carcol Ltda.
Classic
Clavelez
Coexflor
Color Explosion
Consorcio Agroindustrial Columbiano S.A. ''CAICO''
Cota
Crest D'or
Crop S.A.
Cultivos Guameru
Cypress Valley
Degaflor
Del Monte
Del Tropico Ltda.
Disagro Ltda.
El Dorado
Elite Flowers
El Milaro
El Tambo
El Timbul Ltda.
Euroflora
Exoticas
Exotic Flowers
Exotico
Exportadora
F. Salazar
Ferson Trading
Flamingo Flowers
Flor y Color
Flores Abaco, S.A.
Flores Agromonte
Flores Ainsus
Flores Alcala Ltda.
Flores Calichana
Flores Cerezangos
Flores Corola
Flores de Guasca
Flores de Iztari
Flores de Memecon/Corinto
Flores de la Cuesta
Flores de la Hacienda
Flores de la Maria
Flores del Cielo Ltda.
Flores del Cortijo
Flores del Tambo
Flores el Talle Ltda.
Flores Flamingo Ltda.
Flores Fusu
Flores Gloria
Flores la Cabanuela
Flores la Pampa
Flores la Union/Santana
Flores Montecarlo
Flores Palimana
Flores Saint Valentine
Flores San Andres
Flores Santana
Flores Sausalito
Flores Sindamanoi
Flores Suasuque
Flores Tenerife Ltda.
Flores Urimaco
Flores Violette
Florexpo
Floricola
Florisol
Florpacifico
Flower Factory
Flowers of the World/Rosa
Four Seasons
Fracolsa
Fresh Flowers
Garden and Flowers, Ltda.
German Ocampo
Granja
Gypso Flowers
Hacienda La Embarrada
Hacienda Matute
Hana/Hisa Group
  Flores Hana Ichi de Colombia Ltda.
  Flores Tokai Hisa
Hernando Monroy
Hill Crest Gardens
Horticultura de la Sasan

Horticultura Montecarlo
Illusion Flowers
Indigo S.A.
Industria Santa Clara
Industrial Terwengel, Ltda.
Innovacion Andina, S.A.
Inversiones Bucarelia
Inversiones Maya, Ltda.
Inversiones Playa
Inversiones & Producciones Tecnicas
Inversiones Silma
Inversiones Sima
Jardin de Carolina
Jardines Choconta
Jardines Darpu
Jardines de Timana
Jardines Natalia Ltda.
Jardines Tocarema
J.M. Torres
Karla Flowers
Kingdom S.A.
La Colina
La Embairada
La Flores Ltda.
La Floresta
Laura Flowers
L.H.
Loma Linda
Loreana Flowers
M. Alejandra
Mauricio Uribe
Merastec
Morcoto
My Flowers Ltda.
Nasino
Olga Rincon
Otono
Pinar Guameru
Piracania
Prismaflor
Reme Salamanca
Rosa Bella
Rosales de Suba Ltda.
Rosas y Jardines
Rose
San Ernesto
San Valentine
Sarena
Select Pro
Shila
Solor Flores Ltda.
Starlight
Sunbelt Florals
Susca
The Rose
Tomino
Tropical Garden
Tropiflor
Villa Diana
Zipa Flowers

Best Information Available

Section 776(c) of the Act provides that whenever a party refuses or is unable to produce information requested in a timely manner and in the form required, or otherwise significantly impedes an investigation, the Department shall use best information otherwise available (BIA). In deciding what to use as BIA, 19 CFR 353.37(b) provides that the Department may take into account whether a party refused to provide requested information. Thus, the Department determines on a case-by-case basis what is BIA.

For these final results of reviews, in cases where we have determined to use total BIA, we applied two tiers of BIA depending on whether the companies attempted to or refused to cooperate in these reviews. When a company refused to provide the information requested in the form required, or otherwise significantly impeded the Department's review, the Department assigned to that company first-tier BIA, which is the higher of (1) the highest rate found for any firm for the same class or kind of merchandise in the same country of origin in the less-than-fair-value (LTFV) investigation or any prior administrative review; or (2) the highest calculated rate found in the specific period of review for any firm for the same class or kind of merchandise in the same country of origin. When a company has substantially cooperated with the Department's request for information but failed to provide the information required in a timely manner or in the form required, the Department assigned to that company second-tier BIA, which is the higher of either: (1) The highest rate ever applicable to the firm for the same class or kind of merchandise from either the LTFV investigation or a prior administrative review or, if the firm has never been investigated or reviewed, the all others rate from the LTFV investigation; or (2) the highest calculated rate in the specific review for the class or kind of merchandise for any firm from the same country of origin. *See Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.; Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders,* 60 FR 10900, 10907 (Feb. 28, 1995); *see also Allied-Signal Aerospace Co.* v. *United States,* 996 F.2d 1185 (Fed. Cir. 1993).

Because a number of firms failed to respond to our requests for information, we have used the highest rate ever found in any segment of this proceeding to establish their margins. This rate, which was calculated for the Bojaca Group in the 5th administrative review, is 76.60 percent for all three administrative reviews. The firms to which we have applied first-tier BIA rates and the review periods for which these firms are receiving a BIA rate (as indicated in parentheses) are as follows:

Agricola Jicabal (5,6,7)
Agricola Malqui (5,6,7)
Agricola Monteflor Ltda. (7)
Agrobloom Ltda. (7)
Agrokoralia (5,6,7)
Bali Flowers (7)
Bloomshare Ltda. (7)
Bogota Flowers (5,6,7)
Ciba Geigy (5,6,7)
Claveles Tropicales de Colombia (7)
Colony International Farm (5,6,7)
Conflores Ltda. (5,6,7)
Cultivos el Lago (5,6,7)
Flora Bellisima (5,6,7)
Flores Alfaya (5,6,7)
Flores Arco Iris (5,6,7)
Flores Balu (7)
Flores Catalina (7)
Flores de Fragua (7)
Flores de la Pradera Ltda. (5,6,7)
Flores del Pradro (7)
Flores el Majui (7)
Flores Guaicata Ltda. (5,6,7)
Flores Magara (7)
Flores Naturales (7)
Flores Petaluma Ltda.(5,6,7)
Flores Rio Grande (7)
Flores Santa Lucia (5,6,7)
Flores Tejas Verdes (5,6,7)
Fribir Ltda. (7)
Groex S.A. (5,6)
Hacienda Susata (7)
Inpar (5,6,7)
Interflora Ltda. (5,6,7)
Inter Flores (7)
Internacional Flowers (7)
Invernavas (5,6,7)
Inversiones del Alto (7)
Inversiones Nativa Ltda. (5,6,7)
Jardin (5,6,7)
Jardines del Muna (5,6,7)
La Florida (5,6,7)
Naranjo Exportaciones e Importaciones (7)
Plantas Ornamentales de Colombia S.A. (7)
Rosas y Flores (5,6,7)
Rosicler Ltda. (5,6,7)
Sabana Flowers (5,6,7)
Sunset Farms (5,6,7)
Tempest Flowers (5,6,7)

At the time of our preliminary results of review, we determined that MG Consultores, Flores Canelon, Flores la Valvanera, Flores del Hato, Agroindustrial del Riofrio, Jardines de Chia, Queen's Flowers de Colombia, and Jardines Fredonia were sufficiently related to each other to warrant collapsing their sales and production information into the Queen's Flowers Group. *See* Preliminary Results at 30271. Based on information which we requested and received after the preliminary results, we have determined that twelve other firms (Flores Jayvana, Flores el Cacique, Flores Calima, Flores la Mana, Flores el Cipres, Flores el Roble, Flores del Bojaca, Flores el Tandil, Flores el Ajibe, Flores Atlas, Floranova, and Cultivos Generales) are also related to the members of the Queen's Flowers Group within the meaning of section 771(13) of the Act. We determine that the type and degree of relationship is so significant that there is the strong possibility of price manipulation among all 20 of these companies. See our response to Comment 26, below. Therefore, we are assigning a single rate for all 20 companies for these final results. However, not all of the companies of this group responded to our questionnaire. Further, there exist serious deficiencies in the responses submitted by the group. *See* Department's Position regarding Comment 27, below. Therefore, we determine that the members of the Queen's Flowers Group have significantly impeded our reviews and have used as uncooperative, or first-tier, BIA the highest rate for any company for this same class or kind of merchandise from this or any prior segment of the proceeding.

One firm, Agricola Usatama, responded to our original questionnaire, but failed to respond to our requests for supplemental information. We determine that this company has not cooperated with our requests for information. Therefore, we have applied a first-tier BIA rate to this firm for the seventh review.

Although Santa Helena submitted a response to our supplemental questionnaire, this firm failed to provide information allowing us to correct serious deficiencies in its cost responses. Therefore, we were unable to use its cost data for comparison purposes. However, because this firm responded to all sections of our questionnaire and substantially cooperated with our request for information, we have applied a cooperative, or second-tier, BIA rate to sales made by this company.

We conducted verification of responses submitted by the Agrodex Group, Cultivos Miramonte, Floralex, Flores Aurora, Flores Depina, the Funza Group, Flores de la Vereda, Flores Juanambu, the Florex Group, the Guacatay Group, the HOSA Group, Industrial Agricola, the Santana Group, Senda Brava, and the Tinzuque Group. We encountered serious difficulties in attempting to verify the responses submitted by Flores de la Vereda and Floralex. With respect to Flores de la Vereda, we could not successfully verify completeness and accuracy of the sales data. With respect to Floralex, we were unable to verify the accuracy of the constructed value information submitted by this firm. Because Flores de la Vereda and Floralex submitted responses and have otherwise participated in all segments of the proceeding, we have determined that they both have substantially cooperated with our requests for information and applied a second-tier BIA rate to these firms for all three reviews.

Also, we are applying a second-tier BIA rate to sales made by Agricola de los Alisos, Colflores, Flores Estrella, Flores Mountgar, and Flor Colombia S.A., because these companies were unable to respond to our questionnaire. In *Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Review, and Notice of Revocation of Order (in Part)*, 59 FR 15159, 15173 (March 31, 1994) *(Fourth Review)*, we stated:

> "In choosing an appropriate BIA * * * we focused on the following factors and how they applied to the * * * companies at the time they received our questionnaires (in this case, March 4, 1992): the extent to which the companies continued to operate, including current production and export levels, the number of persons employed by the firms, the disposition of the companies' assets, the relationship of the companies to other exporters continuing in business, the current legal status of the bankruptcy, liquidation, or reorganization proceedings, and the potential for reorganization (including the likelihood that the companies would resume production and exports)."

The record shows that Agricola de los Alisos, Colflores, Flores Estrella, Flores Mountgar, and Flor Colombia S.A. are no longer in business. In accordance with the standards enunciated above, we have determined that these companies were unable to respond to our questionnaire and have assigned a second-tier BIA rate to these firms.

In certain situations, we found it necessary to use partial BIA for a number of firms to correct more limited response deficiencies. In a supplemental questionnaire, Flores de Aposentos reported aggregate carnation sales which the firm knew were destined to be sold to the United States through resellers. Because the company did not separately identify these sales in its questionnaire response as required by the questionnaire, thereby prohibiting us from calculating accurate margins, as BIA we applied the higher of the highest rate ever applicable to the company or the highest calculated rate in the same review to the particular sales involved.

In the case of Las Amalias, we found that, for certain U.S. sales transactions in the 5th period of review (POR), the firm had reported sales prices to a related importer instead of sales prices to the first unrelated U.S. customer as required by our questionnaire. This prohibits us from calculating margins in accordance with the Act, so, as BIA, we have applied the higher of the highest rate ever applicable to Las Amalias or the highest calculated rate in the same review to these particular transactions.

United States Price

Pursuant to section 777A of the Act, we determined that it was appropriate to average U.S. prices on a monthly basis in order: (1) to use actual price information that is often available only on a monthly basis, (2) to account for large sales volumes, and (3) to account for perishable product pricing practices. *See, e.g., Fourth Review* at 15160.

In calculating the U.S. price (USP), we used purchase price when sales were made to unrelated purchasers in the United States prior to the date of importation, or exporter's sales price (ESP) when sales were made to unrelated purchasers in the United States after the date of importation, both pursuant to section 772 of the Act.

We calculated purchase prices based on the packed price to the first unrelated purchaser in the United States. The terms of purchase price sales were either f.o.b. Bogotá or c.i.f. Miami. We made deductions, where appropriate, for foreign inland freight, air freight, brokerage and handling, U.S. customs duties, and return credits.

We calculated ESP for sales made on consignment or through a related affiliate based on the packed price to the first unrelated customer in the United States. We made adjustments, where appropriate, for foreign inland freight, brokerage and handling, air freight, box charges, credit expenses, returned merchandise credits, royalties, U.S. duty, and either commissions paid to unrelated U.S. consignees or U.S. selling expenses of related U.S. consignees.

Foreign Market Value

Section 773(a)(1) of the Act requires the Department to compare sales in the United States with viable home market sales of such or similar merchandise sold in the home market, or a third-country market, in the ordinary course of trade. Although some companies reported either viable home or third-country markets for sales of particular flower types, consistent with our discussion in the *Fourth Review* (at 15160–61), we have concluded that home market and third-country sales are not an appropriate basis for FMV. *See* our response to Comment 7, below.

Accordingly, in calculating FMV, we used constructed value as defined in section 773(e) of the Act for all companies. The constructed value represents the average per-flower cost for each type of flower during each review period, based on the costs incurred to produce that type of flower during each review period.

The Department used the materials, production, and general expenses reported by respondents. Because we have determined that both the home market and third countries are either not viable or do not provide an appropriate basis for FMV for all companies, we used the U.S. market as a surrogate for determining the amount of general expenses to add to constructed value. This figure included U.S. selling expenses which were incurred by affiliated U.S. firms (*see* our response to comment 8, below). The per-unit average constructed value was based on the quantity of export quality flowers sold to the United States. We have considered non-export quality flowers (also called culls) produced in conjunction with export quality flowers to be similar to scrap in that the culls may or may not have recoverable value. Therefore, we offset revenue from the sales of culls against the cost of producing the export quality flowers. *See* our response to Comment 24, below.

For firms whose actual general expenses exceeded the statutory minimum of 10 percent of the cost of materials and fabrication, we used the actual general expenses to calculate constructed value pursuant to section 773(e)(1)(B)(i) of the Act. For firms whose actual general expenses were less than the statutory minimum of 10 percent of the cost of materials and fabrication, we used the statutory minimum of 10 percent. Because imputed credit was included in constructed value, we reduced the actual interest expense reported in the companies' financial statements to prevent double-counting.

Because all respondents reported actual profit less than eight percent of the sum of the cost of production and actual expenses, the Department used the eight-percent statutory minimum for profit pursuant to section 773(e)(1)(B)(ii) of the Act. We added U.S. packing to constructed value. Adjustments to constructed value were made for credit and indirect selling expenses.

According to the 1993 edition of *Doing Business in Colombia,* published by Price Waterhouse, there has been a change in the Colombian generally accepted accounting practices (GAAP), effective January 1, 1992. This change required firms to revalue certain financial statement accounts in order to reflect the effects of inflation experienced during each financial reporting period. As part of this revaluation, firms must restate their fixed asset accounts and their corresponding depreciation expense. We asked respondents to provide additional data to allow us to adjust their data to reflect this change in Colombian GAAP for our final results. Most of the companies provided this data. For companies that failed to provide this data, or that provided inadequate data, we made the adjustment to their response based on monthly inflation figures published by the Colombian government. *See* Memorandum from Michael Martin and William Jones to Richard Rimlinger (February 20, 1996).

Many of the responding companies reported an ''income'' offset that they claimed was created along with this revaluation. We disallowed this offset as it is a change in the firm's equity and not income that is actually realized. For further discussion of this matter, *see* our response to Comment 11, below. For companies that failed to provide this data, or that provided inadequate data, we made the adjustment to their response based on monthly inflation figures published by the Colombian government. *See* Memorandum from Michael Martin and William Jones to Richard Rimlinger (February 20, 1996).

Analysis of Comments Received

We invited interested parties to comment on our preliminary results and intent to revoke the order in part. We received case and rebuttal briefs from the FTC, petitioner in this proceeding, the Asociacion Colombiana de Exportadores de Flores (Asocolflores), an association of Colombian flower producers representing many of the respondents in this case, and various exporters and importers of fresh cut flowers from Colombia. On September 8, 1995, we held a public hearing.

General Issues Raised by the Floral Trade Council

Comment 1: The FTC argues that the Department should not revoke the order with respect to companies that are or may be reselling flowers grown by other producers. The FTC asserts that, although it argued in the 1990–91 review (fourth review) that revocation for the Flores Colombianas Group (FCG) was inappropriate because of the possibility of other growers routing their flowers through FCG, the Department disagreed and revoked FCG (*Fourth Review*). The FTC reiterates the Department's rationale in the *Fourth Review* that, because the group's purchases from other producers were an insignificant percentage of its total U.S. sales, FCG had consistently stated that its suppliers had no foreknowledge that the purchased flowers were destined for any specific export market, and the Department had no evidence that the company purchased flowers at below its suppliers' cost of production, revocation was appropriate. The FTC reminds the Department that the agency informed the public that, if it received information that FCG is serving as a conduit for other Colombian flower growers, it would take appropriate action, which could include reinstatement in the order and referral to the U.S. Customs fraud division.

The FTC contends that the Department's decision to revoke FCG in the *Fourth Review* established additional criteria for revocation and that the Department should apply the same criteria in the current reviews before making a decision to revoke any of the companies. The FTC argues that the Department's preliminary determination to revoke these companies was faulty because ''(1) there is no evidence that purchases from other producers are insignificant, and (2) there is no basis on which to conclude that suppliers neither knew or should have known the destination of their sales'' (*Floral Trade Council's Public Case Brief*, page 3, August 11, 1995). The FTC contends that Colombian growers often purchase flowers from other producers for export to the United States, and that, because the merchandise is not marked, there continues to be a danger that companies with dumping margins will route their flowers through companies with no margins. The FTC asks that the Department reconsider its reliance on the ''knowledge'' factor in determining whether revocation candidates are likely to become conduits for growers subject to the order. The FTC contends that the knowledge test is impractical and subject to manipulation, and suggests that, as a precondition for revocation, Colombian growers requesting revocation should certify that they will not ship flowers grown by other Colombian growers, on penalty of reinstatement in the order.

Asocolflores argues that there is no factual basis for the FTC to conclude that companies eligible for revocation would serve as conduits for other producers. Asocolflores requests that the Department take the same position as it did in the *Fourth Review,* and analyze the facts on record in determining whether there is any basis for the FTC's speculation. Asocolflores points out that some of the companies eligible for revocation did not even purchase flowers from other producers. For those companies that did purchase flowers from other producers, Asocolflores contends that the purchases were occasional and that the Department previously has recognized that such limited sales and purchases do not constitute evasion of the order. Finally, Asocolflores contends that the FTC has provided no valid basis for the Department to reconsider its longstanding practice requiring the producer to know or have reason to know that its sales are destined for the

United States before they are reported as U.S. sales.

Department's Position: Section 353.25(a)(2) of our regulations states that we may revoke an order in part if we conclude that (1) a producer or reseller has not sold subject merchandise at less than fair value for a period of at least three consecutive years; (2) it is not likely that the producer or reseller will sell the subject merchandise at less than fair value in the future; and (3) the producer or reseller agrees, in writing, to their immediate reinstatement in the order if we conclude, under 19 CFR 353.22(f), that they have sold the subject merchandise below FMV.

For these final results, after recalculating the margins for Cultivos Miramonte, Flores Aurora, the Funza Group, and Industrial Agricola, we determine that these firms are no longer eligible for revocation. In the cases of Cultivos Miramonte, Flores Aurora, and Industrial Agricola, there has not been a period of at least three consecutive years without sales at less than fair value. In the case of the Funza Group, there was a period of three consecutive years (1991–93) in which the firm did not sell subject merchandise at less than fair value (*i.e.*, the fourth, fifth, and sixth periods of review). However, the Group did have sales at less than fair value in the last period reviewed (*i.e.*, the seventh period of review) and, therefore, the Group has not demonstrated that it is not likely to sell subject merchandise at less than fair value in the future. Therefore, we are not revoking the order with respect to any firms.

Comment 2: The FTC argues that the Department overstated ESP prices by not deducting commissions paid to related U.S. consignees. The FTC contends that where commissions paid to related U.S. consignees reflect arm's-length commissions and are directly related to sales, the Department should deduct the commissions as direct selling expenses. In support of deducting these commissions, the FTC argues the following: (1) the language of section 772(e)(1) of the Act requires the Department to deduct both U.S. commissions and indirect selling expenses from ESP, whether or not the U.S. consignee is related to the exporter; (2) the rationale of *Timken Co.* v. *United States,* 630 F. Supp. 1327 (CIT 1986) (*Timken*), requires the Department to deduct related-party commissions; and (3) even under the assumption that commissions need not always be deducted under section 772(e)(1), commissions that are arm's length in nature and directly related to the sales must be deducted from ESP as circumstance-of-sale adjustments.

In its rebuttal brief, Asocolflores states that the FTC's arguments ignore the Department's practice in this case and in *Final Determination of Sales at Less Than Fair Value: Fresh Cut Roses from Colombia,* 60 FR 6980 (February 6, 1995) (*Roses*), of deducting actual expenses rather than intracompany transfers. Asocolflores contends that the court cases and statutory provisions cited by the FTC in support of deducting commissions paid to related parties are irrelevant in this case because the Department collapsed the consignee and supplier and treated the two parties as a single entity for purposes of determining ESP. Asocolflores states that when a supplier pays a commission to a consignee which the Department has collapsed with the supplier, the payment is merely an intracompany transfer of funds and not an actual expense. Asocolflores contends that, by deducting only the selling and operating expenses incurred by the U.S. consignee, USP is calculated on the basis of the actual sales prices received from unrelated parties and the actual selling expenses incurred by all related entities. Asocolflores argues that, because the supplier pays the commission to the importer to cover the importer's indirect selling expenses and to provide a profit, deducting the related importer's commission from USP (instead of deducting the importer's selling expenses) would have the effect of deducting the importer's profit from ESP. Asocolflores contends that this would be unlawful according to the *Timken* decision, where the Court of International Trade (CIT) observed that the statute does not call for the deduction of profits in ESP calculations. Asocolflores alleges that the FTC has attempted to confuse the issue by requesting that commissions be deducted as a direct selling expense when found to be at arm's length. Further, Asocolflores contends that whether a commission is at arm's length has nothing to do with the commission being an actual expense incurred by the exporter.

Department's Position: We disagree with the FTC. For the final results, we have continued to treat commissions paid to related consignees as intracompany transfers.

Section 772(c) of the Act defines ESP as the "the price at which the merchandise is sold or agreed to be sold in the United States, before or after the time of importation, *by or for the account of the exporter* * * *." (emphasis added). The statute defines "exporter" to include the producer and the related U.S. consignee (section 771(13) of the Act). We make appropriate deductions to the price at which the merchandise is sold in the United States to the first unrelated party to determine "the net amount returned to the exporter." S. Rep. No. 16, 67th Cong., 1st Sess. at 12 (1921). Thus, we deduct the U.S. indirect selling expenses incurred by the related consignee as these are payments to unrelated third parties that affect the exporter's net return. However, payments from a producer to its related U.S. consignee at issue are intracompany transfers that compensate the related consignee for selling expenses incurred by the consignee in the United States. Because these selling expenses are already deducted under our current methodology, the deduction of the intracompany "commission" would result in double-counting. *See, e.g., Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Antidumping Duty Administrative Review,* 60 FR 44009, 44010 (Aug. 24, 1995). Thus, we make no deductions for these payments pursuant to section 772(e)(1).

In addition, we disagree with the FTC that the rationale of *Timken* requires us to deduct related-party commissions. The *Timken* court held that the statutory deduction for commissions did not require us to also deduct the profit earned by a U.S. subsidiary. *See Timken* v. *United States,* 630 F. Supp. 1327, 1342 (CIT 1986). The *Timken* court did not state that we were required to deduct related-party commissions. Further, as stated in *Roses,* the difference between a "commission" paid to a related U.S. consignee and the related consignee's selling and operating expenses is equal to the related U.S. consignee's profit. As there is no statutory provision providing for the deduction of profits in ESP situations, we have made no deductions for these amounts. *See Roses* at 6993.

Finally, we disagree with the FTC that these intracompany transfers should be deducted as a circumstance-of-sale adjustment. As noted above, we already deduct that portion of the transfer price that represents selling expenses paid by the related U.S. consignee. The remaining portion—profit—does not qualify as a circumstance-of-sale adjustment.

Comment 3: The FTC asserts that failing verification is a basis for first-tier BIA and argues that the Department was too lenient by applying second-tier BIA to firms that failed verification. The FTC points out that Flores de la Vereda presented a revised questionnaire response during verification that contained substantial changes to the data it had submitted originally. The FTC also notes that the Department found various errors in its verifications of Flores de la Vereda and Floralex.

Flores de la Vereda and Floralex, Colombian flower producers and respondents in this case, contend that, when determining which tier of BIA to apply, the Department's practice is to take into consideration whether a respondent willfully refuses to participate in an administrative review, or whether it attempts to cooperate but is unable to comply with every request during verification. They argue that discrepancies in the verification of Floralex do not suggest that the company tried to obstruct the verification or that it was uncooperative. These respondents also point out that cases to which the FTC refers do not support its assertion; therefore, they contend, the FTC's argument that Floralex should be assigned first-tier BIA is wrong.

Department's Position: We agree with the respondents. The Department took into consideration all deficiencies found at verification for Flores de la Vereda and Floralex. However, the fact that the questionnaire response was revised for one company and various errors were found for both companies does not give sufficient reason, in this instance, to assign first-tier BIA. In determining what to apply as BIA, our regulations provide that we may take into account whether a party refuses to provide requested information or in some way impedes the proceedings. *See* 19 CFR 353.37(b). First-tier BIA is applied when a company refuses to provide information requested, or significantly impedes the Department's proceedings. *See, e.g., Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France,* 60 FR 10900, 10907 (February 28, 1995). In past administrative reviews, it has been the Department's practice to apply second-tier BIA when a company has substantially cooperated with the Department's request for information. In this case, even though Flores de la Vereda and Floralex failed certain aspects of verification, the companies substantially cooperated with all of our requests for information. Therefore, we have applied second-tier BIA to these companies.

Comment 4: The FTC argues that the Department should calculate and deduct inventory carrying cost (ICC) from ESP for those respondents that did not provide such a calculation in their responses. In support of this argument, the FTC refers to *Roses,* in which the Department calculated an estimated ICC for respondents selling through related parties who did not report ICC. Based on this precedent, the FTC contends that the Department must calculate ICC for fresh cut flowers because they have a longer life span than roses.

Asocolflores states that the Department has never deducted ICC from ESP in this case, and contends that it would be inappropriate to do so now. Furthermore, Asocolflores contends that ICC "generally" is included in the reported imputed credit expenses because this amount is calculated from the date of shipment from Colombia to the date of receipt of payment. Asocolflores states that, to the extent ICC are not included in the imputed credit expenses, they are insignificant and would not affect margin calculations. Asocolflores also cites *Micron Technology, Inc.* v. *United States,* Slip Op. 95–107 at 16–17 (CIT June 12, 1995), arguing that, because the Department did not request that companies provide the inventory carrying period, it cannot apply an adverse assumption to fill in the information needed to calculate this expense.

Department's Position: We disagree with the FTC. For the final results, we have not calculated an ICC for ESP sales.

The Act does not contain a specific provision for deducting ICC from USP. Rather, we deduct ICC pursuant to section 772(e)(2) of the statute, which requires us to deduct from ESP "expenses generally incurred by or for the account of the exporter in the United States in selling identical or substantially identical merchandise." The CAFC recently upheld our decision to deduct ICC pursuant to this provision of the statute. *See Torrington Co.* v. *United States,* 44 F.3d 1572, 1580 (Fed. Cir. 1995).

Because ICC are not found in the books of the respondents, we must look at what the financing cost would have been. Our practice in calculating ICC for ESP sales is to calculate the cost in two segments: (1) for the period during which the merchandise is held by the foreign manufacturer; and (2) for the period during which the merchandise is in transit or held by the U.S. affiliate. If we were to calculate and deduct ICC on ESP sales in this case, the methodology would need to be slightly different because there are two types of ESP transactions.

The first type of ESP transaction is where the foreign manufacturer sells the flowers through a related U.S. consignee. The second type is where the foreign manufacturer sells the flowers through an unrelated consignee. In the latter situation, we would not calculate and deduct ICC because: (1) Flowers are shipped immediately upon production; and (2) our imputed credit expense calculation accounts for financing costs associated with the period during which the merchandise is in transit and held by the unrelated U.S. consignee (*i.e.*, imputed credit covers the financing costs from the time the merchandise is shipped to the United States until the producer receives payment for the merchandise). Where the foreign manufacturer sells the flowers through a related U.S. consignee, our imputed credit expense calculations do not cover the period during which the merchandise is in transit and held by the U.S. consignee. On these transactions our calculation of imputed credit covers the financing costs for the period between shipment from the U.S. consignee to the first unrelated party and receipt of payment. Thus, in order to capture all the financing costs on ESP transactions where the foreign manufacturer sells the flowers through a related U.S. consignee, it may be appropriate to calculate ICC for the period during which the flowers are in transit and held by the U.S. consignee.

For purposes of calculating USP and FMV, section 777A of the Act allows the Department to disregard "adjustments which are insignificant in relation to the price or value of the merchandise." For calculating FMV, our regulations define "insignificant" as having either an ad valorem effect of less than 0.33 percent of FMV for individual adjustments, or 1.0 percent of FMV for any group of adjustments. *See* 19 CFR 353.59(a) (1994). The regulations do not define "insignificant" for adjustments involving USP. Regarding section 777A, the CIT has held that "the statute provides not only that Commerce is the appropriate authority to determine whether an adjustment is insignificant, but also that it is Commerce that has the discretion to determine whether or not to disregard an insignificant adjustment." *SKF USA Inc.* v. *United States,* 876 F. Supp. 275, 281 (CIT 1995).

For the preliminary results, we did not calculate an ICC for any respondent. Furthermore, we did not request the ICC information in our questionnaires. An estimate of respondents' inventory periods is available in the public report used in the *Roses* investigation. However, respondents claim that this public report overstates the inventory period for the subject merchandise in this case. Therefore, we could obtain accurate ICC information only by sending out supplemental questionnaires to each individual company.

Based on the respondents' claim that any ICC adjustment would be insignificant, we ran tests to determine the relative importance of the ICC adjustment in this case. *See* Memorandum from Holly A. Kuga to Joe A. Spetrini (November 8, 1995). For the Agrodex Group and the Claveles Colombianos Group, we calculated a per-unit ICC, based on the number of days in inventory information in the public report used in *Roses,* and added this amount to each group's related importer's indirect selling expenses and deducted the sum from USP. These companies are two of the largest firms under review in total sales of subject flowers to the United States. In addition, the majority of their sales were made through a related U.S. consignee. The effect of the ICC adjustment on the companies' weighted-average margins during the 5th, 6th, and 7th reviews ranged from an increase of 0.00 percent to 0.11 percent. As a result of these tests, we conclude that the ICC adjustment is insignificant. Further, we conclude that use of this insignificant adjustment would be inappropriate in these reviews, given the burdens of obtaining the necessary information to make an accurate ICC calculation at this stage of the reviews.

Comment 5: The FTC argues that the Department should presume that respondents who withdrew their requests for revocation prior to verification would have failed verification. This action, the FTC contends, is a transparent attempt to avoid scrutiny by the Department. Therefore, in the FTC's view, the Department must assume that an audit of these firms' data would expose the inaccuracy of their responses. Therefore, the FTC asserts, the Department must assign a margin based on a first-tier BIA rate to sales by these firms.

Asocolflores counters the FTC's argument by claiming that there is no legal or factual basis for applying BIA to companies that withdraw requests for revocation. Asocolflores maintains that there were several reasons why respondents withdrew their requests for revocation: certain companies determined that they were no longer eligible for revocation after reviewing their responses; other companies could not afford the expense of undergoing verification; others were deterred by the uncertainty created when the Department issued questionnaires indicating it might use third-country profits in its margin analysis. Asocolflores argues that BIA can be used only when a company refuses or otherwise fails to provide information requested by the Department, or fails verification.

Department's Position: We disagree with FTC. A company will request revocation when it believes it will satisfy the requirements set forth in 19 CFR 353.25(a)(2). Conversely, a withdrawal of a request for revocation merely indicates that a company no longer believes the regulatory requirements will be satisfied. Because there is no record evidence indicating that companies that withdrew their request for revocation would have failed verification, we have no basis to assign these companies rates based on BIA.

Comment 6: The FTC contends that the Department should not assign the ''all others'' rate to companies that could not be located by the Department and that have been assigned higher company-specific margins in previous reviews.

Asocolflores agrees that companies with pre-existing rates should continue to receive those rates, whether they are lower or higher than the ''all others'' rate.

Department's Position: Pursuant to section 751(a) of the Act, the Department conducts administrative reviews of particular companies ''if a request for such a review has been received.'' If no request for review is received for a company, the Department ''will instruct the Customs Service to assess antidumping duties * * * at rates equal to the cash deposit of, or bond for, estimated antidumping duties. * * *'' 19 CFR 353.22(e) (1994). In other words, ''in cases where a company makes cash deposits on entries of merchandise subject to antidumping duties, and no administrative review of those entries is requested, the cash deposit rate automatically becomes that company's assessment rate for those entries.'' *Federal-Mogul Corp.* v. *United States,* 822 F. Supp. 782, 787–88 (CIT 1993). In this case, an administrative review was requested for the unlocatable firms in question. However, because we were unable to review these firms, the results are the same as if no review had been requested for these firms. Therefore, for the final results, unlocatable companies with pre-existing rates will be assessed at those rates. The cash deposit rates for these companies will remain the same.

Comment 7: The FTC argues that, because the Department did not collect current third-country price data, its decision to reject third-country sales as the basis for FMV is flawed. The FTC claims that the Department based its decision in these reviews on data collected in a past review, and that the records in these reviews suggest that the facts and circumstances of third-country sales have changed. The FTC contends that, because the Department neither collected nor analyzed third-country sales prices, its conclusions are unsubstantiated.

The FTC claims that the analysis in the Department's notice of preliminary results is flawed. The FTC claims that the Department's position that the market patterns in third-country and U.S. markets are different is not supported by evidence on the record. Also, the FTC argues that the Department's focus on differences in holidays is misplaced in that a comparison of U.S. prices during a major holiday period to prices in a third country would be to respondents' advantage, because prices in the United States during peak flower-giving holidays are relatively greater than during non-peak periods, which is when the FTC contends dumping is occurring. Therefore, the FTC concludes that, in comparing third-country markets to the U.S. market, the only relevant inquiry is whether there are foreign holidays where price levels peak in foreign markets at a time when there is no comparable U.S. holiday. The FTC states that, without the relevant transaction data on the record, there is no basis on which to test this concern. The FTC also contends that, in any case, U.S. holidays and third-country holidays mostly do coincide, and it cites a list of holidays it attached to its February 18, 1994 submission in support of this contention.

With respect to the Department's preliminary decision that there are differences in market patterns, the FTC argues that flower producers in third countries do not face the same competitive pricing pressure that flower producers in the United States do, and the differences in price volatility can be attributed in no small part to the pricing practices of Colombian flower producers, which, according to the FTC, control roughly two-thirds of the U.S. market. The FTC also argues that the notion that U.S. customers only purchase flowers during special occasions is belied by import statistics generated by the Department, and that U.S. customers buy flowers throughout the year, not just on special occasions.

The FTC objects to the Department's consideration of price correlation on the grounds that rejecting third-country sales because they do not follow the same patterns as in the U.S. market undermines the purpose of the antidumping law. The FTC contends that in any case where dumping exists, there will be a negative correlation in prices between the U.S. and the foreign markets. The FTC concludes by stating that the Department's resort to CV does not comport with its consideration of the lack of price correlation because no correlation between constructed value and the U.S. market will necessarily exist.

Asocolflores argues that the circumstances in third-country markets have not changed to such a degree to warrant reversing prior practice in this case, and that, although the Department did not collect sales data, the Department did collect other data which it used in reaching its conclusions. Specifically, Asocolflores states that the FTC itself has provided pricing information demonstrating that prices in the United States and third countries lacked correlation, peaked at different times, and were more stable in third countries during the PORs.

Asocolflores claims that the FTC has provided no new legal analysis or factual information beyond what has previously been submitted and rejected by both the Department and the CIT. Asocolflores also takes issue with the FTC's argument that the Department's focus on U.S. holidays is misplaced. Asocolflores argues that the Department properly focused not just on U.S. holidays or just foreign holidays, but rather on the differences in U.S. and foreign flower-giving holidays and the consequent distortion that may result when a peak period in one market is compared to a non-peak period in a different market. Asocolflores further contends that the FTC's list of holidays is meaningless, because the FTC has not limited its list to flower-giving holidays; rather it has listed all holidays in both markets.

Asocolflores claims that, while the FTC urges the Department not to focus exclusively on pricing trends or market patterns, it is precisely these factors which compelled the Department to reject third-country sales as a basis of FMV in the previous reviews. Asocolflores contends that, in light of the above arguments, there is not a basis for reversing an established case precedent upheld by the CIT.

Department's Position: For purposes of these final results, we have continued to base FMV on constructed value because we remain convinced that third-country sales would be an inappropriate basis for FMV.

Section 773(a)(2) of the Act allows the Department to base FMV on constructed value where FMV ''cannot be determined'' using home market or third-country sales. Where, as here, home market sales are inadequate to serve as a basis for foreign market value, section 353.48(b) of our regulations states a preference for use of third-country sales over constructed value ''if adequate information is available and can be verified.''

We have used constructed value for Colombian flowers since the second administrative review of this proceeding. We did this for three reasons. First, we determined that prices in third-country markets were negatively correlated to prices in the United States. We determined that this negative correlation was caused by a variety of factors, including the greater volatility and sporadic nature of the U.S. market, differing peak price periods (holidays), and Colombian producers' relative lack of access to European markets. Second, because of the relative lack of access to European markets, Colombian producers generally sold to Europe only during peak months. Third, because the merchandise in question is highly perishable, most producers were found to plan the vast majority of their production for sale to the U.S. market, and generally sold excess production to markets that they may not have planned to sell in. This created a ''chance element'' that could cause price differences that were unrelated to dumping. *See Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Review,* 55 FR 20491, 20492 (May 17, 1990) (*Second Review*). This decision was subsequently upheld by the CIT. *See Floral Trade Council* v. *United States*, 775 F. Supp. 1492, 1495–98 (CIT 1991).

We disagree with the FTC's argument that we cannot decide this matter based on the existing record. We also disagree with petitioners that we were required to collect actual third-country sales data prior to our decision to reject third-country prices. While we did not collect third-country sales data from respondents, we did collect information about third-country markets. We received narrative responses to questions regarding third-country markets, ranging from general questions about market conditions to questions about specific companies' practices, experiences, and average profit levels. We also received price data for standard carnations for 1991 from the FTC for the United States and for the Aalsmeer market in Europe. The record shows no change in the differences in market volatilities, no change in the differences in holidays, and no change in the differences in end-use of the merchandise. Based on the information we collected for these PORs, we determine that the differences in prevailing market conditions between European markets, which comprise the primary third-country markets, and the United States in these PORs are still too great to justify use of third-country prices.

We find that there is still great price volatility in the United States which does not exist in third-country markets. We find that significant differences in the demand patterns between the markets continue to exist, which are explained largely by the differences in holidays and end-uses of subject merchandise.

We find that the differences in volatility between third-country markets and the United States are largely attributable to differences in demand patterns. We have observed that demand and prices in the United States fluctuate much more widely than in European markets, and that demand and prices correlate strongly in the United States. That is, prices and demand are both high at the same time and are both low at the same time. This indicates that, in the United States, supply moves to meet demand, rather than the other way around. In a demand-driven market, the quantities supplied move to meet demand, which explains why prices and quantities are both high at certain times and why both are low at other times. By contrast, in a supply- driven market, lower prices would lead to greater quantities purchased by consumers, and higher prices would cause fewer products purchased. There is no evidence of low prices coinciding with high demand or high sales quantities, or vice versa. Therefore, we infer that the United States is largely a demand-driven market. We conclude that demand exerts a considerably stronger influence on prices in the U.S. market than in Europe.

With regard to holidays, we observe that differences in holidays are not in and of themselves a reason for rejecting third-country sales, but are a significant factor in explaining why there is no apparent correlation between prices in third-country markets and the United States. Further, we are not convinced by the FTC's claims that flower-buying holidays in third-country markets and the United States largely coincide. For example, the FTC argues that All Souls' Day, a European flower-buying holiday, coincides with Halloween. This is true, but because Halloween is not a holiday for which people in the United States typically purchase flowers, observing that the two holidays coincide does not demonstrate that third-country and U.S. flower-buying holidays coincide.

The FTC is correct that flowers are bought throughout the year in the United States and not just on special occasions. We do not conclude otherwise. The fact remains, however, that there are certain flower-buying holidays, such as Valentine's Day and Mother's Day, for which demand for subject merchandise increases markedly. In contrast, third-country market customers more often buy flowers for everyday use, such as decoration. *See, e.g.*, Cienfuegos Group section A response (May 16, 1994), Flores de la Sabana S.A. supplemental response (April 15, 1994), Flores Tiba S.A. section A response (May 16, 1994), and HOSA Group section A response (May 16, 1994). This was true when we originally decided that third-country prices were an inappropriate basis for FMV and was a factor we cited in that review in our decision. *See Second Review* at 20492. From this, we conclude that, for the most part, the end-use of subject merchandise significantly differs between the United States and third-country markets.

The FTC, in its February 18, 1994 submission, provided third-country market price data which, according to the FTC, demonstrated that the correlation between prices in third-country markets and the United States was sufficiently strong to justify reversing our decision. We examined the price data submitted by the FTC covering 1991 and found that third-country and U.S. prices moved in opposite directions in approximately half of the months of the year. This indicates that there is neither a strong positive nor negative correlation between prices in the United States and third-country markets. Our analysis of correlation is inconclusive and, therefore, we turned to other factors in our analysis, which are described above.

Finally, we disagree with the FTC's statement that there will be negative price correlations wherever dumping occurs. Dumping can exist in any situation regardless of price correlation. For example, USP and FMV could move together, *i.e.*, be perfectly correlated, and there would still be dumping as long as FMV was consistently greater than USP.

While we do find that, since our determination in the *Second Review*, Colombian producers have gained greater access to third-country markets and our analysis of the correlation between U.S. and third-country prices during the PORs was inconclusive, none of the other factors that affected our decision, including those that explain the lack of an apparent correlation of prices, has changed significantly enough to warrant our abandoning CV as the basis for FMV.

Comment 8: The FTC argues that, if the Department chooses not to use third-country sales as the basis of FMV, it should use actual third-country profits and general expenses in calculating CV. The FTC contends that CV is intended as a substitute for a price-based FMV, and the profit and general expenses used in calculating CV should be equal to the profit and general expenses on those prices that are the basis for FMV. The FTC observes that the Department collected and verified third-country profit data, and that using the statutory minimum does not reflect the price discrimination that exists between markets. The FTC argues that the requirements for using profit on third-country sales are met in this case, citing *Aramid Fiber Formed of Poly-Phenylene Terephthaliamide from the Netherlands*, 59 FR 23684, 23686 (1994), as an example of a case in which the Department calculated profits on the basis of third-country sales.

Asocolflores argues that using third-country profit and general expenses for the purposes of CV would effectively create a surrogate for third-country sales. Asocolflores contends that the Department has recognized this principle and rejected the same argument in *Roses* at 6994, stating that, ''where there was a viable, but dissimilar third-country market, [the Department] used U.S. surrogates and the statutory eight percent profit because [it has] determined that third-country markets do not provide an appropriate basis for foreign market value.''

Asocolflores argues that many of the same objections to the use of third-country sales apply to the use of third-country profit. For example, Asocolflores notes, because prices in the U.S. and third-country markets are incomparable due to timing and volatility differences, the profit margins will not be comparable. Asocolflores also notes that, because sales in third-country markets are not made in all months, peak periods are not balanced by off-peak periods. Moreover, Asocolflores contends, using third-country profits in an annual CV is further distortive because it is being used as a comparison to monthly-averaged USPs. Asocolflores argues that the FMV that the FTC would have the Deparment create is not representative of prices in any market because it would combine a general cost of production with U.S. selling expenses, U.S. imputed credit expenses, third-country general expenses, and third-country profits.

Finally, Asocolflores concludes that using third-country profits would violate established case precedent. Respondents assert that they have relied upon this methodology and the Department cannot now change its methodologies without compelling reasons, citing *Shikoku Chemicals Corp.* v. *United States,* 795 F. Supp. 417, 421 (CIT 1992).

Department's Position: We disagree with petitioner. Section 773(e)(1) of the Act states that CV shall include ''an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise under consideration which are made by producers in the country of exportation, in the usual commercial quantities and in the ordinary course of trade . . .'' Section 353.50(a) of our regulations elaborates on this requirement by noting that CV will include general expenses and profit ''usually reflected in sales of merchandise by producers in the home market country * * *''

In this case, we are not using home market prices for FMV because home market flower sales are either not viable or outside the ordinary course of trade. *See, e.g., Second Review* at 20492. We are not using third-country prices for FMV because, as discussed in our response to Comment 7, an unusual fact pattern applies in this case which would cause comparisons to third-country prices to be distortive.

Because we rejected the prices of the home market and third countries for purposes of FMV, we find it necessary to reject the general expenses and profits associated with these sales. Just as home market and third-country prices will not provide an accurate measurement of dumping in this case, the general expenses and profit associated with these sales are not of the amount ''usually reflected in sales of merchandise of the same general class or kind as the merchandise under consideration.'' Thus, we decline to use these amounts for purposes of CV.

We disagree with the FTC that our position in *Aramid Fiber* compels us to use third-country selling expenses and profit in this case. *Aramid Fiber* used viable third-country markets as a basis for FMV. *See Aramid Fiber* at 23685. Here, we are unable to use third-country sales as the basis of FMV.

For the final results, then, we have used the eight-percent statutory minimum profit. *See Alhambra Foundry Co., Ltd.* v. *United States,* 685 F. Supp. 1252, 1259–60 (CIT 1988) (upholding use of statutory eight-percent minimum profit where no viable home market or third country market exists). In our preliminary results, we stated that we used respondents' actual profit for merchandise of the same general class or kind where this amount was greater than the statutory minimum. However, for these final results, we determine that there are no cases in which a respondent's home market profit exceeded eight percent. Therefore, use of the statutory minimum profit is appropriate.

For general expenses, it is the Department's practice to use U.S. selling expenses as a surrogate when home market and third-country market sales form an inappropriate basis for FMV. *See Final Determination of Sales at Less Than Fair Value: Tubeless Steel Disc Wheels from Brazil,* 52 FR 8947, 8948 (March 20, 1987); *Final Determination of Sales at Less Than Fair Value; Certain Granite Products from Italy,* 53 FR 27187, 27191 (July 19, 1988). Furthermore, our questionnaire instructed respondents that ''if home market or third-country sales are not being used to establish foreign market value, provide selling expenses on U.S. sales of the subject flower type.''

For the preliminary results and in prior reviews of this order, we used only those U.S. selling expenses incurred in Colombia for purposes of calculating a surrogate value for selling expenses. However, we have revised this figure in these final results to include all U.S. selling expenses, regardless of whether these expenses were incurred by the flower grower, its offshore invoicer, or its related U.S. importer. This revision allows us to utilize the entire universe of U.S. selling expenses as the surrogate, regardless of any internal corporate decision as to whether certain selling expenses should be incurred in Colombia or transferred to an offshore invoicer or an affiliated U.S. importer.

Comment 9: The FTC argues that the Department should not allow respondents to offset CV by the amount of revenue on cuttings, other materials, or services sold in Colombia. The FTC argues that these items are not production outputs, as are culls, but rather production inputs.

Asocolflores responds that the revenues described are an appropriate offset to cost, and claims that the Department has allowed such revenue as an offset to cost in prior reviews. Asocolflores states that materials such as cuttings are part of growers'' costs, and argues that, if a grower has more cuttings than necessary and sells some of them, the revenue from those cuttings should be allowed as an offset to costs. Asocolflores contends that including these revenues in the cull revenues is the easiest way to report them in the Department's Lotus spreadsheet, and that *where* these revenues are reported is less important than *whether* they are allowed.

Department's Position: We agree with the FTC that items such as cuttings (and similar materials) are not created in the process of flower production, as are culls, but rather are inputs or materials used in producing flowers or can be a separate product line in itself. Also, the sale of services does not relate to the cost of producing flowers and therefore should not be allowed as an offset. The fact that a grower may subsidize its flower production with revenue earned from other operations is not relevant to the dumping calculation and may disguise dumping that is occurring. Therefore, we only allow revenues from operations directly related to flower production and/or sales to offset the cost of producing subject merchandise. Further, these items must be properly itemized and tied to the production and/or sales of flowers. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings From India,* 60 FR 10545, 10547 (Feb. 27, 1995). Therefore, for companies that reported such revenues as an aggregate part of their cull sales revenue we have disallowed the entire offset, unless the companies provided a breakdown of the various revenues they reported in the cull revenue line item elsewhere in their responses.

We recognize that our decision represents a departure from our past practice in this case. *See Fourth Review* at 15168. However, we have reexamined this issue and we conclude that, generally, cuttings, while an input into the production of flowers, are a distinct industry. Many companies are exclusively in the business of selling cuttings. If a company returned cuttings to the supplier and received a credit for those cuttings, then it should report the cost of cuttings minus the rebate. If a company produced or bought cuttings which it later sold, it should report only the cost of those cuttings used in the production of subject merchandise. To allow a company to report the revenues it receives on sales of cuttings not used in flower production would be equivalent to offsetting cost by the amount of profit received on nonsubject merchandise, which we do not allow. If a company had broken out its cost data and cull revenue data in such a way that we could correct it, then we would do so. However, where companies did not provide sufficient detail of their cost response to permit us to make such corrections, we have assumed as partial BIA that all costs associated with cuttings, other materials, and services reported by the companies are not related to flower production, and we have disallowed the cull revenue offset for the reasons outlined above.

Comment 10: The FTC argues that the Department should disallow any interest income offsets to interest expenses where the interest income was either long-term or not related to production. The FTC also argues that the Department should disallow offsets to interest expenses that are not interest income such as prompt payment discounts, monetary correction, or exchange rate gains.

Asocolflores does not contest the FTC's argument in general, but maintains that some of the revenues or discounts mentioned by the FTC should be allowed as an offset to cost, whether in the interest income section of the Lotus spreadsheet or elsewhere. Asocolflores specifically describes the situations for Flores San Juan and the Sabana Group. Asocolflores also maintains that, contrary to the FTC's statements, monetary income is a permissible offset to financial expense. Asocolflores claims that, in *Gray Portland Cement and Clinker from Mexico,* 58 FR 25803, 25806 (1993) (Comment 4) (*Portland Cement*), the Department expressly allowed monetary correction income resulting from monetary position gains as an offset to financial expense.

Department's Position: We agree in part with the FTC. Only short-term interest income directly related to operations may be used as an offset to interest expense. *See Notice of Final Determination of Sales at Less Than Fair Value: Small Diameter Circular Seamless Carbon and Alloy Steel, Standard, Line and Pressure Pipe From Italy,* 60 FR 31981, 31991 (June 19, 1995).

In *Portland Cement,* we included monetary gains and losses in the calculation of net financing expenses for the respondent because, in that case, the monetary correction under Mexican GAAP pertained solely to the holding of monetary assets and liabilities. Given these circumstances, not including monetary gains and losses in the calculation of net financing expenses would not have accounted for the effects of Mexico's significant inflation during the review period in question and would have distorted the firm's corporate financial expenses and income. *See Portland Cement* at 25806. In the case of Colombian GAAP, this restriction does not apply. *See* our response to Comment 11, below, concerning our treatment of inflation adjustments in this case.

With respect to Asocolflores' reference to San Juan, we do not permit interest revenue in excess of interest expenses to offset other costs. *See* our response to Comment 32, below. Finally, with respect to Asocolflores' reference to Sabana, the firm reduced its financial expenses by an amount for discounts which it received from suppliers. However, the firm did not provide the requisite information for us to properly assign these discounts to costs of the applicable flower types. *See* our response to Comment 41, below. Therefore, we have not adjusted for these discounts.

Comment 11: The FTC argues that the Department should use respondents' reported inflation adjustments as reflected in their financial statements, but should not allow respondents' claimed offsetting adjustment for monetary correction. The FTC argues that failure to include the inflation adjustment would distort production costs for purposes of the dumping analysis. The FTC argues that excluding the inflation adjustment would result in costs which are not reflective of current price levels and thus produces an improper matching of revenues and expenses. The FTC cites *Roses* in support of its argument. The FTC further notes that certain respondents have included monetary correction income as cull revenue or other financial income.

Asocolflores argues that the Department should not make a one-sided adjustment for inflation to depreciation and amortization costs. Asocolflores states that the Department did not gather actual inflation adjustment data from the companies in *Roses,* but performed its own incorrect calculations and made only a partial adjustment. According to Asocolflores, the Department should disregard the inflation adjustments and calculate CV using a company's actual, unadjusted costs. If the Department does use this data, Asocolflores contends it must take into consideration not only the increase in depreciation and amortization expenses, but also the monetary correction resulting from the inflation adjustments to depreciable assets. Respondents assert that the Department allowed monetary correction offsets in *Portland Cement* and *Porcelain-on-Steel Cookware from Mexico,* 55 FR 39186 (September 25, 1990) (*Cookware from Mexico*), and there is no basis for disregarding it here. Asocolflores contends that the Department needs to focus not just on the adjustments to non-monetary depreciable or amortizable assets which result only in changes to a company's balance sheet as it did in *Roses,* but also on adjustments to both the costs and income reported in the profit and loss statement.

Asocolflores argues that three separate adjustments are required to perform the inflation adjustments required by Colombian tax laws. First, Asocolflores states that the value of assets must be adjusted to reflect the hypothetical increase in value due to inflation. Asocolflores explains that this amount is recorded as a debit to the asset account and a credit to a ''monetary correction'' account that all companies are required to establish in their books, and the monetary correction account is a profit and loss statement account which ''corrects'' the monetary value of non-monetary assets, liabilities, and equity for inflation. Second, Asocolflores asserts, the upward adjustment to the value of the asset leads to an upward adjustment to depreciation expense. Asocolflores explains that the companies record depreciation expense calculated at historical cost plus the adjustment due to inflation as a debit to the depreciation expense account and a credit to the accumulated depreciation account. Third, Asocolflores states that the companies adjust the accumulated depreciation account for inflation. Therefore, Asocolflores asserts, the amount of the adjustment is debited to the monetary correction account and credited to the accumulated depreciation account.

Asocolflores explains that companies generally responded to the Department's questionnaire by providing the data concerning both the depreciation expense (cost) and monetary correction (income) effects of the inflation adjustment to depreciable/amortizable assets, resulting in an increase of depreciation or amortization expense. Asocolflores states that companies also reported the monetary correction they are required to recognize on their books as a result of the difference between required inflation adjustments to asset value and accumulated depreciation. Asocolflores explains that the companies generally reported this monetary correction as an offset to costs as ''cull revenue,'' since this was the only line on the Lotus spreadsheet on which such income could be reported and still allow the Department to use the spreadsheet to calculate CV properly.

Asocolflores argues that, in cases involving non-hyperinflationary economies such as Colombia, the Department ordinarily does not make any adjustments to depreciation or amortization expenses for inflation. Asocolflores cites *Portland Cement* to support its contention that the only possible legal basis for including inflation adjustments is that (1) they are required by Colombian GAAP, and (2) they are not distortive. Asocolflores contends that, if the Department makes adjustments, they must reflect the full adjustments required in Colombia. According to Asocolflores, any adjustment made to just depreciation and amortization is distortive from the perspective of cost accounting and should therefore be disregarded. Asocolflores further contends that, by calculating CV on a monthly basis, the Department is already ensuring that it does not distort the dumping calculations by mismatching costs and revenues. Asocolflores contends that the Department's precedent in *Roses,* where it recognized the unfairness of comparing monthly prices with an annual CV calculated using full-year inflation adjustments and adjusted for inflation only through the middle of the period so as to estimate a midpoint average cost, contradicts the intended approach in this case of using full period inflation adjustments in a comparison with unadjusted monthly sales prices.

In rebuttal, the FTC argues that the Department should reject Asocolflores' July 21, 1995 submission as untimely. The FTC argues that the submission contained new factual information, which was submitted after the preliminary results of review. The FTC argues that the Department should not allow an offset for monetary correction income that does not ultimately benefit flower producers and is not real income. The FTC also argues that, although the Department has accepted an income offset in the treatment of monetary correction in *Portland Cement* and *Cookware from Mexico,* this acceptance does not compel the Department to make an offset in these reviews. Finally, the FTC contends that, if the Department not use respondents' supplemental inflation adjusted costs, it should ensure that all monetary correction income included in respondents' original responses has been excluded from the database.

Department's Position: We disagree with respondents. For these final results, we have used respondents' revised depreciation and amortization expense figures, which have been adjusted for the effects of inflation, in calculating CV. However, we have excluded the amount of monetary correction income that respondents claimed as an offset to production costs. With respect to the FTC's argument that we should reject Asocolflores' July 21, 1995 submission as untimely, we disagree. We requested this information in our supplemental questionnaire of June 21, 1995 concerning inflation adjustment.

In general, CV includes amounts for depreciation of fixed assets that are used to produce the subject merchandise. Most often, these fixed assets are recorded for normal accounting purposes at their historical cost (*i.e.*, the original purchase price of the assets). Consequently, amounts incurred for depreciation reflect the historical cost of the underlying fixed assets spread systematically over the assets' useful lives. In an inflationary economic environment, however, depreciating fixed assets based on historical costs fails to adequately measure the cost of those assets relative to the sales income that results from the merchandise they produce. For this reason, in many countries that experience high inflation, GAAP requires that fixed assets be indexed (*i.e.*, increased) annually to reflect the increasing nominal value of those assets as stated in prevailing currency units.

The Department also recognizes the effects of inflation on costs in its antidumping analysis. Specifically, in cases involving respondents whose home market economies are hyperinflationary (which the Department considers to be annual inflation greater than 50 percent), the Department resorts to the use of monthly replacement costs. *See, e.g., Final Determination of Sales At Less Than Fair Value: Ferrosilicon From Brazil*, 59 FR 732 (January 6, 1994).

In other instances, where the home market economies, while not reaching the Department's annual hyperinflationary threshold during the period of investigation (POI) or the POR, nonetheless exhibit significant inflation from year to year, the Department has adjusted respondents' depreciation expenses in order to permit a more appropriate matching of costs and prices based on equivalent currency units. *See, e.g., Aimcor, Alabama Silicon, Inc., and American Alloys, Inc.* v. *United States*, Slip Op. 94–192 (CIT 1994) (*Ferrosilicon From Venezuela*). Stated another way, at hyperinflationary levels, the Department adjusts *all* production costs for the effects of inflation. On the other hand, at inflationary levels that, if compounded from year to year, significantly affect the value of historically-based fixed assets, the Department adjusts only depreciation expense for the effects of inflation.

In the instant case, while the Colombian economy did not experience hyperinflation during any of the PORs, it did see annual inflation rates between 20 and 30 percent in the five years leading up to and including the PORs. Therefore, the effect of compounded annual inflation results in a distortion of historical depreciation. More specifically, the compounded annual inflation results in an understatement of costs. In order to correct this distortion, the Department asked respondents to submit revised CV figures reflecting depreciation expense amounts adjusted for inflation. The inclusion of inflation-corrected depreciation amounts in CV is consistent with past Departmental practice, as demonstrated in *Ferrosilicon from Venezuela, Roses from Colombia* and *Roses from Ecuador.* The Department's methodology corrects understated depreciation and amortization costs, which results from significant inflation compounded over some extended time period. This approach is also consistent with Colombian tax law, which requires firms to revalue certain financial statement accounts to reflect the effects of inflation experienced in each financial reporting period. *See* Memorandum from Holly Kuga to Joseph Spetrini, dated November 8, 1995.

As noted above, in antidumping cases involving countries whose economies are continually marked by high inflation (but not hyperinflation), the Department has adjusted depreciation expenses reported by respondents while allowing other costs, such as materials and labor, to be recorded at their current, nominal values. This has been done in recognition of the fact that, over time, consistently high inflation rates greatly affect the nominal value of fixed assets that are recorded for accounting purposes at historical costs. At the same time, however, because the price level changes in these cases do not reach those defined by the Department's hyperinflation threshold, this practice purposely ignores other inflation effects that can occur within the POI or POR. Such effects are numerous and can either increase or decrease costs or prices as stated in real terms. Yet because these inflation effects are contained largely within the POI or POR, unless demonstrated to be otherwise, their net effect on the Department's analysis is presumed to be minimal.

Regarding respondents' claim that our methodology imposes a ''one-sided'' adjustment, we note that the inflation accounting adjustment to fixed assets does not ''create'' income. That is, the fact that a company may own fixed assets does not in some way earn that company income simply as a result of accounting for inflation. Rather, ownership of fixed assets at best acts as a hedge against inflation, neither creating nor generating a loss in asset value.

The purpose of requiring an adjustment to fixed assets under Colombian GAAP (or under the GAAP of any country which accounts for inflation) is to measure the gains and losses on *monetary* assets and liabilities, such as cash or accounts payable, which are exposed to inflation. The Colombian tax law adjusts for high inflation by requiring a form of price-level accounting, a method that revalues fixed assets to provide constant currency, as opposed to historical cost information.

The mechanics of the inflation adjustment for fixed assets require companies to increase or ''debit'' fixed assets by an amount equal to the year's inflation index. At the same time, as part of the accounting entry, a corresponding ''credit'' is recorded to a monetary correction account, which has the effect of increasing financial statement income for the same year. This is the income that respondents maintain is somehow generated by their fixed assets. There is no merit, however, to respondents' claim that the Department is making only a ''one-sided'' adjustment by ignoring the ''credit'' to income. The ''debits'' to the fixed asset (*e.g.*, the flower plants) and the ''credit'' to financial income are in no way related for purposes of calculating CV. As stated above, the revaluation of flower plants and other fixed asset costs to account for inflation does not, in and of itself, create income. Further, it does not create income related to flower production.

We disagree with respondents' assertion that it is inappropriate to focus on adjusting CV for the effects of inflation on depreciation and amortization expense. That is precisely what the Department did in *Ferrosilicon from Venezuela*, where the Department used a depreciation expense figure which was based upon revalued, as opposed to historical, fixed assets. Inflation adjustments were not applied to any other balance sheet or income statement accounts. Moreover, as in Colombia, the inflation rate in Venezuela prior to and during the POI was significant, but failed to reach the Department's hyperinflation threshold.

We also find that respondent's reliance on *Portland Cement* and *Cookware from Mexico* is misplaced. It is important to note that inflation accounting practices vary from country to country. In the cases cited by respondents, under Mexican GAAP, the Department's acceptance of the monetary correction related solely to each respondent's financing expenses and not, as Asocolflores asserts, to the fixed assets and depreciation expense.

We also find respondents' contention that it is inappropriate to compare annualized costs, which have been adjusted for inflation, to monthly U.S. sales prices, which have not been adjusted, to be without merit. What respondents fail to recognize in making this argument is that production costs were incurred in the Colombian economy, which, as discussed earlier, has experienced significant inflation for a number of years. The U.S. sales prices, on the other hand, are denominated in U.S. dollars and have occurred in an economy which has experienced extremely low inflation during this same time period. In consideration of these important differences, our comparison of inflation-corrected Colombian costs to the nominal U.S. prices is valid and appropriate for these reviews.

Company-Specific Issues Raised by the FTC

Comment 12: The FTC points out that Agricola de los Alisos has been included among the companies that the Department could not locate although the company had filed a letter notifying the Department that the company was liquidated in December 1992. The FTC argues that Agricola de los Alisos and any other company that has officially gone out of business should be assigned a margin based on a second-tier rate of BIA, consistent with the standard enunciated in previous reviews.

Department's Position: We agree with the FTC that we should not treat Agricola de los Alisos as a company that could not be located. Agricola de los Alisos filed a letter and certification with the Department in May 1994 indicating that it is no longer in business. Consistent with our treatment of companies that are no longer in business, we have applied a second-tier BIA rate to Agricola de los Alisos. *See Fourth Review* at 15173.

Comment 13: The FTC notes that Florex reduced the expenses of its invoicing agent by short-term interest income allegedly gained on working capital. However, because these expenses are related to the sales of subject merchandise, not the production thereof, the FTC asserts that they are not eligible for such an offset adjustment. The FTC requests that the Department increase the selling expenses incurred by Florex's related invoicing agent by the amount of short-term interest income.

Asocolflores agrees that these expenses are selling expenses, and not related to production. However, Asocolflores contends that to ignore the short-term interest income would distort the actual selling expenses of this agent. Furthermore, Asocolflores asserts, the Department has visited this issue in previous reviews and has rejected it.

Department's Position: We examined the expenses reported by Florex's related selling agent and have determined that some, if not all, of the interest income derives from intracompany loans. It is the Department's practice to ignore such intracompany transfers regardless of whether they relate to sales or production. *See Certain Fresh Cut Flowers From Colombia; Final Results of Antidumping Duty Administrative Review,* 56 FR 32169, 32172 (July 15, 1991). For these final results, because we could not segregate the intracompany loans from the interest income reported, we have denied the entire interest income adjustment.

Comment 14: The FTC asserts that Cultivos Miramonte (Miramonte) departed from its normal accounting records by reporting a different depreciation period for its ''land adequation'' costs than it records in its normal accounting system (Miramonte explained in its response that land adequation is comprised of expenses to level the terrain, dig ditches, and construct drainage systems for the greenhouses). The FTC asserts that Miramonte has not provided evidence that the five-year useful life recorded in its accounting records is inappropriate nor that the 20-year useful life reported in its response is more appropriate. The FTC asks the Department to recalculate Miramonte's land adequation costs on a five-year basis as per its accounting records.

Asocolflores rebuts that Miramonte has consistently used this methodology since the third review of this order. Asocolflores argues that the FTC has never raised this issue and the Department has twice verified Miramonte and has accepted its methodology in the third and the fourth reviews.

Department's Position: We agree with the FTC. Our practice is to adhere to an individual firm's recording of costs in accordance with GAAP of its home country if we are satisfied that such principles reasonably reflect the costs of producing the subject merchandise. *See, e.g., Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol from South Africa,* 60 FR 22556 (May 8, 1995) (''The Department normally relies on the respondent's books and records prepared in accordance with the home country GAAP unless these accounting principles do not reasonably reflect the COP of the merchandise''). This practice has been sustained by the CIT. *See, e.g., Laclede Steel Co.* v. *United States,* Slip Op. 94–160 at 21–25 (CIT October 12, 1994), upholding the Department's decision to reject the respondent's reported depreciation expenses in favor of verified information obtained directly from the company's financial statements that was consistent with Korean GAAP; *Hercules, Inc.* v. *United States,* 673 F. Supp. 454 (CIT 1987), upholding the Department's decision to rely on COP information from respondent's normal financial statements maintained in conformity with GAAP.

In this case, Miramonte has departed from its normal accounting records in its reporting of the ''land adequation'' costs included in its depreciation expense. This was in contrast to instructions in our questionnaire, which stated that ''regardless of whether your company capitalized expenditures or expensed them, the cost submission should be consistent with your normal production accounting system and based on your actual accounting records, if your system and records are in accordance with Generally Accepted Accounting Principles (GAAP).'' Miramonte claimed that the greenhouse manufacturer expected the greenhouse to have a useful life of 20 years. Accordingly, Miramonte amortized its greenhouse expenses over a 20-year period in both its accounting records and its response. In contrast to greenhouse expenses, the land adequation costs were amortized over a five-year period in its accounting records. Although Miramonte stated that it considered land adequation to have the same useful life as a greenhouse, it never explained why it treated land adequation expenses differently in its accounting records, nor did Miramonte justify why a five-year amortization did not reasonably reflect the cost of producing the merchandise. Thus, we agree with the FTC that Miramonte failed to justify that the five-year amortization of land adequation expenses in its accounting records does not reasonably reflect the cost of producing the subject merchandise.

With respect to Asocolflores' contention that we have verified and accepted this methodology in previous reviews, we first note that verification of the values used in a methodology does not indicate acceptance of the methodology itself. We agree with Asocolflores that the FTC has not raised this issue in the past. An error in methodology, unmentioned and undiscovered in previous reviews, does not constitute explicit acceptance of that methodology. Nor are we bound by past reviews when we do discover a significant error. *See Shikoku Chemicals Corp.* v. *United States,* 795 F.Supp. 417 (CIT 1992). In examining this methodology in these instant reviews, we have found the error to be significant. Miramonte's reported land adequation costs are approximately one-fourth of the amount recorded in its accounting records. Therefore, for these final results, we have increased Miramonte's depreciation expense to reflect the same amount of land adequation costs recorded in its accounting records.

Comment 15: The FTC claims that Industrial Agricola departed from its ordinary accounting practice in preparing the questionnaire response by amortizing pre-production expenses and depreciating greenhouse costs even though such items have been expensed in its books. The FTC argues that, unless Industrial Agricola can show that the normal methodology for depreciation creates a distortion, it should not depart from its normal cost accounting procedures. Citing *Cemex S.A.* v. *United States,* Slip Op. 95–72, 29 Cust. Bull., No. 20, 119, 128 (CIT April 24, 1995), the FTC argues that the fact that accelerated depreciation is permitted under the tax rules of the country in question does not establish that such depreciation is reasonable. The FTC requests that the Department correct Industrial Agricola's response to eliminate any distortion.

Industrial Agricola maintains that it followed its practice in previous reviews of amortizing pre-production expenses and depreciating greenhouse costs even though such items have been expensed in its books. Respondent contends that the Department has recognized that, in this case, these specific expenses and costs are appropriately amortized in order to avoid distortions and to match costs with revenues.

Department's Position: We agree with Industrial Agricola. It is our policy to allow companies to depreciate capital assets over their useful lives and to amortize pre-production expenses in order to avoid distortions in the cost of production, as well as to match costs with revenues. This is true even where the firm has expensed the costs in its books.

Normally, we require respondents to report production expenses pursuant to their home country GAAP. However, we may reject the use of home country GAAP as the basis for calculating production costs if we determine that the accounting principles at issue unreasonably distort or misstate costs for purposes of an antidumping analysis. In these instances, we may use alternative cost calculation methodologies that more accurately capture the costs incurred during the POR.

Though Colombian GAAP permits companies to expense the purchase of fixed assets when they are incurred, U.S. GAAP calls for the depreciation and recovery of costs over the expected productive life of a fixed asset. The estimated useful life of a fixed asset is the period over which the asset may reasonably be expected to be useful to the individual's business or to the production of income. *See Fresh Kiwifruit from New Zealand; Final Results of Antidumping Duty Administrative Review,* 59 FR 48596, 48598 (Sept. 22, 1994). Similarly, amortizing pre-production expenses allows a firm to more accurately match these expenses with the sales to which they are attributable. In this instance, because the economic useful life of Industrial Agricola's greenhouses and pre-production expenses extend past the year of purchase, we find that its method of accounting for these costs in its own books does not reasonably reflect costs for our antidumping analysis. Therefore, we accept Industrial Agricola's methodology of amortizing pre-production expenses and depreciating greenhouse costs.

Comment 16: The FTC claims that Flores Aurora's amortized pre-production costs may have been inaccurately calculated. The FTC alleges that pre-production expenses were reported as percentages rather than amounts as required by the questionnaire. The FTC requests that the Department correct Flores Aurora's response so that the actual amounts, and not percentages, are used in the relevant lines in the Lotus spreadsheet.

Flores Aurora states that it reported pre-production costs accurately in peso amounts and that the FTC misinterpreted Aurora's narrative response without examining the relevant section of the Lotus spreadsheet Aurora provided.

Department's Position: We agree with Flores Aurora that it reported pre-production cost accurately. In Aurora's August 19, 1994, supplemental response, it reported expenses as peso amounts, not percentages. We subsequently verified this reporting methodology. *See* Flores Aurora Verification Report at 10. Therefore, we have accepted Flores Aurora's calculations.

Comment 17: The FTC claims that Flores Aurora revised its packing expense calculations, involving a factor for packing hours per flower type, after verification. The FTC asserts that the new methodology is based on only a one-day survey to derive the factor and is therefore questionable. The FTC contends that the packing hours by flower type could have been affected by the identity or competency of the workers as well as the number of orders processed that day. The FTC urges the Department to require Flores Aurora to resubmit its calculations based on a longer survey period or assign packing labor costs based on BIA.

Flores Aurora states that its packing expense data was revised and reviewed by the Department during verification. The firm also argues that, since it does not keep records that segregate packing costs by flower type, it was reasonable for the Department to accept the survey.

Department's Position: We agree with Flores Aurora that packing labor was revised during verification and not after verification. We reviewed and verified the firm's methodology for calculating expenses and found it to be accurate. *See* Flores Aurora Verification Report, November 4, 1994. For packing expenses, Aurora initially calculated a standard packing labor and materials cost per box for each flower type, then multiplied this cost by the number of boxes shipped to each customer during each POR. During verification, we compared Aurora's standard costs to actual costs as indicated by Aurora's available source documents and asked the firm to report actual costs based on the variance. To calculate the actual number of hours needed to pack a box of each flower type, Aurora submitted worksheets compiling packing labor information from each of its packing rooms for one workday. We find this methodology to be reasonable because the survey includes virtually all of Aurora's packing workers and, therefore, would not be unduly affected by the competency of the workers surveyed. In other words, the large number of workers included in the survey ensured an accurate average. Also, since the survey was used to compute the amounts of time needed to pack a box of each type of flower, order variations on any given day are not a significant factor. Based on our verification efforts, we are satisfied that Aurora's revised figures are accurate.

Comment 18: The FTC argues that the Funza Group had Colombian borrowings during the 5th review and, therefore, credit expenses for the 5th review should be recalculated based on a peso-denominated interest rate.

The Funza Group argues that a U.S. borrowing rate should apply to credit expenses for Funza and all other respondents.

Department's Position: We agree with the FTC. *See* our response to Comment 22, below.

Comment 19: The FTC argues that the Funza Group deviated from its accounting records without reason. According to the FTC, the Group expensed greenhouse costs in its records, but for purposes of the response it depreciated the expenses on a monthly basis over the life of the greenhouse. The FTC contends that depreciation costs of greenhouse expenses should be recalculated to conform to the firm's normal cost practices.

The Funza Group claims that, because a greenhouse has a useful life exceeding the period in which the expense is incurred, costs would be grossly distorted if the Department expensed them as the Group did in its books and records.

Department's Position: We agree with the Funza Group. Although the company may have expensed greenhouse costs for tax purposes, we find that this method of accounting distorts costs for purposes of our analysis. Depreciating fixed assets over their useful life more accurately reflects the cost of sales during each POR. *See* our response to Comment 15, above, concerning a similar situation with Industrial Agricola.

Comment 20: The FTC claims that Funza allocated Colombia Flower Council (CFC) charges by flower type based on number of boxes shipped, which is contrary to the Department's questionnaire instructions to allocate such costs on the basis of sales value, rather than volume, if they are paid as a fixed percentage of sales. The FTC requests that the Department reallocate these costs on the basis of value and deduct them from USP as direct selling expenses.

The Funza Group argues that CFC fees are assessed based on a fixed charge for each box of flowers sold; therefore, the Funza Group maintains, the charges should be allocated based on the number of boxes sold rather than the relative value of sales.

Department's Position: We disagree with the FTC. We generally prefer expenses to be allocated on the basis in which they are incurred. Because the CFC fees are incurred on a per-box basis, we have accepted the Funza Group's allocation methodology.

General Issues Raised by Asocolflores

Comment 21: Asocolflores requests that the Department issue duty rates consistent with the units in which each respondent reported its data. Asocolflores expresses concern that the Department might assess a per-stem duty rate for companies that reported their data in bunches, and that this would cause the assessed duties and duty deposits to greatly exceed the actual amount of dumping the Department found in its margin analysis.

Department's Position: We intend to issue duty rates either on the basis of the units in which the individual respondent reported its data or on a Customs entered value basis. If we assess on the basis of Customs entered value, the rates will be assessed as a percentage of the total entered value of the imported subject merchandise. Therefore, Customs will collect the proper amount of antidumping duties owed regardless of whether the respondent reported units in bunches or stems.

Comment 22: Asocolflores, the Florex Group, the Claveles Colombianos Group, the Santana Flowers Group, and the Floraterra Group argue that applying a peso-denominated short-term borrowing rate to sales made in U.S. dollars is contrary to current Department policy, economic and commercial reality, and the law as established in *LMI–La Metalli Industriale, S.p.A.* v. *United States*, 912 F.2d 455, 460–61 (Fed. Cir. 1990) (*LMI*). Citing recent cases such as *Roses* and *Brass Sheet and Strip from Germany: Final Results of Antidumping Duty Administrative Reviews*, 60 FR 38542, these respondents state that Department policy mandates use of a U.S. dollar interest rate to calculate imputed credit on U.S. sales even in cases where a respondent has no borrowings. Respondents also argue that, in *LMI*, the court reversed the Department's decision to apply a higher home market borrowing rate to sales denominated in U.S. dollars and directed the Department to recalculate imputed credit expenses using a U.S. dollar rate under the rationale that a borrower will look for the lowest possible rate across international borders. Respondents conclude that the only way to measure the cost of financing sales made in U.S. dollars is by applying a dollar interest rate to the dollar price. Respondents recommend that the Department use the U.S. prime rate to calculate credit expenses for firms with no actual U.S. dollar borrowings.

The FTC states in its rebuttal brief that respondents argued in the fourth review that, as a result of the steady devaluation of the Colombian peso against the U.S. dollar, it is cheaper to borrow pesos in Colombia than it is to borrow dollars. The FTC asserts that this seems to refute respondents' claim in these three reviews that peso borrowings to finance dollar debt is contrary to economic reality. The FTC also indicates that *LMI* does not apply because, in that case, the foreign producer had actually obtained dollar-denominated loans and could be expected to use such financing with respect to its U.S. sales. The FTC points out that *LMI* did not hold that, where a company had actual borrowings in a particular currency, that rate should be rejected in favor of an estimate of the rate that would have been obtained if the company obtained dollar-denominated loans. The FTC argues that the currency in which a sale takes place does not necessarily have any relationship to the borrowing rate faced by a grower, and that the Department must derive the appropriate interest rate from the firm's actual borrowing experience. Finally, the FTC concludes that not all respondents would be able to obtain dollar-denominated financing and that the Department lacks authority to estimate a dollar rate where the record contains evidence of the actual costs.

Department's Position: Consistent with our practice in the *Fourth Review* and in the preliminary results of these reviews, we used U.S. dollar borrowing rates to impute U.S. credit expenses where the respondent or a U.S. related party had U.S. dollar short-term borrowings. However, where a respondent (or its U.S. related party) had no dollar borrowings and financed its working capital through Colombian peso borrowings, we calculated U.S. imputed credit expenses using the firm's actual peso-denominated short-term borrowing rate, and adjusted this rate to reflect the appreciation of the dollar against the peso. We did this by subtracting the rate of appreciation of the dollar against the peso during each POR from the peso-denominated short-term borrowing rate reported by the firm. Only where no short-term borrowings were reported in either currency did we use the U.S. prime rate during each POR.

Although we recognize that our current decision represents a change from our recent practice, we disagree with respondents that our decision to use peso-denominated short-term borrowing rates, adjusted for currency fluctuations, is contrary to commercial reality and the law as established in *LMI*. In *LMI*, the CAFC stated that the cost of credit "must be imputed on the basis of usual and reasonable commercial behavior." *LMI–La Metalli Industriale, S.p.A.* v. *United States*, 912 F.2d 455, 461 (Fed. Cir. 1990). Because the respondent in *LMI* provided evidence that it had obtained dollar-denominated loans during the period of investigation, and because the dollar rate was lower than the corresponding lira rate, the CAFC held that the Department should have used the lower dollar rate for purposes of calculating imputed credit. However, in this case, many of the respondents did not have U.S. dollar-denominated loans.

After *LMI,* during the LTFV investigations involving certain carbon steel butt-weld pipe fittings, the Department proposed a new policy for selecting interest rates to be used in imputed credit calculations. *See* Memorandum from Program Manager to the File (August 8, 1996), attaching a September 6, 1994, Memorandum from the Director of the Office of Investigations to the Deputy Assistant Secretary for Investigations (hereinafter referred to as ''the 1994 Memorandum''). The 1994 Memorandum suggests that, in situations where the respondent has no short-term borrowings in the currency of the transaction, the Department can: (1) Accept ''external'' information about the cost of borrowing in the relevant currency; or (2) adjust for the application of a single, observed interest rate to both home market and U.S. sales, taking into account exchange rate fluctuations between the two currencies. The 1994 Memorandum gave preference to the first option; however, it acknowledged the acceptability of using borrowing rates incurred in a different currency from that of the transaction, if the rates are adjusted for exchange rate fluctuations.

The 1994 Memorandum makes clear that the practice of using unadjusted home market currency borrowing rates to impute U.S. credit expenses is not acceptable because it does not account for fluctuations in exchange rates over time. This reasoning was further articulated in the *Final Determination of Sales at Less Than Fair Value; Oil Country Tubular Goods from Austria,* 60 FR 33551, 33555 (June 28, 1995) (*OCTG*). In *OCTG* the Department stated,

A company selling in a given currency (such as sales denominated in dollars) is effectively lending to its purchasers in the currency in which its receivables are denominated (in this case, in dollars) for the period from shipment of its goods until the date it receives payment from its purchaser. Thus, when sales are made in, and future payments are expected in, a given currency, the measure of the company's extension of credit would be based on an interest rate tied to the currency in which its receivables are denominated. Only then does establishing a measure of imputed credit recognize both the time value of money and the effect of currency fluctuations on repatriating revenue.

The new policy described in the 1994 Memorandum was most recently implemented in *Certain Corrosion-Resistant Carbon Steel Flat Products from Australia; Final Results of Antidumping Duty Administrative Reviews,* 61 FR 14049, 14054 (March 29, 1996) (*Steel*). In *Steel,* the Department stated,

When a respondent has no U.S. borrowings, it is no longer the Department's practice to substitute home market interest rates when calculating U.S. credit expense and inventory carrying costs. Rather, the Department will now match the interest rate used for credit expenses to the currency in which the sales are denominated. * * * Where there is no borrowing in a particular currency, the Department *may* use external information about the cost of borrowing in that currency. * * * *In the absence of U.S. dollar borrowings, we need to arrive at a reasonable surrogate for imputing U.S. credit expense.* There are many and varied factors that determine at what rate a firm can borrow funds, such as the size of the firm, its creditworthiness, and its relationship with the lending bank.

(Emphasis added.) *See also Final Results of Antidumping Duty Administrative Review; Certain Cut-to-Length Carbon Steel Plate from Sweden,* 61 FR 15772, 15780 (April 9, 1996).

We note that *Steel* does not state that, in the absence of U.S. dollar-denominated loans, the Department will impute credit expenses based on ''external information.'' Rather, *Steel* states that the Department will use a *reasonable surrogate* for imputing U.S. credit expenses. Respondents' actual peso-denominated short-term borrowing rates, adjusted for the rate of appreciation of the dollar against the peso, are reasonable surrogates for U.S. dollar short-term borrowing rates. Such rates are reasonable because the cost of extending credit to customers can be measured by a company's actual short-term borrowing experience. Companies often take out short-term loans to fund business operations in anticipation of receiving revenue, especially small flower growers who sell on a consignment basis. Therefore, if a flower grower's operations are paid for in pesos, it is reasonable to use the company's actual peso-denominated short-term borrowing rate to measure the opportunity cost of extending credit to customers, if that rate is adjusted for fluctuations in the peso/dollar exchange rate to take into account ''the effect of currency fluctuations on repatriating revenue'' noted in *OCTG.*

We recognize that in the recent *Steel* decisions, issued in March and April of this year, we used average short-term lending rates calculated by the Federal Reserve as surrogates for actual U.S. dollar borrowing rates. However, we have decided not to reopen the record at this late stage in order to collect Federal Reserve borrowing rates and solicit comments on their use, given that: (1) The adjusted home market interest rates that we have used are reasonable surrogates for imputing U.S. credit expenses; (2) several hundred recalculations would be required in order to impute credit expenses on a different basis; and (3) further delays in issuing these final results would be caused by reopening the record and recalculating this adjustment. *See Tapered Roller Bearings Four Inches or Less in Outside Diameter from Japan; Final Results of Antidumping Duty Administrative Review,* 55 FR 22369 (June 1, 1990) (Comment 27).

Finally, as stated by the FTC, we note that, during the fourth review, respondents did not contend that the use of peso-denominated short-term borrowing rates (adjusted for exchange rate fluctuations) was inappropriate for respondents with no U.S. dollar borrowings. Instead, respondents implied that adjusted peso-denominated short-term borrowing rates did reflect economic reality, arguing that borrowing pesos in Colombia was cheaper than borrowing U.S. dollars, even when financing dollar debt. In the fourth review, respondents contended only that we should adjust the peso-denominated short-term borrowing rates for devaluation of the peso against the dollar (*i.e.,* currency fluctuation), and we made this adjustment. During the fourth review period, the dollar appreciated against the peso at a high rate. This resulted in a large downward adjustment to the peso-denominated short-term borrowing rates, and, therefore, a low U.S. imputed credit calculation. However, during the current reviews, the rate of appreciation of the dollar against the peso was not as significant, and, therefore, the offsets to the peso-denominated short-term borrowing rates are smaller. Respondents now object to the use of peso-denominated short-term borrowing rates, arguing that they do not reflect ''economic reality.'' However, it would be inappropriate for the Department to change its practice in these reviews merely because the lower rate of appreciation of the dollar against the peso would result in less favorable adjustments for respondents.

Comment 23: Asocolflores contends that the Department's methodology for adjusting the peso borrowing rates used to calculate U.S. imputed credit expenses is incorrect because it measures the effective peso borrowing rate, *e.g.*, the cost of borrowing pesos to finance the equivalent in pesos of dollars. Asocolflores contends that, if the Department continues to use an adjusted peso borrowing rate to calculate U.S. imputed credit expenses, it should use a methodology that measures the equivalent dollar borrowing rate, *e.g.*, the effective cost of lending dollars when the original borrowing is in pesos.

The FTC contends that the Department's methodology for adjusting the peso borrowing rates is correct, and that the Department should reject respondents' proposed calculation methodology.

Departments Position: To account for fluctuations in the peso/dollar exchange rate, and because U.S. imputed credit expenses must be quantified in dollars so that they may be deducted from USP, we adjusted peso borrowing rates for the devaluation of the peso against the dollar before we used those rates to calculate U.S. imputed credit expenses. Our methodology measures respondents' borrowing costs in real terms. As explained in our response to Comment 22 above, this methodology is reasonable. Therefore, we have not used Asocolflores' proposed methodology.

Comment 24: Asocolflores argues that the Department should use annually-averaged U.S. prices in its margin analysis. It argues that, due to (1) The inability to control production in the short-term, (2) the highly perishable nature of the product and the inability to store production, and (3) the extreme seasonality of demand and prices, the only way to appropriately measure U.S. prices is by using annually-averaged U.S. prices.

The FTC responds that the Department has based U.S. prices on monthly averages consistently throughout this proceeding and that there are no new facts that compel the Department to do otherwise.

Department's Position: Section 777A of the Act allows the Department to ''use averaging or generally accepted sampling techniques whenever a significant volume of sales is involved or a significant number of adjustments to prices is required.'' Further, the Act states that the ''authority to select appropriate samples and averages shall rest exclusively with the administering authority; but such samples and averages shall be representative of the transactions under investigation.'' *See also* 19 CFR 353.59(b) (1994).

In prior reviews and the investigation of Colombian flowers, we have exercised our authority under section 777A by using monthly U.S. averages to calculate USP. *See, e.g., Second Review* at 20495. This use of monthly averaging has been upheld by the CIT. *See, e.g., Floral Trade Council* v. *United States,* 775 F. Supp. 1492, 1499–1501 (CIT 1991).

For the current reviews of Colombian flowers, we have continued to use monthly averages as this averaging period compensates for the perishability of the subject merchandise. We reject respondents' invitation to engage in annual U.S. averaging because, as in prior reviews, annual averaging creates the potential for masking dumped sales (*i.e.*, annual averaging would allow exporters to dump for entire months when demand is sluggish, so long as they recoup their losses during months of high demand). Therefore, we have continued our practice of using monthly average U.S. prices in our margin analyses.

Comment 25: HOSA Ltda. and Asocolflores argue that costs should be allocated over all flowers sold, including ''national quality'' flowers. Their arguments are based on two developments. First, both claim that national quality flowers are now sold in the United States and that this development is supported by the Department's verification report dealing with HOSA's sales activities. Because national quality flowers are subject to the order, respondents argue, such flowers cannot have a cost of production of zero. Second, both cite the 1990 decision of the CAFC in *IPSCO, Inc.* v. *United States,* 965 F.2d 1056 (*IPSCO*), in support of their argument that the Department can no longer treat national quality flowers as by-products with no cost. Respondents argue that the only difference between national and export quality flowers is quality and thus value. Respondents further argue that *IPSCO* held that the Department may only treat as a by-product products which are distinct in kind from the primary product subject to investigation and that lower quality grades of the same product, used for the same purposes as the primary product and produced by the same process, may not be treated as a by-product.

The FTC argues that national quality flowers are not co-products and that the test to determine whether a product should be treated as a co-product or by-product is (1) Whether the value of the product is lower in relation to the principal product, and (2) whether the product's production is only incidental to the production of the main product. The FTC concludes that, since no flower producer intends to produce lesser quality flowers, national quality flowers are correctly treated as by-products. The FTC also argues that HOSA's and Asocolflores' reliance on *IPSCO* is misplaced. In the FTC's view, the CAFC did not address the issue of whether the value difference between the products necessitated by-product treatment.

Department's Position: We disagree with HOSA. One of the factors the Department uses to assess the proper accounting treatment of jointly-produced products is a comparison of the value of each specific product relative to the value of all products produced during, or as a result of, the process of manufacturing the main product or products. In this regard, the distinguishing feature of a by-product is its relatively minor sales value in comparison to that of the major product or products produced. Our general practice in cases involving agricultural goods has been to treat ''reject'' products as by-products and to offset the total cost of production with revenues earned from the sale of any such ''reject'' products. We then allocate the cultivation costs, net of any recovery from ''rejects,'' over the quantity of non-reject products actually sold. *See, e.g., Roses; Roses from Ecuador; Fresh Cut Flowers from Colombia,* 52 FR 6844 (March 5, 1987); *Fresh Cut Flowers from Peru,* 52 FR 7003 (March 6, 1987); *Fall-Harvested Round White Potatoes from Canada,* 48 FR 51673 (November 10, 1983); *Fresh Cut Roses from Colombia,* 49 FR 30767 (August 1, 1984).

In accordance with our practice in the less-than-fair-value investigation and subsequent reviews of this case, fresh cut flowers have been classified as either export-quality (high quality) or as culls (low quality or reject). Our practice was upheld by the CIT in *Asociacion Colombiana de Exportadores* v. *United States,* 704 F. Supp. 1114, 1125–26 (CIT 1989). The CIT found that ''[c]ulls were often disposed of as waste, or if saleable, were sold for low prices in the local market. ITA's treatment of non-export-quality flowers as a by-product was supported by substantial evidence. The record indicates that cull value was relatively low and that the production of culls was unavoidable. These both have been recognized by ITA in the past as indicia of by-product status.'' The CIT further noted that ''[c]ull value, if determinable, should be deducted from cost of production and production costs should not be allocated to culls.''

However, in these reviews, respondents have characterized culls as ''national'' or ''second'' quality flowers and have argued that, because HOSA exported some ''second-quality'' flowers, they cannot be treated as by-products. We agree with respondents that any flowers sold to the United

States should not be treated as by-products, and, for our preliminary results of review, we did in fact allocate costs to *all* export-quality flowers HOSA produced during the PORs. However, we disagree that the HOSA verification report demonstrates that cull flowers were sold to the United States. At verification, HOSA explained that it sold a small quantity of flowers that it, *HOSA,* had graded as ''second quality'' to the United States and only during periods of peak demand (''HOSA stated that * * * some second-quality flowers were even sold in the United States in periods of high demand,'' HOSA Group Verification Report (January 13, 1995), at 10). In addition, we found at verification that HOSA generally only sold export-quality flowers in the home market when demand in the United States was too low to justify shipping the flowers to the United States.

In HOSA's original section D response, HOSA reported that it has two grades: top quality, which meet all of a number of standards, and culls, which do not meet all of the standards enumerated in the response. *See* HOSA Group response to sections C and D dated July 22, 1994 at 21. Later, HOSA claimed that it did not sell culls, but rather that it sold second quality flowers in the home market. At verification, HOSA presented a list of standards that applied to all ''first quality'' flowers and explained that ''second quality'' flowers were those flowers that did not meet all of the standards necessary for a flower to be graded as ''first quality.'' *See* HOSA Group Verification Report (January 13, 1995) at 9–11. This definition of ''second quality'' flowers matches the definition of cull flowers HOSA originally reported. Therefore, we find no reason to treat what HOSA claims to be ''second quality'' flowers sold in the home market any differently than we have treated culls in these reviews.

We find that HOSA's internal grading system is not dispositive as to whether a cull is a by-product. While HOSA claims to have sold some ''second-quality'' flowers in the United States, this does not mean that HOSA did not produce and sell culls in Colombia. If a flower is to be exported it must meet the minimum grade requirements of the U.S. market, whereas a cull is any flower that does not meet those requirements. Such flowers are not intended to be produced and are not worth exporting. We use the term ''culls'' as an accounting concept in distinguishing which individual products may reasonably carry costs, but this is not necessarily a grading concept. Culls are not simply a low grade of flowers, but are unintentionally and unavoidably produced by-products that have minimal value. The record shows that the ''second-quality'' flowers sold by HOSA in the home market had very low value: ''HOSA's home market prices for 'second-quality' flowers were, on average, approximately 40% of home market prices'' for first quality (*i.e.*, indisputably export-quality) flowers, and ''*both* grades sold in the home market were, on average, below cost.'' *See* HOSA Group Verification Report (January 13, 1995) at 9–11. Contrary to HOSA's assertions, the fact that ''second-quality'' flowers sold in the home market were sold at prices well below the costs HOSA attributes to the production of these flowers suggests that there is not a genuine domestic market for ''second-quality'' flowers which HOSA claims it intends to produce. Furthermore, HOSA's claims that a few ''second-quality'' flowers were sold in the United States, and then only during peak periods of demand, leads us to conclude that the vast majority of ''second-quality'' flowers did not meet the minimum standards for sale in the United States, and that the vast majority of ''second-quality'' flowers were therefore culls.

We conclude that HOSA's domestic market is no different from the market enjoyed by other Colombian flower producers. In other words, this market exists to the extent that HOSA, like many other Colombian flower producers, sells flowers it cannot export as surplus at the farm gate for whatever price it can get for the flowers.

Nevertheless, we conducted a further test of our treatment of cull flowers as by-products. We examined the total national- and export-quality sales of the ten largest producers in these reviews in order to determine whether national-quality flower sales had significant value. Six of these firms had cull, or national, flower sales. We have found that total and average per-unit revenues generated from the sale of cull flowers were small (in most cases negligible) compared to total revenues generated from the sale of subject merchandise (including culls) (*see* Memorandum to Holly Kuga from Laurie Parkhill (July 30, 1996)). This pattern is consistent with the CIT's standard that by-products are sold at a very low value.

We find no evidence to support respondent's claim that there is little difference in grade between export-quality and national-quality flowers. We did find at verification that the prices of ''second-quality'' flowers sold in the home market were considerably less than the prices of ''first-quality'' flowers sold in the home market. No other respondents claimed that cull flowers were in any way comparable to export-quality flowers. This factual situation suggests that the grades are not comparable, and that there is a significant difference in grade between export-quality and national-quality flowers.

We disagree with respondents' argument that the inclusion of cull flowers in the class or kind of merchandise compels us, under the *IPSCO* decision, to assign cost to culls. A decision that a particular product is, or is not, within the scope of a proceeding does not dictate, nor necessarily have any relation to, the selection of the particular cost accounting methodology that must be applied in the determination of CV. We do not read the CAFC's decision in *IPSCO* as standing for the proposition that, in all circumstances, a by-product, for accounting purposes, cannot be within the class or kind of merchandise as that term is defined under the Act. Moreover, as discussed above, our position in this regard has been well-established in previous decisions and explicitly upheld by the CIT.

We have had an established practice since the less-than-fair-value (LTFV) investigation of treating cull flowers as by-products. Neither respondents nor petitioner in this proceeding have voiced any concern regarding this practice prior to these reviews. Now, HOSA and Asocolflores claim that the factual situation has changed such that we must significantly alter our treatment of cull, or national-quality, flowers. In other words, these respondents claim that (1) National-quality flowers are not by-products but co-products, (2) there is a viable market for such (national-quality) flowers in the home market, and (3) there is little difference in grade between export-quality and national-quality flowers. The burden is on HOSA and Asocolflores to demonstrate that these factual situations exist. Respondents submitted no evidence that demonstrated these three points. In fact, for each point raised by respondents, record evidence supports a different conclusion. The only change that we found appears to be HOSA's internal grading system. Therefore, we find that we have no grounds to warrant a change in our established practice.

Company-Specific Issues Raised by Asocolflores

Comment 26: Asocolflores asserts that the Department erred in collapsing eight companies into the Queen's Flowers Group. Asocolflores notes that the Department's August 3, 1995 memorandum predicates its collapsing test by examining the relationship between the Queen's Flowers Group companies under section 771(13) of the Act. Respondents assert that the Department established precedents for this analysis in *Roses from Ecuador* at 7040 and *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances Determination: Disposable Pocket Lighters From Thailand*, 60 FR 14263, 14268 (March 16, 1995) (*Lighters*). However, Asocolflores distinguishes *Roses from Ecuador* and *Lighters* from the instant case. Whereas the former cases involved collapsing the sales in the United States of related parties, in the instant case, Asocolflores notes, the Department would collapse both sales and constructed value data. As such, Asocolflores argues that both the related party definitions of section 771(13) and section 773(e)(4) need be satisfied before the Department may apply its collapsing analysis.

Asocolflores contends that Congress has clearly delineated the circumstances under which the Department may disregard transactions between companies. Respondents assert that the Department has no authority to look past the transfer price and use the seller's cost of production unless the relationship between buyer and seller meet the criteria set forth in section 773(e)(4). Asocolflores argues that the Department cannot circumvent Congress' intent and the express requirements of the statute by applying a different related party test.

Asocolflores agrees that, under 773b(e)(4), a few of the companies are related. Asocolflores also agrees that some of the companies are related under 771(13). However, Asocolflores contends that not *all* are related to each other, nor can the Department use the transitive principle to relate two parties simply because they are both related to a third party. Asocolflores contends that, in its analysis of the two sub-groups within the Queen's Flowers Group, the Department ignores the fact that there are several pairings of companies which do not meet the statutory criteria. Asocolflores argues that the Department may not collapse companies that are not related.

Asocolflores asserts that, notwithstanding the Department's failure to realize the threshold to its collapsing analysis has not been met, the Department erred in its conclusions for the five points of the collapsing test. Asocolflores agrees that some of the companies have common board members, but that this criterion is not satisfied for all companies.

According to Asocolflores, the Department's conclusion that shifting of production is possible if companies produce the same merchandise renders the test meaningless. Asocolflores argues that where companies produce the same merchandise, shifting of production is not possible unless the flower plant itself is uprooted and transferred to another location. In addition, respondents state that several of the firms do not produce the same or even subject merchandise.

Asocolflores goes on to state that, in analyzing whether the companies operate as separate and distinct entities, the Department ignored the fact that each company is run by its own independent manager and does not assist the other companies through loans or otherwise. Instead, Asocolflores asserts the Department focuses on sales of flowers between some of the companies. However, Asocolflores contends that, if the sales between companies were arm's-length transactions, then the Department must conclude that the companies operate as separate and distinct entities under section 773(e)(2). Moreover, Asocolflores notes that it is a common industry practice for flower companies to buy or sell small quantities of flowers to help fill an order. As an example, Asocolflores refers to Agroindustrial del RioFrio, which is a bouquet maker. As such, Asocolflores states, it must purchase a variety of flowers from other producers. Yet, according to Asocolflores, the intercompany transactions are few and far between and occur at prices above their cost of production, and all the purchased flowers were then exported to third countries, not the United States. Asocolflores maintains that the sales to the commonly owned importers are irrelevant to the Department's analysis of this criterion. Moreover, Asocolflores contends, the importers have developed an inventory system that precludes the potential for price manipulation. Asocolflores argues that the existence of common board members cannot be sufficient to prove that two respondents actually share marketing and sales information. Because interlocking boards of directors is a separate factor, it should not overlap with the Department's consideration of whether two respondent's share marketing and sales information.

Asocolflores points to the companies' statements that they do not share sales or marketing information or offices. Asocolflores maintains that, lacking evidence to the contrary, these statements preclude the Department from concluding otherwise. Asocolflores maintains that, although some of the companies in the group rent office space in a building that is owned by some of the companies in the group, neither the costs nor the spaces are shared, and each firm operates its own phone line.

Asocolflores disputes the Department's conclusions regarding the fact that there are intercompany transactions; in respondents' opinion this does not indicate that the companies are involved in each other's pricing and production decisions. Asocolflores also disagrees with the Department's conclusion that, because virtually all of the production of flowers is sold by the related importers, the companies are linked to one another.

In sum, Asocolflores maintains that, by collapsing the companies' cost and sales data, the Department achieves the very effect that it intends to avoid: the possibility of manipulation. Although the companies do not object to being collapsed *per se* (notwithstanding their belief that the Department has no legal or statutory authority to collapse any or all of the 20 companies), they take issue with the collapsing analysis because they fear that the Department may use the results of such analysis in determining whether the companies responded completely to the questionnaire.

The FTC maintains that Asocolflores is incorrect in asserting that section 771(13) is limited to identifying when an exporter and an importer are related. The FTC states that section 771(13) also defines relationships when the merchandise is sold to the United States ''by or for account of the exporter'' (19 C.F.R. § 353.41(c)) or when the merchandise is sold in the home market to or through a related party (19 C.F.R. § 353.45). In contrast, the FTC asserts, the definition in section 773(e)(4) only applies to producers who purchase major inputs from related suppliers.

Given the nature of the flower industry and the lack of markings identifying the producer, the FTC argues that the Department's concerns that a producer with a high margin may route its flowers through a related producer with a low margin should be heightened. The FTC believes that, considering this environment, coupled with the various transactions and relationships between the members of the Queen's Flowers Group, the Department appropriately collapsed the Group into a single entity.

Asocolflores rebuts that the FTC has not identified where in the statute or the questionnaire a company can look to determine which definition of related party the Department will apply for the purpose of collapsing. Moreover, Asocolflores reiterates its assertion that 771(13) is limited to defining the relationship between the importer and the exporter, not between two exporters. Finally, Asocolflores contends that the FTC fails to point to record evidence that all of the companies are related under the statutory tests.

The FTC rebuts that 19 CFR 353.41(c) and 353.45 clearly direct the Department to section 771(13), while section 773(e)(4) applies only to the reporting of certain constructed value data. Moreover, petitioner asserts, it is the Department that determines whether to collapse related parties.

Department's Position: For these final reviews, we have continued to collapse the original eight members of the ''Queen's Flowers Group.'' Additionally, for the other twelve companies under consideration, we have determined that they should be collapsed with the original eight members of the Queen's Flowers Group.

As we have noted elsewhere, ''[i]t is the Department's long- standing practice to calculate a separate dumping margin for each manufacturer or exporter investigated.'' *Final Determinations of Sales at Less than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, and Certain Corrosion-Resistant Carbon Steel Flat Products From Japan*, 58 FR 37154, 37159 (July 9, 1993) (*Japanese Steel*). Because the Department calculates margins on a company-by-company basis, it must ensure that it reviews the entire producer or reseller, not merely a part of it. The Department reviews the entire entity due to its concerns regarding price and cost manipulation. Because of this concern, the Department examines the question of whether reviewed companies ''constitute separate manufacturers or exporters for purposes of the dumping law.'' *Final Determination of Sales at Less than Fair Value; Certain Granite Products from Spain*, 53 FR 24335, 24337 (June 28, 1988). Where there is evidence indicating a significant potential for the manipulation of price and production, the Department will ''collapse'' related companies; that is, the Department will treat the companies as one entity for purposes of calculating the dumping margin. *See Nihon Cement Co., Ltd.* v. *United States*, Slip Op. 93–80 (CIT May 25, 1993).

To determine whether companies should be collapsed, the Department makes three inquiries. First, the Department examines whether the companies in question are related within the meaning of section 771(13) of the Act. *See Lighters From Thailand* at 14268 (declining to collapse non-related companies). Second, the Department examines whether the companies in question have similar production facilities, such that retooling would not be required to shift production from one company to another. *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*, 60 FR 42511, 42512 (Aug. 16, 1995) (*Steel from Canada*). Third, the Department examines whether there exists other evidence indicating a significant potential for the manipulation of price or production. The types of factors the Department examines include: (1) The level of common ownership; (2) the existence of interlocking officers or directors (*e.g.*, whether managerial employees or board members of one company sit on the board of directors of the other related parties); and (3) the existence of intertwined operations. ''The Department need not show all of these factors exist in order to collapse related entities, but only that the companies are sufficiently related to create the possibility of price manipulation.'' *Japanese Steel*.

In examining the questionnaire responses for several of the companies involved in these administrative reviews, we noticed the existence of numerous interrelationships (via ownership and otherwise). We asked for additional information concerning these relationships and, as a result, have concluded that these companies should be collapsed.

First, the companies within the Queen's Flowers Group are related to each other within the meaning of section 771(13) of the Act. *See* Memoranda From Michael F. Panfeld to Holly A. Kuga, dated August 3, 1995 and February 1, 1996. Second, these companies have similar production facilities. All of these companies produce flowers in a similar manner and, thus, the companies would not need to engage in retooling to shift production. Third, other proprietary evidence indicates that there is a significant potential for price or cost manipulation among these companies. In general, this additional evidence consists of: (1) The existence of interlocking managers, officers and directors; (2) the shipment of subject merchandise through common importers in the United States; (3) use of common office space and shared costs; and (4) intercompany transactions. *See* Memorandum from Michael F. Panfeld to File dated November 17, 1994, and Memorandum from Michael F. Panfeld to Holly A. Kuga dated February 1, 1996.

We disagree with Asocolflores' assertion that we applied the wrong statutory definition of related party in our analysis. Section 773(e)(4) pertains solely to determining the cost of inputs purchased from related parties in calculating constructed value. The definition of ''related party'' found in this provision is used for the purpose of disregarding certain related party transactions for inputs that are not at arm's length (773(e)(2)) and for determining whether a major input purchased from a related party was sold below cost (773(e)(3)). There is no explicit provision in the Act regarding whether companies should be considered as separate or as a single enterprise for margin calculation purposes. *See Roses from Ecuador* at 7040. However, it is the Department's practice to use section 771(13) in its collapsing analysis. This use of 771(13) is consistent with how the Department defines a related party for purposes of determining whether related party sales in the home market will be used for purposes of calculating FMV. *See* 19 CFR 353.45(a) (1994).

Further, contrary to Asocolflores' argument, the Department uses section 771(13) for purposes of collapsing in all cases, regardless of whether constructed value forms the basis of FMV. Thus, in both *Roses from Ecuador* and *Lighters*, the issue before the Department was not merely whether to collapse sales in the United States for the companies in question. Rather, the issue was whether to collapse the companies and treat them as one entity for all margin calculation purposes.

Asocolflores argues that some of the eight companies (as well as the additional twelve companies which the Department collapsed into the Queen's Flowers Group) have no common board members and, as such, the interlocking boards criterion was not satisfied. However, in examining this factor, we are looking at the *degree* of interlocking boards, not the existence of fully-integrated boards. As with many of the collapsing factors we consider, we examine the degree to which the companies are intertwined with each other. For the Queen's Flowers Group, we conclude that the number of interlocking boards, officers and managers is such that this factor supports a finding that the companies should be treated as a single entity.

Our finding that shifting of production could occur in the Queen's Flowers Group does not, as suggested by Asocolflores, mean that companies will ''dig up the plant and move it to another farm.'' Rather, our concerns over shifting production refer to a longer period of time; thus, if Company A receives a lower margin than Company B, we are concerned that Company A would increase production of new flowers to take advantage of a lower margin while Company B would, over time, reduce production due to its higher margin. Alternatively, more of the production of Company A could be shifted to the U.S. market.

We agree that sales to a common importer do not indicate an intercompany transfer, *per se*. However, for proprietary reasons, we find that these sales indicate cooperation and intertwined operations between the companies in question. *See* Memorandum from Michael F. Panfeld to Holly Kuga dated February 1, 1996.

We also find that shared office space is an appropriate factor to consider in our analysis. While the sharing of office space does not, by itself, indicate that collapsing is appropriate, it does indicate cooperation and intertwined operations. Moreover, in addition to sharing facilities, some of the firms also shared costs associated with these facilities and reported these shared costs in their constructed value data. *See* Memorandum from Michael F. Panfeld to Holly A. Kuga dated February 1, 1996. Thus, it weighs in favor of a collapsing determination.

Finally, we agree with Asocolflores that we should not overlap factors in our collapsing analysis (*i.e.*, common board members and sharing of sales and marketing information). Notwithstanding this factor, our analysis of this criterion remains unchanged due to the reasons outlined in the two preceding paragraphs. Therefore, our conclusion to collapse these firms remains unchanged.

Our determination whether to collapse is based on the totality of the circumstances. *See Certain Corrosion-Resistant Steel* at 42512. We do not use bright-line tests in making this finding. Rather, we weigh the evidence before us to discern whether the companies are, in fact, separate entities or whether they are sufficiently intertwined as to properly be treated as a single enterprise to prevent evasion of the antidumping order via price or cost manipulation. Here, we find that such potential for manipulation exists for the group of 20 companies in the Queen's Flowers Group. Therefore, we have collapsed these companies and treated them as one entity for purposes of these final results.

Comment 27: Asocolflores asserts that the Department erroneously assigned an uncooperative BIA rate to eight companies in the Queen's Flowers Group. Asocolflores refers to its comments submitted on July 26, 1995 rebutting the 23 deficiencies outlined in the Department's preliminary analysis memo of December 5, 1994. Asocolflores asserts that those discrepancies fall into three broad categories: (1) Failures to provide factual information, (2) failures to identify related party transactions, and (3) failures to identify certain companies as related parties. Asocolflores maintains that, if the Department reexamines its analysis in light of the comments raised in its July 26, 1995 submission, it will find that virtually no discrepancies exist and all factual information is now on the record. Furthermore, Asocolflores contends that the Department has improperly scrutinized the relationships among the firms within the meaning of section 771(13). Instead, Asocolflores contends, the Department should apply section 773(e)(4). If the Department continues to assign the eight companies a BIA margin, Asocolflores contends that there is no basis for assigning a BIA margin to the 12 additional companies believed to have ''strong ties'' to the Queen's Flowers Group, maintaining that the Department may only assign a BIA margin to firms that fail to supply requested information. Asocolflores argues that the 12 companies fully responded to the questionnaires. Moreover, Asocolflores contends, several of the respondents either did not produce, export, buy, or sell subject merchandise or were not in existence during the PORs.

The FTC argues that the Department properly concluded that the Queen's Flowers Group significantly impeded its investigation. The FTC states that the Department's questionnaire was clear in its request to identify related parties. To the extent that the Queen's group failed to do so, the FTC contends, the group impeded the investigation. The FTC argues that respondents are presumed to have knowledge of Departmental practice and U.S. antidumping law, and the Department's questionnaire provided adequate guidance. The FTC also asserts that, to the extent that respondents were uncertain in their interpretation of the questionnaire, they had access to legal counsel and Department analysts. In the FTC's view, the Department attempted to determine the exact nature of the interrelationships among the group members through multiple deficiency letters, but respondents failed to respond appropriately and the Department correctly classified their responses as ''uncooperative.'' The FTC cites *Allied Signal* v. *United States*, 996 F.2d 1185, 1192 (Fed. Cir. 1993), *Chinsung Indus. Co.* v. *United States*, 705 F. Supp. 598, 600 (CIT 1989), *Pulton Chain Co., Inc.* v. *United States*, Slip Op. 93–202 (CIT October 18, 1993), and *Pistachio Group of Ass'n of Food Ind.* v. *United States*, 671 F. Supp. 31, 40 (CIT 1987), as support for the Department's application of BIA when the respondent deliberately withholds information, attempts to direct the investigation itself, or attempts to control the results of an investigation by supplying partial information. In this case, the FTC states, the Department found that the Queen's Flowers Group refused to cooperate or otherwise significantly impeded the investigation and correctly rejected the companies' responses, assigning an antidumping duty margin based on BIA. The FTC further asserts that Asocolflores is also incorrect in its claims that ''there were no transactions in Colombia implicating the U.S. price definition.'' The FTC asserts that when two parties are related, the knowledge test is irrelevant.

Asocolflores rebuts that the FTC offers no facts or analysis showing that the respondents failed to respond fully to the questionnaire, that the respondents should be faulted for not knowing which definition of related party to apply, or that all of the firms are related under either of the statutory definitions. Asocolflores reiterates that 771(13) only applies to the relationship between the importer and the exporter, not to the relationship between two exporters. Asocolflores argues that there were no sales in Colombia that would implicate USP. According to Asocolflores, the sales to Agroindustrial del RioFrio were destined for third countries, while, for the other transaction at issue, the selling company was not aware of the ultimate destination of the product. According to Asocolflores, the FTC cites no authority for its proposition that respondents are ''presumed to be aware of and comply with ITA practice and antidumping law.''

The FTC rebuts that the Department determines whether parties are related based on 771(13), and section 773(e)(4) applies only to the reporting of constructed value data. In responding to section A of the Department's questionnaire, the FTC contends, respondents cannot predict on what basis FMV will ultimately be calculated. In the FTC's view, the respondents' reporting on the basis of 773(e)(4) was at their own peril and the Department was correct in rejecting responses based on only one of the related party tests. The FTC asserts that, contrary to the claims of Asocolflores, all copies of the questionnaire contained the same question requiring respondents to identify related parties in Section A and, in any case, it was incumbent upon respondents to request clarification. Finally, the FTC maintains that, if the Department assigns a BIA rate to the original eight members of the Queen's Flowers Group, it should also apply this rate to the 12 additional companies to the extent that they are collapsed into the group.

Department's Position: We have reexamined the record for these final results in light of the preceding comments, and have concluded that members of the Queen's Flowers Group failed to respond to certain questions and to provide certain factual information, improperly reported certain cost items and failed to change those items when requested to do so, and presented a pattern of insufficient responses, misleading information, and contradictory statements.

Specifically, Flores Canelon failed to distinguish between production expenses (which are not amortizable) and pre-production expenses (which are amortizable) of all types of cut flowers for January and February of 1992. Flores Canelon also failed to distinguish between production and pre-production expenses for farm overhead for the sixth and the seventh periods. Instead, Canelon improperly amortized all of these expenses. In this case, we notified the respondent in a supplemental questionnaire that there was a problem with its data and that failure to correct the error might result in our use of BIA. Flores Canelon made no changes in its data and provided only a brief narrative describing the period over which various assets were amortized. Flores Canelon referred the Department to attachments in its original response for further explanation. However, Flores Canelon failed to provide a narrative ''road map'' of these attachments in either of its responses, as requested by the questionnaire. Lacking a road map of Canelon's methodology, we attempted to determine on our own whether Canelon's methodology made sense. However, numerous discrepancies prevented this conclusion. See Memorandum from Laurie Parkhill to Holly A. Kuga dated June 28, 1996. Flores Canelon's failure to properly amortize its expenses is a serious deficiency. Because constructed value forms the basis of FMV in this case, incorrect amortization of costs will lead to too little or too much cost in constructed value and, thus, an inaccurate FMV. A similar deficiency has been found in the response of Queen's Flowers de Colombia.

In addition, we initiated a review in each of the three periods on Flores Generales. We received a response from ''Cultivos Generales (Flores Generales)'' for the fifth and the sixth review periods claiming ''no shipments,'' but no response for the seventh period. As such, we have assigned Flores Generales a rate based on BIA for the seventh period. While investigating the additional 12 companies in the Queen's Flowers Group, we asked Cultivos Generales if it was related to ''Cultivos Generales (Flores Generales).'' Cultivos Generales stated that it was the successor to Flores Generales, and, in effect, simply changed the name of the company, keeping all ownership intact. Had we known that these two entities were one and the same, we would not have sent a supplemental questionnaire to Cultivos Generales, because Flores Generales did not respond to our original questionnaire. Therefore, we are disregarding Cultivos Generales'' June 13, 1995, and July 28, 1995 submissions and are assigning it a BIA rate for the seventh POR as a successor to Flores Generales.

Other deficiencies exist that support our use of BIA. However, a discussion of these conditions is impossible in a public notice, due to their highly proprietary nature. For a discussion of these issues, see Memorandum from Laurie Parkhill to Holly A. Kuga dated June 28, 1996. In this memorandum, we reexamine the record in light of the FTC's and Asocolflores' comments and have revised our analysis accordingly. We concede that certain deficiencies identified in the December 5, 1994 analysis memorandum are no longer a factor in our analysis and that certain other deficiencies have been corrected. However, serious deficiencies remain in the responses of the Group and all information is not on the record as Asocolflores contends. In addition, new deficiencies have been identified. These deficiencies fall into two groups: those that we had identified previously in a supplemental questionnaire and for which an opportunity to correct the deficiency was afforded through supplemental responses, as well as deficiencies which we identified in supplemental responses solicited after the preliminary results. Most significant of these is that not all U.S. sales data and CV data exists on the record. These deficiencies are such that we are unable to use the responses of the Group for calculating margins. Therefore, for the final results of review, we have assigned the Queen's Flowers Group a BIA rate for each POR.

Moreover, because these deficiencies derive from a pattern of unresponsive and insufficient responses, we conclude that the Queen's Flowers Group impeded our investigation and consider the group to be uncooperative. Therefore, we are assigning the Queen's Flowers Group a first-tier BIA in accordance with *Allied Signal* v. *United States,* 996 F.2d 1185, 1192 (Fed. Cir. 1993), *Chinsung Indus. Co.* v. *United States,* 705 F. Supp. 598, 600 (CIT 1989), *Pulton Chain Co., Inc.* v. *United States,* Slip Op. 93–202 (CIT October 18, 1993), and *Pistachio Group of Ass'n of Food Ind.* v. *United States,* 671 F. Supp. 31, 40 (CIT 1987).

We agree with the FTC that the BIA rate should be applied to all 20 respondents. Because the Department relies on respondents to voluntarily identify their related parties, failure to do so, after repeated attempts to elicit this information, must be seen as impeding our investigation. Moreover, post-preliminary cooperation by members of the group for which we did not initiate reviews does not override previous deficiencies by the initiated members in this regard. In this case, we elicited post-preliminary ownership information to allow previously uninitiated companies an opportunity to provide evidence that they should not be collapsed with the Queen's Flowers Group, since, to do otherwise would deny these firms due process. However, these firms provided evidence that they were related and intertwined to the extent that collapsing was warranted. In addition, they provided additional evidence of links among the original eight members. Therefore, although these firms cooperated after the preliminary results, this cooperation only resulted after we preliminarily found the Queen's Flowers Group, as a whole, to be uncooperative and assigned it a margin based on first-tier BIA. For these final results, we, therefore, are applying the first-tier BIA margin to all entities collapsed within the group.

Comment 28: Asocolflores asserts that the Department lacks a factual and a legal basis for collapsing the Santa Helena Group of companies and the Florex Group of companies. Asocolflores contends that, before the Department can consider collapsing two companies, it must first show that they are related companies. Asocolflores maintains that, when FMV is based upon constructed value and the Department is considering whether to collapse sales as well as *costs,* then the related party definition in section 771(13) and the definition contained in 773(e)(4) must be satisfied for parties to be considered related. Asocolflores maintains that the relationships between these two groups fail to meet either test. Asocolflores proposes that the Department establish a higher threshold for collapsing related parties in cases where the relationships are tenuous at best. Notwithstanding this, Asocolflores argues that the Department wrongly concluded that the five criteria were satisfied in its collapsing analysis. Asocolflores asserts that the record lacks evidence that controverts the two groups' certified statements that they operate as separate and independent entities. Asocolflores argues that the existence of common board members cannot be sufficient to prove that two respondents actually share marketing and sales information. Because interlocking boards of directors is a separate factor, it should not overlap with the Department's consideration of whether two respondent's share marketing and sales information. Moreover, Asocolflores asserts the high margins assigned to the Santa Helena Group (see the following comment) and weighted into the Florex Group's low margins result in a significant deposit rate for the Florex Group, which represents a manifest injustice. Finally, Asocolflores maintains that, if the Department finds that the two groups should remain collapsed in its final results, it should assign separate deposit rates for each group because one company in the Santa Helena Group no longer has any ties to firms in the Florex group.

The FTC rebuts that section 773(e)(4) applies when reporting constructed value and does not preclude collapsing for purposes of calculating a weighted-average margin for which section 771(13) is the applicable section of the statute. The FTC contends that all five criteria of the collapsing test have been met and, in particular, the Department's finding that the respondents produce the same merchandise, engaged in intercompany transactions, and have already shifted production is sufficient cause for alarm. Moreover, FTC points to the fact that the questionnaire responses in these reviews were submitted after the Department had concluded that these companies were sufficiently related to be collapsed in the *Fourth Review.* According to the FTC, any assumptions the Florex Group made regarding the Santa Helena Group were thus made at the Group's own peril. Finally, the FTC argues that to assign separate deposit rates for the Santa Helena Group and the Florex Group would undermine the purpose of collapsing related parties. If the Department considers establishing separate deposit rates, the FTC urges the issuance of supplemental questionnaires to determine whether any new relationships have formed in the interim.

Department's Position: For purposes of these final results, we have collapsed the Florex Group and the Santa Helena Group. *See* generally our response to comment 26 for the criteria used in this analysis.

Respondent's claims to the contrary notwithstanding, we find that the evidence supports the conclusion that the Florex and Santa Helena Groups are intertwined to a degree that warrants treating them as a single enterprise. First, we find that the Florex Group and the Santa Helena Group are related to each other within the meaning of section 771(13) of the Act. *See* Memorandum From Michael F. Panfeld to Holly Kuga, dated February 1, 1996. Second, these groups have similar production facilities. Both groups produce flowers in a similar manner and, thus, the groups would not need to engage in retooling to shift production. Third, there exists other proprietary evidence indicating that there is a significant potential for price or cost manipulation among these groups. In general, this additional evidence consists of: (1) The existence of interlocking managers, officers and directors; (2) the shipment of subject merchandise through a common importer in the United States; and (3) intercompany transactions. *See* Memoranda to the File dated November 15, and November 21, 1994, and the Memorandum from Michael F. Panfeld to Holly A. Kuga dated February 1, 1996.

We agree with Asocolflores that we should not overlap factors in our collapsing analysis (*i.e.*, common board members and sharing of sales and marketing information). We also agree, after review of respondents' comments, that while shifting of production has not yet occurred, the potential to shift production still remains. Notwithstanding these factors, our analysis of these criteria remains unchanged due to the additional reasons outlined in the Memoranda to the File dated November 15, and November 21, 1994, and the Memorandum from Michael F. Panfeld to Holly A. Kuga dated February 1, 1996.

Finally, we have determined that the factual information regarding the current legal status and ownership of firms in the Santa Helena Group were untimely submitted. *See* 19 CFR 353.31(a)(1)(ii) (1994). We have removed this information from the record. As the record before us indicates that the Florex Group and the Santa Helena Group should be collapsed, we have assigned the collapsed enterprise a combined cash deposit rate for future entries.

Comment 29: Asocolflores asserts that the Department unfairly assigned a cooperative BIA rate to the Santa Helena Group, given that Santa Helena worked to the best of its ability in responding to the questionnaire, it had limited resources and little experience in the review process. Furthermore, Asocolflores contends that Santa Helena corrected its acknowledged errors in its crop adjustment methodology and requests that the Department use the corrected information in its final results.

The FTC argues that, at some point, the Department must close the administrative record. In the FTC's view, Santa Helena had an adequate opportunity to correct its submission and allowing Santa Helena to revise its response after the preliminary results would invite a wholesale request by other respondents to correct their responses and deny interested parties the opportunity to comment or conduct verification of the new data. As support, the FTC cites *Olympic Adhesives, Inc.* v. *United States*, 899 F.2d at 1571, *Ansaldo Componenti, S.p.A.* v. *United States*, 628 F. Supp. 198, 204 (CIT 1986), and *Mantex, Inc.* v. *United States*, 841 F. Supp. 1290, 1310 (CIT 1993). Finally, the FTC notes that Santa Helena had both experienced counsel and experience in two previous administrative reviews.

Asocolflores rebuts that the Department chose to reopen the administrative record with its supplemental questionnaire to the Florex Group (which the Department had collapsed with the Santa Helena Group). Contrary to the FTC's concerns regarding the submission of post-preliminary corrections, Asocolflores maintains that acceptance of Santa Helena's data would not create a general precedent. Asocolflores also contends that the Department requested inflationary adjustments from all respondents, not just Santa Helena. Finally, Asocolflores states that Santa Helena's response was prepared by a new company, which did not have previous experience in the review process.

Department's Position: We agree with the FTC that Santa Helena's submission of corrected data is untimely and have not considered the data for these final results. Although supplemental questionnaires were issued to certain respondents after the preliminary results, they were not issued to companies that were preliminarily assigned a BIA margin, such as Santa Helena. Prior to issuance of the preliminary results, we notified Santa Helena that its data diskettes were being rejected due to several problems in a supplemental questionnaire, and we identified a critical flaw: the integrity of protected formulas in its diskette had been compromised, which indicated tampering with our required format. *See* letter to Santa Helena Group from Division Director dated August 15, 1994.

With regards to the faulty crop adjustment methodology, we agree with the FTC that Santa Helena had ample opportunity to correct its data. We note that we notified a large number of respondents that there were problems with their crop adjustment methodologies prior to issuance of the preliminary results. We assigned a second-tier BIA rate to all firms that failed to correct their data or to provide narrative explanations, as Santa Helena failed to do. Thus, our treatment of Santa Helena was not unfair.

Finally, we have found that we initiated reviews of a member of the Florex Group, S.B. Talee de Colombia (albeit with a minor spelling error), it received our questionnaire for the seventh POR, and it failed to respond to that questionnaire. Moreover, in comments filed on April 12, 1995, Flores de Salitre states that S.B. Talee de Colombia did have some U.S. sales during the seventh POR. However, these sales were not reported by any member of the Florex group. For this, and the aforementioned reasons, we continue to assign the Santa Helena sub-group (of the Florex Group) a margin based on cooperative BIA.

Comment 30: Jardines de los Andes argues that it should be withdrawn from the preliminary ''all others'' rate since it has been revoked under the Flores Colombianas Group.

Department's Position: We agree that Jardines de los Andes has been revoked and that the Department inadvertently assigned it the all others rate. *See Fourth Review.* Therefore, there are no final results for this company for these review periods.

Comment 31: Asocolflores asserts that the Department erred when it combined the sales and cost data, for sales of chrysanthemums, of Cultivos Miramonte and Flores Mocari to calculate a weighted-average margin for the Miramonte Group. Asocolflores asserts that Cultivos Miramonte reported its data on a per-bunch basis, while Flores Mocari reported its data on a per-stem basis. According to Asocolflores, this severely understates per-unit U.S. sales prices. Asocolflores asks the Department to convert Flores Mocari's data to bunches in its final results. Asocolflores further requests that the Department recheck Cultivos Miramonte's packing expenses and reverse the adjustment the Department made to these expenses for the preliminary results.

The FTC requests that the Department adjust Cultivos Miramonte's data by converting it to a per-stem basis.

Department's Position: We agree with Asocolflores that we improperly combined the sales and cost data for one flower type in the fifth review. Since converting stems to bunches, as opposed to the reverse, would not alter the results of our margin calculations, we chose the methodology with the least amount of burden. Therefore, for these final results, we have converted Cultivos Miramonte's data from a per-bunch basis to a per-stem basis as the FTC suggested. In addition, we have rechecked the packing expenses and found no flaws in our calculations.

Comment 32: Asocolflores asserts that Flores Calima (Calima) and Flores el Roble (Roble) are not successors to Flores el Majui and Sunset Farms, respectively. Therefore, Asocolflores contends that Calima and Roble should not be assigned a deposit rate based on margins assigned to Flores el Mujui and Sunset Farms. Asocolflores cites the Department's four-point successorship test outlined in *Brass Sheet and Strip: Final Results of Antidumping Duty Administrative Review* 57 FR 20460 (May 13, 1992) (*Brass Sheet*), and suggests that an examination of the evidence as it relates to these firms demonstrates that none of these four points has been met.

The FTC rebuts that neither Majui nor Sunset Farms submitted timely information. Thus, the FTC contends, the Department does not have sufficient information to apply the successorship test.

Department's Position: We agree with the FTC. Although we have a response from Calima, we have no response from Majui. Similarly, we have a response from Roble, but not from Sunset Farms. Because we initiated a review for the seventh POR for Majui and Sunset Farms, and did not receive a response from these firms, we have assigned Majui and Sunset Farms a margin based on first-tier BIA. *See* our response to Comments 55 and 57. Calima and Roble failed to notify us before we published our preliminary results that, during the seventh POR, they had purchased the assets of these firms. Since issuance of the preliminary results, we solicited and received a response from Calima and Roble. The responses demonstrated that they purchased the assets of Majui and Sunset Farms. However, at this late stage in the proceeding, we were not requesting information from Calima and Roble because they were successors to Majui and Sunset Farms; rather, we were soliciting their responses to determine the nature of their relationships with the Queen's Flowers Group. *See* our response to Comments 26 and 27.

In the absence of record evidence to the contrary, we must assume that the firms' operations were ''essentially similar.'' To conclude otherwise would reward successor companies by absolving them from their inherited antidumping duty liabilities and encourage companies that have been sold not to respond to our requests for information. Therefore, independent of our decision to assign BIA to these firms as a result of their inclusion in the Queen's Flowers Group, we have assigned a margin based on BIA to Calima and Roble as individual companies, due to the failure to respond to our questionnaire. We note that this analysis was not a factor we considered in our analysis of whether to assign margins based on BIA to the Queen's Flowers Group.

Comment 33: Flores San Juan argues that the Department incorrectly limited the amount of the firm's interest income allowed as an offset to constructed value to the amount of interest expense included in constructed value. Flores San Juan contends that all of its income is attributable to short-term working capital investments related to production; therefore, the respondent contends, the Department's policy directs that all such income qualifies for inclusion in the offset to the interest expense. However, respondent states, because the firm is largely capitalized through shareholder equity rather than with debt, it has only minimal financial expenses. Consequently, in Flores San Juan's view, the Department's ''cap'' is unfair because the firm does not receive as much benefit as a company that chooses to capitalize largely through short-term debt. Flores San Juan further states that there is no rational basis for treating the working capital income of one producer differently from the working capital income of another producer solely because of the way in which the companies are capitalized. Flores San Juan argues in addition that, because its interest income is directly related to production, the firm's true cost of production in fact is lowered by its interest income. Flores San Juan concludes that it is appropriate for the Department to allow the full offset for interest income and not limit it to the level of interest expenses respondent incurred.

Department's Position: Consistent with our past practice, we have permitted Flores San Juan to offset its interest expense with short-term interest income related to operations, but only to the extent that interest expenses are incurred by Flores San Juan. As part of general expenses for constructed value, we include an amount for interest expense. It is the Department's normal practice to allow short-term interest income to offset financing costs only up to the amount of such financing costs. *See, e.g., Porcelain-on-Steel Cooking Ware From Mexico; Final Results of Antidumping Duty Administrative Review*, 60 FR 2378, 2379 (Jan. 9, 1995). The Act specifically requires that we include various costs, such as material and fabrication, in calculating constructed value. Were we to deduct the full amount of claimed interest income, we would not only offset interest expense but we would effectively be offsetting material and fabrication costs as well. Therefore, to avoid reducing costs not related to interest expenses, we have capped the deduction for interest income at the level of interest expense. *See* section 773(e)(1)(A) of the Act.

Comment 34: Flores San Juan and the Bojaca Group disagree with the Department's use of the higher figure to reconcile discrepancies in Table 1 and 2 of their responses with respect to packing and indirect selling expenses.

Flores San Juan claims that it erroneously reported packing expenses for all markets instead of packing expenses for the U.S. market in Table 2 of its responses. In Table 1 of its response, Flores San Juan contends, it reported another lower figure which it claims to be the correct figure. Flores San Juan concludes that the Department should reconcile the packing expenses in Tables 1 and 2 by including in Table 2 only those packing expenses respondent reported in Table 1.

The Bojaca Group claims that the values for packing expense and indirect selling expense reported in Table 1 of its response are the correct values as opposed to the values reported in Table 2 which the Department used to reconcile the two tables. Respondent suggests that the Department use the values in Table 1 to reconcile the packing expenses and indirect selling expenses in tables 1 and 2.

Department's Position: Since we received both Flores San Juan and the Bojaca Group's requests that we correct their responses after publication of our preliminary results and the alleged errors were not apparent from the record in either case, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that both respondents failed to meet one of these criteria in that they did not provide supporting documentation for the alleged clerical errors. Therefore, we have not made the changes requested.

Comment 35: Agromonte Ltda. claims that the Department appears to have deleted sales volumes sold to customer 01 for standard carnations in the fifth review for the months of March, April, and May 1991 and requests that the Department ensure that its calculations reflect these sales.

Department's Position: We agree that the sales volumes were missing from our preliminary calculations for the particular months stated above for importer 01. Our review of the record indicates that the data were missing on both sets of diskettes respondent submitted to the Department on July 8, 1994, but the sales volumes did appear in the Table 1 printout for importer 01 in the company's sections C and D questionnaire response. Therefore, we have corrected the error using the information provided in the response and recalculated Agromonte's weighted-average margin.

Comment 36: Agromonte Ltda. states that the preliminary results list ''Flores Agromonte'' as a company the Department could not locate and as to which the ''all other'' rate would apply. Agromonte Ltda. states that, to the best of its knowledge, there is no such company as ''Flores Agromonte.'' Therefore, to avoid any possible confusion at Customs, Agromonte Ltda. requests that the Department terminate its initiation of a review of ''Flores Agromonte.''

The FTC argues that Asocolflores certified to the existence of a Flores Agromonte and an Agromonte Ltda. in a 1989 submission to the CIT. *See* FTC Public Request for Review (1993–94) at Ex. 2 (March 31, 1994). Because there is no information confirming that Flores Agromonte does not exist, the FTC contends that the Department should continue to assign the company a rate based on BIA in its final results.

Department's Position: Because Asocolflores certified to the existence of a Flores Agromonte in the above-referenced document, and there is no conclusive evidence on the record indicating that Flores Agromonte does not exist, we will instruct Customs to collect cash deposits on imports from Flores Agromonte equal to the ''all others'' rate of 3.10 percent from the LTFV investigation (not BIA as stated by the FTC in its comment) because we could not locate the firm.

Comment 37: Flores las Caicas states that the Department's disclosure memorandum indicates that the packing and indirect selling expenses it reported in Table 2 were higher than those it reported in Table 1. Flores las Caicas notes that the problem did exist on an earlier submission but was corrected in a supplemental submission dated August 30, 1994. Flores las Caicas believes that the Department analyzed the wrong diskettes and requests that the Department base its final results on the data submitted on August 30, 1994.

The FTC argues that Flores las Caicas did not alert the Department of the modification until July 21, 1995. *See* Asocolflores Public Case Brief at 2. Therefore, the FTC contends that the Department is under no obligation to modify its preliminary results.

Department's Position: We requested supplemental information from Flores las Caicas, and it responded in a timely manner with a supplemental response accompanied by revised diskettes. Although we neglected to use the revised diskettes in our analysis for the preliminary results, we have based our final results on the data Flores las Caicas submitted on the revised diskettes.

Comment 38: Flores de Suesca disagrees with the Department's preliminary decision to apply a non-cooperative, first-tier BIA rate to its transactions because it did not respond to the Department's questionnaire. Flores de Suesca argues that it did respond as part of the Toto Flowers Group, and that the Department published a preliminary rate for the group, which included Flores de Suesca.

The FTC contends that Asocolflores certified to the CIT in 1989 that there were two companies named Flores de Suesca and Flores Suesca (FTC Public Request for Review (1993–94)). Therefore, to the extent that the Department located a company, Flores Suesca, that did not respond to the Department's questionnaire, the FTC believes that the preliminary results were correct.

Department's Position: Flores de Suesca responded to the Department's questionnaire as part of the Toto Flowers Group. Our record indicates that Flores Suesca is a variant name for Flores de Suesca, as reflected in our preliminary results notice. We inadvertently assigned Flores de Suesca a BIA rate in the preliminary results as an individual company, as well as a calculated rate for the Toto Flowers Group. In these final results, we calculated a rate for the Toto Flowers Group which includes Flores de Suesca.

Comment 39: Flores de la Sabana S.A. argues that the Department should not assign BIA to Sabana Flowers. Flores de la Sabana claims that there is no firm named ''Sabana Flowers.'' Flores de la Sabana claims that it received the questionnaire intended for Sabana Flowers and that it acknowledged the receipt by facsimile message. Flores de la Sabana also claims that in that message it noted that ''Sabana Flowers'' does not exist. Flores de la Sabana notes that it responded to the Department's requests for information and that the Department calculated margins for it. Flores de la Sabana requests, therefore, that the Department remove ''Sabana Flowers'' from its list of BIA companies so as to avoid any potential confusion with Flores de la Sabana or Flores de la Sabana's related importer, Sabana Farms.

The FTC argues that Asocolflores submitted a certified list of producers to the CIT that included both Flores de la Sabana and Sabana Flowers. The FTC urges the Department to continue to assign Sabana Flowers a BIA rate in its final results absent information that this company no longer exists.

Department's Position: We sent a questionnaire to both Flores de la Sabana and Sabana Flowers. The address that we used to send the questionnaires to Sabana Flowers differs from the address in the response and on the letterhead of Flores de la Sabana. From the international courier, we received a confirmation of receipt of the questionnaire at the address we used for Sabana Flowers. *See* Memorandum to File by Mark Ross dated November 8, 1995. In addition, Asocolflores provided a certified list of producers to the CIT that lists Sabana Flowers as a Colombian flower producer. Therefore, because there is no conclusive evidence on the record indicating that Sabana Flowers does not exist, we have continued to treat Flores de la Sabana and Sabana Flowers as two separate existing entities, and we have applied a first-tier BIA rate to imports into the United States by Sabana Flowers during the PORs and for future deposits of antidumping duties.

Comment 40: Flores de la Sabana argues that the rate applicable to Flores de la Sabana should also apply to Roselandia S.A. Flores de la Sabana contends that it responded as the Sabana Group, consisting of Roselandia S.A. and Flores de la Sabana. Flores de la Sabana alleges that, while Roselandia did not sell subject merchandise, it produces some carnations and cuttings which it sold to Flores de la Sabana. Flores de la Sabana also expresses concern that the Department did not use its consolidated response, and asks that the Department use the consolidated tables Flores de la Sabana submitted.

The FTC agrees that, to the extent that the Department agrees that these companies should be collapsed, the Department should correct the errors described above. The FTC notes, however, that respondents may not unilaterally consolidate data.

Department's Position: We have reviewed the record and conclude that Flores de la Sabana and Roselandia S.A. are related and should have been collapsed. While we used the consolidated tables submitted by Flores de la Sabana in our preliminary results, we published the rate as if it were applicable only to Flores de la Sabana and listed Roselandia S.A. as a non-shipper during the PORs. We should have listed both companies under the entity ''Sabana Group.'' We have corrected this oversight for the final results.

Comment 41: Flores de la Sabana argues that the Department should not have disallowed discounts received from suppliers in its preliminary results because they were reported as ''other financial income'' in the spreadsheet. Flores de la Sabana contends that, at a minimum, the Department should allow the discounts as an offset to cost somewhere in the spreadsheet, if not necessarily as an offset to financial expense, or else costs will be overstated.

The FTC argues that the Department should reject this adjustment if Flores de la Sabana has not established that the discount is directly related to specific material or service purchases.

Department's Position: Flores de la Sabana received the discounts it reported on purchases of supplies. However, Flores de la Sabana did not submit, either in the spreadsheet or in its narrative responses, the requisite information for us to properly assign these discounts to costs of the applicable flower types. In fact, we cannot determine from the record whether respondent included discounts on supplies applicable to non-subject merchandise in the figure. In addition, we do not apply these discounts as an offset to financial expense because they are not financial income. Therefore, we have not accounted for these discounts in our calculations for the final results.

Comment 42: The Claveles Colombianas Group (Clavecol) argues that the Department should not have replaced negative values reported in the company's section D response with zero values. Clavecol explains that some numbers may be negative because it made accounting adjustments in one month to reclassify into the appropriate accounts amounts it incorrectly classified in previous months. Also, Clavecol explains, the same numbers in the ''Crop Adjustment'' section of its response may be negative because the firm used this section to calculate the net adjustment to actual monthly expenses fully reported in other lines of the response. Clavecol contends that the Department never asked for clarification of why negative values occurred. Clavecol argues that similar circumstances pertained in the LTFV investigation of *Roses*, and that the Department verified such negative values as correct in that investigation. Clavecol asks that the Department reverse its decision as to the treatment of negative values in the spreadsheet because the Department's current practice, as applied to Clavecol, overstates Clavecol's costs.

The FTC argues that the Department should continue to re-classify negative values as zero. The FTC contends that allowing respondents to report accounting adjustments in this manner would invite manipulation of data. The FTC further claims that verification in another case should not affect the Department's analysis in this case.

Department's Position: We disagree with Clavecol that we should not have changed the negative values to zero. Although Clavecol submitted a narrative explanation of the negative numbers in its post-preliminary supplemental response, there was no evidence on the record that supports its explanation. *See* our response to comment 34, above.

With regard to the negative numbers that allegedly are the result of accounting adjustments, we cannot determine, based on the record, whether Clavecol's explanations are reasonable or accurate. Clavecol's original response describes year-end adjustments that appear to be made in order to report the actual expenses (*see* Clavecol's August 3, 1994 response to section D at 2), though no reference is made to negative cost. We examined the response with regard to the negative numbers, and it appears that some of the negative numbers are year-end adjustments, but these figures are not fully explained. Also, we could not discern any pattern in the placement of the negative numbers that would allow us to determine the nature of the negative numbers.

Finally, we cannot tell whether the adjustments Clavecol describes are limited to either the same POR or the same types of expenses. We are concerned that costs might be shifted from materials, labor, and overhead expenses to general and administrative expenses, or that costs might be shifted from one month to another. Although we use an annually-averaged constructed value as FMV, the shifting of costs from one month to another implied by these ''year-end adjustments'' may distort costs because of the high degree of fluctuation in the peso-to-dollar exchange rate.

We agree with the FTC that verifications in other cases have no bearing on determining whether a response is reasonable in the instant reviews. Therefore, in the absence of record evidence indicating otherwise, and because we are concerned about the possibility of manipulation of the firm's cost response implied in the negative numbers, we have converted the negative numbers allegedly due to accounting adjustments reported in Clavecol's response to zeroes for the purpose of calculating the margins.

With regard to the negative numbers we found in Clavecol's crop adjustment methodology, we found that Clavecol's original submission adequately described its methodology. We also found that, although Clavecol's methodology deviated from the format we indicated in our questionnaire, it produces the same results and does not distort costs. Therefore, we have used Clavecol's original cost response with respect to its crop adjustment methodology.

Comment 43: The Santa Rosa Group (Santa Rosa) claims that the Department improperly disallowed the amount of amortized pre-production expenses carried forward to future periods after the close of each POR. Santa Rosa contends that, although it did not use the methodology the Department set forth in the questionnaire, its methodology achieved the same results.

For direct materials costs, Santa Rosa claims that it reported all costs incurred in each review period, albeit in a different place than the Department requested. Santa Rosa claims that it properly reported the amounts attributable to future periods, resulting in a net adjustment to period expenses for amortization rather than the total pre-production expenses. Santa Rosa explains that it used a similar procedure for direct labor and overhead farm costs.

Santa Rosa asks that, if the Department disallows the amounts carried forward to future years, that it also eliminate from current pre-production costs all such costs respondent carried forward from prior years, as reported in specific spreadsheet lines. Santa Rosa contends that it would be improper to disallow only one part of the amortization of pre-production expenses.

The FTC argues that Santa Rosa admitted to deviating from the reporting format in the questionnaire. Thus, the FTC contends, the Department's adjustment to the response was justified because Santa Rosa did not provide the information in the format requested.

Department's Position: We reexamined Santa Rosa's submissions and found that Santa Rosa's original submission and supplemental response adequately described its pre-production cost methodology. We also found that, although Santa Rosa's methodology deviated from the format we identified in our supplemental questionnaire, it produces the same results and does not distort costs. Therefore, we have used Santa Rosa's original cost response with respect to its crop adjustment methodology.

Comment 44: Santa Rosa argues that the Department should not list Floricola la Ramada as a company which will receive the ''all others'' rate. Santa Rosa states that Floricola la Ramada is a member of the Santa Rosa Group and was listed as such in the Department's list of rates in the preliminary results.

Department's Position: We agree with Santa Rosa that Floricola la Ramada is a member of the Santa Rosa Group and we have corrected this oversight for these final results.

Comment 45: The AGA Group and the FTC claim that the Department erroneously published separate rates for Agricola Benilda.

Department's Position: We disagree with both the AGA Group and the FTC. Because Agricola Benilda was not part of the AGA Group until the 7th review period we have listed Agricola Benilda twice. For the 5th and 6th PORs, Agricola Benilda receives a separate rate from the AGA Group because it was not a member of the AGA group. During the 7th POR, Agricola Benilda was a member of the AGA group, so we have collapsed it with the AGA group for that period. Therefore, duties for the 7th POR and future cash deposits for Agricola Benilda will be at the AGA Group rate.

Comment 46: The Bojaca Group (Bojaca) argues that the Department erroneously calculated and allocated net financing costs for the group, which consists of three companies. Bojaca claims that the Department erred in attempting to implement its practice of using group-wide financing expenses on two accounts. First, Bojaca states that the Department took group-wide financing expenses from calendar-year-based financial statements for the three companies and used these in the constructed value calculation, which is based on a March-to-February period. Second, Bojaca contends that the Department overallocated these financial expenses to subject merchandise because it did not have accurate total sales data. Bojaca argues that the Department should either use data provided by the group in its inflation-adjustment response submitted after the preliminary results of review, or rely upon the Universal Flowers data Bojaca originally submitted.

The FTC counters that, because Bojaca did not report its financial expenses as required in the questionnaire, the Department is not required to use the unsolicited, post-preliminary, corrected data Bojaca submitted and, therefore, the Department is justified in calculating financial expenses on the basis of BIA.

Department's Position: We agree with the FTC. Bojaca failed to supply the group-wide sales revenue and financing expense data in its original response. We requested that Bojaca correct its sales revenue and financial expense data in a supplemental questionnaire, and, again, Bojaca failed to do so. Under these circumstances, we relied on the sales revenue and financial expenses from the financial statements of the three companies as BIA.

Comment 47: Flores el Zorro disagrees with the Department's application of total BIA to its transactions. Respondent contends that all of the errors in its response are clerical in nature and can be corrected by the Department without the submission of new information. Flores el Zorro describes how nine errors noted by the Department can be corrected for the calculation of margins. Flores el Zorro requests that the Department accept its explanation and calculate weighted-average margins for its sales.

Department's Position: We identified several errors in Flores el Zorro's responses and applied BIA in the preliminary results. Those errors were as follows: (1) The misidentification of sales as ESP sales; (2) exceptionally high indirect selling expense amounts for U.S. sales; (3) inconsistencies in the unit numbers of U.S. exports and total exports; (4) reporting direct selling expenses in the constructed value spreadsheet, but reporting no direct selling expenses in the U.S. sales spreadsheet; (5) reporting indirect selling expenses in the U.S. sales spreadsheet, but not in the constructed value spreadsheet; (6) an inconsistency between reported U.S. packing expenses in the sales spreadsheets and the constructed value spreadsheets; (7) the reporting of different interest income and expense amounts in each month of the reviews for each flower type; (8) an inadequate explanation of how interest income was related to production; and (9) the overstatement of the crop adjustment expense amounts.

Because we received Flores el Zorro's request that we correct its response after publication of our preliminary results and the alleged error was not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Flores el Zorro met all of these criteria for the first, second, third, fourth, fifth, and seventh errors and have corrected these errors for the final results, resulting in recalculated margins for Flores el Zorro. However, Flores el Zorro failed to meet one of these criteria for the sixth, eighth, and ninth errors in that it did not provide supporting documentation for the alleged clerical errors. Therefore, we have not made the changes requested by Flores el Zorro for these alleged errors.

Comment 48: The Tropicales Group contends that several errors in its response, which caused the Department to apply adverse inferences in the preliminary results, were the result of transcription errors and that the correct information is evident on the record. According to respondent, the first error involves the amortization costs carried forward in the amortization tables, the second error is an overstatement of packing expense amounts for the 7th review, and the third error is a discrepancy in the amounts reported for indirect selling expenses on two tables for the 7th review. The Tropicales Group states that the Department should use the lesser of the two amounts because that amount matches the amount in the firm's accounting records.

Department's Position: Because we received the Tropicales Group's request that we correct its response after publication of our preliminary results and the alleged error was not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that the Tropicales Group met all of these criteria for the first two errors and have corrected these errors for the final results and recalculated the margin for the Tropicales Group.

However, the Tropicales Group failed to meet one of these criteria for the third error in that it did not provide supporting documentation for the alleged clerical error. Therefore, we have not made the change requested by the Tropicales Group for this alleged error.

Comment 49: Flores Tropicales expresses concern that the Department is considering collapsing it with another respondent in the 7th review period. Respondent asserts that it and the other firm are not agents or principals of each other, neither owns, directly or indirectly, any interest in the other, and there are no persons that own any percentage in both firms. Consequently, Flores Tropicales argues that the two companies are not related and that the Department should not collapse the two firms for its analysis.

Department's Position: Section 771(13) of the Act establishes a standard for relationship based on association, ownership or control. The Department agrees that the Tropicales Group's relationship with a second firm during the 7th POR does not meet the criteria for relatedness primarily because this relationship existed only in the last two months of the seventh POR. Therefore, for the purposes of these reviews we have not collapsed the two firms.

Comment 50: Iturrama contends that it should not receive BIA for failing to itemize the costs it reported in its constructed value table and failing to provide a particular grower's report, as requested by the Department in a supplemental questionnaire. Iturrama asserts that it did not understand the reasons why the Department asked certain questions and, therefore, did not fully explain why it could not provide the requested information. With regard to Iturrama's failure to itemize costs reported in its constructed value table, Iturrama claims that the company's accounting system simply does not permit the cost itemization the Department requested. Iturrama provided a sample of its trial balance and an auxiliary ledger to show that the total costs reported in the company's financial records reconcile to the total costs figures reported in the response. With regard to the grower's report, Iturrama argues that it simply did not have it, and, therefore, there is no justification for assigning BIA. Iturrama concludes that BIA cannot lawfully be applied under the circumstances, and requests that the Department use its data in the final results.

The FTC argues that, if the Department finds that Iturrama's explanations justify reconsideration of its response, the Department should request an additional sampling of grower's reports to confirm the accuracy of Iturrama's reported U.S. sales.

Department's Position: Because Iturrama does not have the requested grower's report and does not maintain the level of cost detail in its normal books and records that would be required to comply with our request, we have reconsidered our decision to apply BIA rates to the firm. For these final results, we have used its response in calculating margins. We have not requested an additional sampling of grower's reports because we are satisfied that the company's U.S. sales are accurately reported.

Comment 51: Agricola Acevedo claims that it incorrectly reported total packing expenses for all markets instead of U.S. packing expenses in its constructed value tables for the 5th, 6th, and 7th reviews. However, Agricola Acevedo asserts that, with respect to the 5th and 6th reviews, it reported the correct U.S. packing expenses in its U.S. price table.

Department's Position: Because Agricola Acevedo brought this error to our attention after publication of our preliminary results and the alleged error is not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Agricola Acevedo failed to meet one of these criteria. Agricola Acevedo did not provide supporting documentation for the alleged error. Therefore, we have not corrected Agricola Acevedo's submission. (*See* the March 30, 1995, Memorandum to the File for an explanation of the U.S. packing expenses we used for Agricola Acevedo in the final results.)

Comment 52: Agricola Acevedo contends that the Department incorrectly disallowed financial income as an offset to financial expenses. Agricola Acevedo explains that the claimed financial income consists of short-term interest income from deposits of working capital and income received from the sale of scrap plastic and wood from fixed assets, and that it identified these items individually in its response to the Department's questionnaire. Agricola Acevedo requests that the Department change its calculations accordingly.

Department's Position: We preliminarily denied Agricola Acevedo's offset to financial expenses for financial income because we could not locate a monthly breakdown of each component of claimed financial income in the firm's response. However, based on Agricola Acevedo's clarification and further analysis of the company's questionnaire response, we are now satisfied that the company's constructed value submission contains the breakdown we requested. Notwithstanding Agricola Acevedo's compliance with our reporting requirements, we are only allowing the offset to financial expenses for the company's short-term interest income from deposits of working capital. The Department only allows an offset to financial expenses for short-term interest income directly related to the general operations of the company. *See Notice of Final Determination of Sales at Less Than Fair Value: Small Diameter Circular Seamless Carbon and Alloy Steel, Standard, Line and Pressure Pipe From Italy,* 60 FR 31981, 31991 (June 19, 1995). Income from the sale of scrap plastic and wood does not constitute this type of revenue. Under GAAP this revenue could be claimed as an offset to general and administrative expenses by reporting it as a gain or a loss on the disposal of a fixed asset. However, Agricola Acevedo did not compare the sales value to the book value of the fixed assets sold as required under GAAP. Agricola Acevedo also did not justify that these materials were related to the production of subject merchandise produced and sold within these PORs. Therefore, we have disallowed the offset Agricola Acevedo claimed for income it received from the sale of scrap plastic and wood.

Comment 53: Papagayo argues that the Department made an error in its margin calculations by incorrectly consolidating Papagayo's sales tables. Papagayo states that, because each LOTUS file would not accommodate more than 25 importers, it used two files to report the sales data for its submission.

The FTC argues that the errors appear to be the result of respondent's deviations from the format the Department instructed respondents to use in the questionnaire.

Department's Position: We agree with Papagayo and have used the two sales files for the final results.

Issues Raised by Other Respondents

Comment 54: My Flowers requests that the Department not apply a non-cooperative BIA rate to its entries of subject flowers for failing to respond to the Department's requests for information. My Flowers claims that it never received the questionnaire or any other information regarding the administrative reviews. Furthermore, My Flowers contends that the address to which the Department sent materials was out of date, and that it has not occupied the space at the address since December 1992. In support of this argument, My Flowers provides registration certificates from the Colombian Chamber of Commerce, authenticated by the U.S. Embassy and the Colombian Ministry of Foreign Relations. My Flowers claims that the company at its old address received the questionnaire, but failed to let My Flowers know of its arrival. My Flowers submits documentation supporting that the individual who signed the delivery record for the questionnaire was not a My Flowers employee. In conclusion, My Flowers requests that the Department treat it as unlocatable for the POR, and that the Department instruct Customs to assess the ''all others'' rate of 3.10 percent on its entries.

The FTC requests that, if the Department accepts My Flowers' explanation, it include the company in any subsequent administrative reviews.

Department's Position: We have reviewed the documentary evidence on the record and conclude that My Flowers did not receive the questionnaire. Therefore, we have not assigned My Flowers a BIA rate. Instead, we have added My Flowers to the list of firms that were unlocatable, and we will instruct Customs to liquidate its entries at the ''all others'' rate since we have not previously reviewed this firm. We will include My Flowers in any subsequent administrative review if we receive a request for review from an interested party during the anniversary month of the publication of this order. *See* 19 CFR 353.22(a).

Comment 55: Equiflor and Esprit Miami claim that Flores el Majui ceased to exist prior to the release of the Department's questionnaire in the 7th review period. Further, they dispute the Department's preliminary conclusion that Flores el Majui had ever received the questionnaire. Equiflor and Esprit Miami argue that the Department should not assign a non-cooperative BIA rate to entries from Flores el Majui, and that the Department should liquidate those entries at the cash deposit rate in effect at the time of entry.

The FTC rebuts that a company cannot be allowed to abandon its antidumping duty liability by virtue of its liquidation, otherwise firms would simply liquidate themselves and reincorporate under a new name each time a new administrative review was initiated. Additionally, the FTC contends, Equiflor and Esprit Miami have not provided evidence to distinguish Flores el Majui from firms that were unlocatable or to establish that Flores el Majui did not receive the questionnaire.

Department's Position: We can distinguish our treatment of Flores el Majui from that of My Flowers because, in the latter case, the company provided evidence that our service of the questionnaire was defective. However, Equiflor, Esprit Miami, and Flores el Majui did not provide such evidence to the Department. Therefore, we agree with the FTC that failure to apply a non-cooperative BIA rate to Flores el Majui would reward non-compliance with our administrative review and would encourage other firms to liquidate themselves and reincorporate under new names. Accordingly, we have applied a non-cooperative BIA rate to entries of merchandise from this firm.

Comment 56: Proflores contends that the application of first-tier BIA due to its failure to respond to the Department's request for supplementary information was in error. Proflores argues that it did respond to the Department's supplemental questionnaire and that the Department did receive the response in a timely manner.

The FTC asserts that, prior to using Proflores' supplemental submission, the Department should require the company to submit at least a reasonable sampling of growers reports to confirm respondent's reporting methodology for certain expenses.

Department's Position: We agree with Proflores that it submitted its supplemental response in a timely manner, and we have used it for these final results instead of applying BIA. Because we are satisfied with Proflores' response to our supplemental question concerning the reporting of certain expenses, we do not find it necessary to review additional information, including growers reports.

Comment 57: Equiflor, Esprit Miami, and Eden Floral Farms (Eden), importers of subject merchandise in Miami, assert that the Department erred in applying a non-cooperative BIA margin to two Colombian producers: Sunset Farms (5th, 6th, and 7th reviews) and Groex S.A. (5th and 6th reviews). Equiflor and Esprit Miami claim that Sunset Farms was unable to respond to the Department's questionnaire because it had sold most of its assets before the Department released its questionnaires and was operating with reduced staff and facilities at the time it received the questionnaire. Equiflor and Esprit Miami argue that Sunset Farm's condition was far worse than that of Flores Estrella in the fourth review of the instant case, and, under these circumstances, the Department should not apply a non-cooperative BIA. Eden claims that Groex S.A. was out of business and liquidated prior to the due date of sections C and D of the questionnaire, and, therefore, was unable to respond to those sections. Eden notes that Groex S.A. did respond to section A for the 5th and 6th reviews and filed a letter stating that it had no shipments of the subject merchandise in the 7th review and, therefore, did cooperate to the extent possible.

Bloomshare Ltda. (7th review only) and Ciba-Geigy (5th, 6th, and 7th reviews), Colombian producers of the subject merchandise, also claim that the Department erred in assigning them non-cooperative BIA margins. Bloomshare Ltda. claims that it stopped growing flowers in June 1993, and that it is now in the business of growing produce for the domestic market. Ciba-Geigy claims that it sold its plantation in 1988 to another producer and was no longer in the Colombian flower business during the PORs.

The FTC rebuts that, in the *Fourth Review*, the Department described certain factors to examine when determining whether Flores Estrella and Mountguar were incapable of responding to its questionnaire. However, the FTC contends that the fact pattern in the instant reviews differs in that the respondents failed to notify the Department of their situation in a timely fashion. The FTC points to an identical fact pattern in the third review of this case where the Department determined that information regarding an alleged bankruptcy submitted after the preliminary results of review was untimely and therefore impossible to evaluate. The FTC asserts that the Department properly assigned non-cooperative BIA rates for these respondents.

Department's Position: With regard to Sunset Farms and Groex, Equiflor, Esprit Miami, and Eden do not dispute that these two Colombian producers received the questionnaire. In addition, Equiflor and Esprit Miami do not explain why Sunset Farms failed to submit any response whatsoever. Eden does not dispute the fact that Groex S.A. failed to submit a response to sections C and D of our questionnaire or explain why this producer was unable to do so in a timely fashion. As for Bloomshare Ltda. and Ciba-Geigy, the companies do not dispute that they received the questionnaire and at no time prior to issuance of our preliminary results did they alert us to their situations. Therefore, because respondents have provided untimely explanations of their failure to respond to our questionnaire, we have assigned non-cooperative BIA rates to Sunset Farms, Groex S.A., Bloomshare Ltda., and Ciba-Geigy.

Comment 58: The Floraterra Group (Floraterra) argues that the Department overallocated packing expenses to Floraterra's U.S. sales. Floraterra acknowledges that the Department was correct in changing the packing expenses in Tables 1 and 2 because they should have been the same. Floraterra claims that it mistakenly reported packing expenses on all exports in Table 2, and that, by using the expense from Table 2 instead of Table 1 as the basis for reallocation, the Department is allocating packing expense for all exports over just U.S. sales. Floraterra contends that this is obvious from the administrative record, and that the Department should fix the tables so that the expenses in Table 2 are based on the reported Table 1 expenses, and not the other way around.

Department's Position: Because we received Floraterra's request that we correct its response after publication of our preliminary results, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Floraterra met all of the criteria, with the substantiating evidence having been on the record prior to the preliminary results. Therefore, we have made this change for the final results.

Comment 59: Agricola la Siberia (Siberia) claims that it made two errors in its original response. Siberia claims that it included packing and indirect selling expenses incurred on third-country sales as well as on U.S. sales. Siberia asks the Department to correct its data for the final results.

Department's Position: Because we received Siberia's request that we correct its response after publication of our preliminary results and the alleged error was not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Siberia failed to meet one of these criteria in that it did not provide supporting documentation for the alleged clerical error. Therefore, we have not made the change requested by Siberia.

Comment 60: Caicedo protests the Department's use of BIA for its sales of minicarnations in the 6th and 7th reviews. Caicedo notes that the Department said that it applied BIA for two reasons: (1) Caicedo improperly used its crop adjustment for the flowers and period in question and failed to correct its crop methodology when the Department requested it to do so; (2) Caicedo had made other unexplained changes to its data, including changes to the reported sales amounts.

Caicedo argues that, contrary to the Department's conclusions, Caicedo did correct its crop adjustment methodology in a December 2, 1994 submission as requested by the Department. However, Caicedo contends that the Department used an earlier submission by the firm in its calculations for the preliminary results. With respect to unexplained charges relating to sales amounts, Caicedo explains that it had inadvertently transferred to its December 2 submission erroneous figures from an earlier response, which it had already corrected for the record. Caicedo concludes that these errors should be corrected because the errors are obvious from the information already in the record.

The FTC maintains that Caicedo had several opportunities to supply corrected information and that the Department was justified in relying on Caicedo's last submission as containing the correct data. The FTC further states that it is the responsibility of Caicedo to prepare its own data correctly.

Department's Position: We have reviewed the record and conclude that Caicedo did make proper corrections as we requested to its crop adjustment methodology. Also, we agree that Caicedo did make certain clerical errors that are substantiated from the information already on the record. Therefore, we have used the corrected information on the record for the final margin calculations.

Comment 61: Guacatay argues that the Department should not have set to zero certain negative net financing costs Guacatay reported in the 5th and 7th reviews. Guacatay states that it made year-end adjustments to its financial expenses to reverse certain provisional entries it made earlier in the years covered by 5th and 7th reviews. According to Guacatay, the result of these year-end adjustments was that it reported financial costs occasionally as negative numbers. However, Guacatay contends, the net financial costs for the PORs as a whole are always positive. Therefore, Guacatay requests that the Department use the net financial costs it reported and explained in its supplemental response.

The FTC disagrees and states that this type of accounting invites manipulation and the Department correctly adjusted negative values to zero.

Department's Position: We agree with Guacatay. We have reexamined Guacatay's supplemental response and conclude that the company adequately explained the basis for making negative financial cost adjustments for certain months. We have therefore used the net financial costs Guacatay reported.

Comment 62: HOSA argues that, although it failed to submit a request for revocation on the anniversary month of the order as required by the Department's regulations, the Department has the discretion under 19 CFR 353.25(a) to grant the untimely revocation request. HOSA further argues that certain circumstances, such as its late retention of counsel and its inability to run an analysis of three years' worth of data to determine its eligibility for revocation at that time, justifies that its late revocation request be given consideration by the Department.

The FTC argues that, even if the Department otherwise finds HOSA to be eligible for revocation, it should deny HOSA's request for revocation because it was not submitted in a timely fashion.

Department's Position: Based on our final results of these administrative reviews, we find that HOSA has not had a three-year period of no sales at less than fair value and thus does not qualify for revocation. Therefore, the issue of HOSA's late revocation request is moot.

Comment 63: Aspen Garden Ltda. contends that, for the final results, the Department should use the prime rate it reported in its original questionnaire response instead of calculating imputed credit expenses for U.S. sales based on the company's short-term Colombian peso borrowings during each POR. Furthermore, Aspen Garden Ltda. argues that the Department should use the statutory eight-percent profit for constructed value instead of the profit percentage it reported in its original questionnaire response. Aspen Garden Ltda. explains that it based the profit percentage it reported in its original submission on third-country sales and, furthermore, that it calculated the rate incorrectly. Finally, Aspen Garden Ltda. contends that the packing expenses it reported in its U.S. price table are correct, and the Department should not have modified them. Aspen Garden Ltda. explains that it mistakenly reported in its constructed value table the cost of packing flowers that are not under review in addition to the cost of packing subject merchandise, and requests that the Department not modify the packing costs it reported in its U.S. price table.

Department's Position: We do not agree with Aspen Garden's argument that we should calculate imputed credit expenses on U.S. sales using the prime rate respondent reported in its original questionnaire response. We have calculated Aspen Garden's imputed credit expenses based on the company's short-term Colombian peso borrowings during the POR. (*See* the March 30, 1995, Memorandum to the File for a discussion of Aspen Garden's interest rate calculation. For a full discussion of the interest rate issue, *see* our response to Comment 22 of this notice.) With regard to profit for constructed value, we have used the statutory eight-percent figure since the profit percentage that Aspen Garden reported in its original submission was based on third-country sales data. (*See* our response to Comment 8 for a full discussion of the appropriate profit percentage to use for constructed value.) Aspen Garden made it clear in its original questionnaire response that it used third-country sales data to calculate the profit percentage it originally reported.

With regard to packing expenses, we received Aspen Garden's request that we correct its response after publication of our preliminary results and the alleged error is not apparent from the record. Therefore, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Aspen Garden's situation fails to meet one of these criteria. Aspen Garden did not provide supporting documentation for the alleged error. Therefore, we have not made the change requested by Aspen Garden. (*See* the March 30, 1995, Memorandum to the File for an explanation of the U.S. packing expenses we used for Aspen Garden in the final results.)

Comment 64: Flores de Oriente claims that the distribution of indirect selling expenses the Department made is incorrect. According to respondent, for one client, the cost of packing and handling was included in indirect selling expenses incurred in the home market on U.S. sales. Therefore, respondent contends, it did not report packing costs for this particular customer. Respondent states that the indirect selling expenses in Table 1 will not equal Table 2 because of this, but total costs for the Table 1 and Table 2 are equal. Thus, respondent argues, the Department should not have made adjustments to packing costs and indirect selling expenses.

Department's Position: We do not agree with Flores de Oriente that total costs for Table 1 equal Table 2. Packing expenses respondent reported in Table 2 equalled the packing expenses it reported in Table 1. However, indirect selling expenses respondent reported in Table 1 did not equal indirect selling expenses it reported in Table 2. Therefore, total costs between the two tables did not reconcile. Because indirect selling expenses did not reconcile, we have distributed these expenses for these final results as we did for the preliminary results.

Comment 65: Agromonte Ltda. argues that the Department incorrectly changed the figures for packing costs and indirect selling expenses incurred in Colombia on U.S. sales when the totals reported in Table 1 conflicted with the amounts reported in Table 2. Agromonte Ltda. claims that the reason for the discrepancy in packing costs is because the values it reported in Table 1 are based on units sold while the values for Table 2E are based on boxes sent. According to respondent, the correct amounts are the ones it stated in Table 2E because they identify the packing costs of the total units sent each month.

Agromonte Ltda. contends that it could not find any discrepancies between Table 1 and Table 2D for indirect selling expenses. Therefore, respondent states, the Department should not have made any changes.

Department's Position: We disagree with Agromonte's argument. Even though respondent calculated the amounts it reported in Table 2E for packing costs based on boxes shipped and the amounts it reported in Table 1 were calculated on units sold, the totals should still equal one another. Therefore, the adjustments we made in the preliminary results remain in our final results.

As for Agromonte's contention that there were no discrepancies relating to indirect selling expenses, we disagree. The amounts respondent reported in Table 2D do not equal the amounts it reported in Table 1. Therefore, the reconciliation we made in the preliminary results remains in our final results.

Comment 66: Florval S.A. claims that it erroneously reported packing costs and indirect selling expenses for all markets instead of packing expenses and indirect selling expenses for the U.S. market in Table 2D and Table 2E of its response. Florval requests that the Department include in Table 2 the results of adding all indirect selling expenses and packing costs shown in Table 1 for each customer.

Department's Position: We agree with Florval S.A. However, instead of adding all indirect selling expenses and packing costs shown in Table 1 for each customer, we were able to determine packing costs and indirect selling expenses related to flowers sold in the U.S. market. We derived this data from information already on the record prior to our preliminary results.

Comment 67: The Florcol Group argues that, in the 5th and 7th reviews, the difference between the amounts for indirect selling expenses in Table 2D compared to Table 1 is due to the allocation method it used. The Florcol Group states that the total indirect selling expenses should be allocated in Table 1 to each month on the basis of U.S. sales value instead of volume.

With respect to packing costs in the 5th review, the Florcol Group states that the total amount shown in Table 2E corresponds to the total packing costs for all export quality minicarnations it sold during the review period. The Florcol Group states that the Department can derive the correct total packing costs for Table 2E by totalling the packing costs reported in Table 1.

In the 7th review, Florcol contends that it used the wrong unitary costs for packing in order to calculate packing costs for Table 1. Florcol identifies the correct unitary packing cost and requests that the Department make the appropriate corrections.

Department's Position: Because we received the Florcol Group's request that we correct its response after publication of our preliminary results and the alleged error was not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. For indirect selling expenses in the 5th and 7th reviews, we find that Florcol failed to meet these criteria in that the error was a methodological error and not a clerical error. Florcol explained, in its July 18, 1995 submission, that indirect selling expenses reported in Table 2 differed from those reported in Table 1 because of the allocation methodology used. However, these expenses should match, regardless of the allocation methodology. In addition, Florcol states what it claims the correct total amount of indirect selling expense should be, but does not provide documentation to substantiate its claims.

With respect to the unitary packing cost in the 7th review, Florcol did not provide supporting documentation for the alleged clerical error. Therefore, we have not made the change Florcol requests.

With respect to packing costs in the 5th review, Florcol met the six criteria. Therefore, we have made this correction.

Comment 68: Inversiones Santa Rita (Rita) questions why the Department modified line 18 of Table 2 (cull revenue) for the preliminary results. Rita claims that its reported data was proper and that it established that the data it submitted in the cull revenue amounts came from its invoices.

Department's Position: We agree with Rita. We inadvertently copied line 18 of Rita's Table 2, cull revenue, for minicarnations in the 6th review to line 18 for standard carnations in the 6th review. The same error occurred in the 7th review. For the final results, we used Rita's original data as reported.

Comment 69: Rita argues that each flower type it grows has a substantially different cost of production and that the Department was incorrect in modifying these costs by using a percentage-based ratio of these items to the total sales as reported in the financial statements.

Department's Position: In our October 25, 1994, supplemental questionnaire, we asked Rita to explain its methodology for allocating indirect costs and general expenses. In addition, we asked Rita to explain the accuracy of its allocation methodology when ''area of cultivation'' was used as a basis for allocating an expense. In its November 1, 1994, response to these questions, Rita failed to explain its methodology and failed to document the basis for allocating its costs. Because Rita failed to explain how its costs were allocated among flower types and because the amounts reported for cost of goods sold, selling expenses, and general and administrative expenses reported in Table 2D conflicted with data reported in Rita's financial statements, for the preliminary results we disregarded Rita's reported cultivation costs, general and administrative expenses, and indirect expenses, and calculated an amount based on Rita's financial statements. We applied the relative percentage of these costs to sales found in the financial statements in Rita's response with the presumption that all flowers have the same relative cost of production.

Because Rita has not been able to substantiate from information already on the record that each flower type has a substantially different cost of production, we continue to apply the methodology used in the preliminary results for these final results.

Comment 70: Papagayo argues that the Department used an incorrect set of U.S. price and constructed value tables for the preliminary results. According to the respondent, it inadvertently submitted incorrect tables in its supplemental questionnaire response, but submitted what it believed were corrected tables later. However, Papagayo comments that it appears that it mixed up the tables when submitting the ''corrected'' responses. Specifically, Papagayo requests that the Department correct the following for certain importers: gross sales value and volume totals, additional movement expenses, indirect selling expenses incurred in the home market for U.S. sales, quantities shipped, and domestic inland freight for U.S. sales. The respondent also claims that one ''importer'' the Department included in its preliminary results is not actually a U.S. importer. In sum, Papagayo claims that, if the Department makes the changes that respondent has provided, the Department will have a correct version of the tables.

Department's Position: Because we received Papagayo's request that we correct its response after publication of our preliminary results and the alleged errors were not apparent from the record, we have applied the six criteria explained in the **BACKGROUND** section of this notice. We find that Papagayo failed to meet one of these criteria in that it did not provide supporting documentation for these alleged errors. Therefore, we did not make the changes requested for certain importers. However, we could determine from information Papagayo presented, and in accordance with our six criteria, that one ''importer'' was not a U.S. importer, so we deleted that importer's tables for these final results. In all other respects, we have used in these final results the same tables we used in our preliminary results.

Final Results of Review

As a result of our review, we determine the following percentage weighted-average margins to exist for the 5th, 6th, and 7th administrative reviews:

Producer/exporter	5th	6th	7th
Abaco Tulipanex de Colombia	(1)	(1)	(1)
Agrex de Oriente	(2)	(2)	(1)
AGA Group	(2)	(2)	10.43
Agricola la Celestina			
Agricola la Maria			
Agricola Benilda Ltda			
Aricola Acevedo Ltda	1.02	4.65	2.69
Agricola Arenales Ltda	2.06	3.18	3.32
Agricola Benilda	(1)	(1)	10.43
Agricola Bonanza Ltda	(1)	(1)	(1)
Agricola Circasia Ltda	16.23	1.70	2.01
Agricola de los Alisos	76.60	76.60	76.60
Agricola el Cactus	2.39	2.15	1.67
Agricola el Redil	0.53	0.54	0.45
Agricola Guali S.A	(1)	(1)	(1)

Producer/exporter	5th	6th	7th
Agricola Jicabal	76.60	76.60	76.60
Agricola la Corsaria	5.34	3.18	1.88
Agricola las Cuadras Group	1.72	4.72	2.23
Agricola Las Cuadras Ltda			
Flores de Hacaritama			
Agricola La Siberia	(2)	(2)	32.42
Agricola Malqui	76.60	76.60	76.60
Agricola Monteflor Ltda	(2)	(2)	76.60
Agricola Uzatama	(2)	(2)	76.60
Agricola Yuldama	(2)	(2)	(1)
Agrobloom Ltda	(2)	(2)	76.60
Agrodex Group	1.14	0.34	1.14
Agricola El Retiro Ltda.			
Agricola Los Gaques Ltda.			
Agrodex Ltda.			
Degaflores Ltda.			
Flores Camino Real Ltda.			
Flores de la Comuna Ltda.			
Flores De Las Mercedes Ltda.			
Flores De Los Amigos Ltda.			
Flores De Los Arrayanes Ltda.			
Flores De Mayo Ltda.			
Flores Del Gallinero Ltda.			
Flores Del Potrero Ltda.			
Flores Dos Hectareas Ltda.			
Flores De Pueblo Viejo Ltda.			
Flores El Puente Ltda.			
Flores El Trentino Ltda.			
Flores La Conejera Ltda.			
Flores Manare Ltda.			
Florlinda Ltda.			
Inversiones Santa Rosa ARW Ltda.			
Horticola El Triunfo			
Horticola Montecarlo Ltda.			
Agroindustrial Don Eusebio Group	4.45	2.10	1.90
Agroindustrial Don Eusebio Ltda.			
Celia Flowers			
Passion Flowers			
Primo Flowers			
Temptation Flowers			
Agrokoralia	76.60	76.60	76.60
Agromonte Ltda	7.97	1.88	3.16
Agropecuria Cuernavaca Ltda	3.11	12.45	6.84
Aspen Gardens	(2)	(2)	7.75
Astro Ltda	(1)	19.20	18.74
Bali Flowers	(2)	(2)	76.60
Becerra Castellanos y Cia	2.86	0.28	62.79
Bloomshare	(2)	(2)	76.60
Bojaca Group	76.60	20.20	0.21
Agricola Bojaca			
Plantas y Flores Tropicales (''Tropiflora'')			
Universal Flowers			
Bogota Flowers	76.60	76.60	76.60
Caicedo Group	0.49	0.71	0.57
Agro Bosque, S.A.			
Aranjuez S.A.			
Exportaciones Bochica S.A.			
Floral Ltda.			
Flores Del Cauca			
Inversiones Targa Ltda.			
Productos El Zorro			
Cantarrana Group	3.37	21.56	7.97
Cantarrana Ltda.			
Agricola Los Venados Ltda.			
Ciba Geigy	76.60	76.60	76.60
Cienfuegos Group	5.43	3.34	8.69
Cienfuegos Ltda.			
Flores La Conchita			
Cigarral Group	5.30	41.84	49.39
Flores Cigarral			
Flores Tayrona			
Claveles Colombianas Group	2.30	1.11	1.50

Producer/exporter	5th	6th	7th
Claveles Colombianos Ltda.			
Fantasia Flowers Ltda.			
Splendid Flowers Ltda.			
Sun Flowers Ltda.			
Claveles De Los Alpes Ltda	1.16	6.84	3.87
Claveles Tropicales de Colombia	(2)	(2)	76.60
Colflores	76.60	76.60	76.60
Colibri Flowers Ltda	3.62	2.39	5.01
Colony International Farm	76.60	76.60	76.60
Combiflor	(2)	(2)	0.35
Conflores Ltda	76.60	76.60	76.60
Cultiflores Ltda	(2)	0.00	5.87
Cultivos el Lago	76.60	76.60	76.60
Cultivos Medellin Ltda	4.98	0.02	3.97
Cultivos Miramonte Group	0.36	0.00	2.08
Cultivos Miramonte S.A.			
Flores Mocari S.A.			
Cultivos Tahami Ltda.	4.30	0.02	1.15
Daflor Ltda	0.29	1.15	(2)
De la Pava Guevara e Hijos Ltda	(1)	(1)	(1)
Dianticola Colombiana Ltda.	2.57	24.46	8.65
Diveragricola	(2)	(2)	(1)
Dynasty Roses Ltda	(2)	(2)	(1)
El Antelio S.A	(2)	(2)	(1)
Envy Farms Group	(2)	(2)	0.00
Envy Farms			
Flores Marandua Ltda.			
Expoflora Ltda	(1)	(1)	(1)
Exporosas	(2)	(2)	(1)
Falcon Farms De Colombia S.A. (formerly Flores de Cajibio Ltda.)	0.00	0.00	0.20
Farm Fresh Flowers Group	1.42	0.81	1.70
Agricola de la Fontana			
Flores de Hunza			
Flores Tibati			
Inversiones Cubivan			
Fernando de Mier	(2)	(2)	(1)
Flor Colombiana S.A	(2)	(2)	62.79
Flora Bellisima Ltda	76.60	76.60	76.60
Flora Intercontinental	(1)	(1)	(1)
Floralex Ltda	76.60	76.60	76.60
Florandia Herrera Camacho y Cia	(1)	(1)	(1)
Floraterra Group	7.76	4.59	4.66
Flores Casablanca S.A.			
Flores San Mateo S.A.			
Siete Flores S.A.			
Floreales Group	(1)	10.76	6.10
Floreales			
Kimbaya			
Florenal (Flores el Arenal) Ltda	0.67	14.05	8.19
Flores Acuarela S.A.	(1)	(1)	(1)
Flores Aguila	0.04	(1)	(1)
Flores Ainsuca Ltda	(2)	(2)	5.65
Flores Alfaya Ltda	76.60	76.60	76.60
Flores Andinas	(1)	(1)	(1)
Flores Arco Iris	76.60	76.60	76.60
Flores Aurora Ltda	0.11	1.07	0.08
Flores Bachue	(1)	(1)	(1)
Flores Balu	(2)	(2)	76.60
Flores Carmel S.A	(2)	(2)	2.53
Flores Catalina	(2)	(2)	76.60
Flores Colon Ltda	1.14	4.01	2.08
Flores Comercial Bellavista Ltda	3.46	0.38	2.14
Flores de Aposentos Ltda	(2)	(2)	2.77
Flores de Fragua	(2)	(2)	76.60
Flores de la Montana	6.71	0.12	5.13
Flores de la Parcelita	(1)	(1)	(1)
Flores de la Pradera	76.60	76.60	76.60
Flores de la Vega Ltda	3.56	0.21	1.69
Flores de la Vereda	76.60	76.60	76.60
Flores del Campo Ltda	5.38	4.31	4.82
Flores del Lago Ltda	4.20	0.17	1.99
Flores del Pradro	(2)	(2)	76.60
Flores del Rio Group	0.10	6.96	10.37

Producer/exporter	5th	6th	7th
Agricola Cardenal S.A.			
Flores Del Rio S.A.			
Indigo S.A.			
Flores de Oriente	(2)	(2)	3.34
Flores Depina Ltda	9.97	0.00	6.24
Flores de Serrezuela Ltda	1.67	0.34	0.21
Flores de Suba	9.39	4.76	6.42
Flores de Tenjo Ltda	(1)	(1)	(1)
Flores el Lobo	(2)	16.52	2.35
Flores el Majui	(2)	(2)	76.60
Flores el Molino S.A	0.29	1.07	5.37
Flores el Rosal Ltda	25.05	8.63	3.90
Flores el Zorro Ltda	8.84	6.98	2.57
Flores Estrella	76.60	76.60	(2)
Flores Galia Ltda	(1)	(1)	(1)
Flores Gicro Group	6.40	7.00	6.93
Flores Gicro Ltda			
Flores de Colombia			
Flores Guaicata Ltda	76.60	76.60	76.60
Flores Hacienda Bejucol	(2)	(2)	(1)
Flores Juanambu Ltda	0.80	1.72	2.30
Flores Juncalito Ltda	(1)	(1)	(1)
Flores la Fragrancia	11.04	27.14	13.50
Flores la Gioconda	(2)	(2)	3.51
Flores la Lucerna	(1)	(1)	(1)
Flores la Macarena	(1)	(1)	(1)
Flores la Union/Gomez Arango & Cia	0.70	0.00	0.00
Flores las Caicas	29.83	45.82	14.51
Flores las Mesitas	(2)	(2)	(1)
Flores los Sauces	(2)	(2)	1.97
Flores Magara	(2)	(2)	76.60
Flores Monserrate Ltda	1.69	4.69	2.22
Flores Mountgar	76.60	76.60	(2)
Flores Naturales	(2)	(2)	76.60
Flores Petaluma Ltda	76.60	76.60	76.60
Flores Ramo Ltda	(1)	(1)	(1)
Flores Rio Grande	(2)	(2)	76.60
Flores S.A	(1)	(1)	(1)
Flores Sagaro	0.33	3.53	3.29
Flores Sairam Ltda	(2)	(2)	(1)
Flores San Carlos	(1)	(1)	(1)
Flores San Juan S.A	(2)	(2)	5.31
Flores Santa Fe Ltda	3.07	4.76	4.96
Flores Santa Lucia	76.60	76.60	76.60
Flores Selectas	(2)	(2)	(1)
Flores Silvestres	2.43	0.11	2.04
Flores Tejas Verdes Ltda	76.60	76.60	76.60
Flores Tiba S.A	1.24	3.55	0.52
Flores Tocarinda	0.00	0.60	0.76
Flores Tomine Ltda	2.76	0.27	2.35
Flores Tropicales (Happy Candy) Group	0.96	2.99	2.14
Flores Tropicales Ltda.			
Happy Candy Ltda.			
Mercedes Ltda.			
Rosas Colombianas Ltda.			
Florex Group	6.74	7.09	6.97
Agricola Guacari			
Flores Altamira S.A.			
Flores de Exportacion S.A.			
Santa Helena S.A.			
Flores del Salitre Ltda.			
S.B. Talee de Colombia			
Floricola La Gaitana S.A	0.03	0.56	5.02
Florimex Colombia Ltda	(2)	(2)	(1)
Florval	(2)	(2)	5.98
Fribir Ltda	(2)	(2)	76.60
Funza Group	0.04	0.42	0.69
Flores Alborada			
Flores de Funza S.A.			
Flores del Bosque Ltda.			
Green Flowers	(2)	(2)	19.67
Groex S.A	76.60	76.60	(1)
Grupo Andes	3.81	0.35	0.22

Producer/exporter	5th	6th	7th
Cultivos Buenavista Ltda.			
Flores De Los Andes Ltda.			
Flores Horizante Ltda.			
Inversiones Penas Blancas Ltda.			
Grupo el Jardin	(2)	(2)	0.45
Agricola el Jardin Ltda.			
La Marotte S.A.			
Orquideas Acatayma Ltda.			
Guacatay Group	3.62	3.57	4.95
Agricola Guacatay S.A.			
Jardines Bacata Ltda.			
Hacienda Susata	(2)	(2)	76.60
Horticultura El Molino	(2)	(2)	(1)
HOSA Group	0.45	0.12	0.74
Horticultura De La Sabana S.A.			
Innovacion Andina S.A.			
Minispray S.A.			
HOSA Ltda.			
Prohosa Ltda.			
Industrial Agricola Ltda	0.65	2.99	(2)
Ingro Ltda	8.87	0.05	1.43
Inpar	76.60	76.60	76.60
Interflora Ltda	76.60	76.60	76.60
Inter Flores Ltda	(2)	(2)	76.60
Internacional Flowers	(2)	(2)	76.60
Invernavas	76.60	76.60	76.60
Inverpalmas	1.14	12.23	3.82
Inversiones Almer Ltda	(1)	(1)	(1)
Inversiones Cota	(2)	(2)	(1)
Inversiones el Bambu Ltda	(1)	(1)	(1)
Inversiones Flores del Alto	(2)	(2)	76.60
Inversiones Morcote	(1)	(1)	(1)
Inversiones Morrosquillo	(2)	(2)	4.71
Inversiones Nativa Ltda	76.60	76.60	76.60
Inversiones Santa Rita Ltda	14.09	16.89	14.62
Inversiones Supala S.A	(2)	3.94	3.89
Inversiones Valley Flowers Ltda	(2)	(2)	30.59
Iturrama S.A	18.85	7.89	(1)
Jardin	76.60	76.60	76.60
Jardines de America	(2)	(2)	14.81
Jardines del Muna	76.60	76.60	76.60
La Florida	76.60	76.60	76.60
La Plazoleta Ltda	(1)	(1)	(1)
Las Amalias Group	9.18	4.59	3.80
Las Amalias S.A.			
Pompones Ltda.			
La Fleurette de Colombia Ltda.			
Ramiflora Ltda.			
Linda Colombiana Ltda	1.53	2.42	1.55
Las Flores	(1)	(1)	(1)
Los Geranios Ltda	7.84	0.92	2.12
Luisa Flowers	(2)	(2)	(1)
Manjui Ltda	(1)	0.02	0.14
Maxima Farms Group	0.95	0.83	0.24
Agricola los Arboles S.A.			
Polo Flowers			
Rainbow Flowers			
Monteverde Ltda	5.73	5.51	5.24
Naranjo Exportaciones e Importaciones	(2)	(2)	76.60
Natuflora Ltda./San Martin Bloque B	2.12	1.33	1.69
Oro Verde Group	2.45	1.66	0.37
Inversiones Miraflores S.A.			
Inversiones Oro Verde S.A.			
Papagayo Group	7.82	15.21	9.96
Agricola Papagayo Ltda.			
Inversiones Calypso S.A.			
Petalos De Colombia Ltda	14.86	4.20	4.09
Pisochago Ltda	(2)	(2)	5.77
Plantaciones Delta Ltda	(1)	(1)	(1)
Plantas Ornamentales De Colombia S.A	0.13	4.77	76.60
Plantas S.A	(1)	(1)	(1)
Proflores Ltda	(2)	(2)	0.00
Propagar Plantas	(1)	(1)	(1)
Queen's Flowers Group	76.60	76.60	76.60

Producer/exporter	5th	6th	7th
Queen's Flowers De Colombia Ltda.			
Jardines De Chia Ltda.			
Jardines Fredonia Ltda.			
Agrodindustrial del Rio Frio			
Flores Canelon			
Flores del Hato			
Flores La Valvanera Ltda.			
M.G. Consultores Ltda.			
Flores Jayvana			
Flores el Cacique			
Flores Calima			
Flores la Mana			
Flores el Cipres			
Flores el Roble			
Flores del Bojaca			
Flores el Tandil			
Flores el Ajibe			
Flores Atlas			
Floranova			
Cultivos Generales			
Rosaflor	(1)	(1)	(1)
Rosales de Colombia Ltda	(1)	(1)	(1)
Rosalinda Ltda	(2)	(2)	(1)
Rosas de Colombia	(1)	(1)	(1)
Rosas Sabanilla Group	0.23	0.52	0.46
Flores La Colmena Ltda.			
Rosas Sabanilla Ltda.			
Inversiones La Serena			
Agricola La Capilla			
Rosas Tesalia	(1)	(1)	(1)
Rosas y Flores Ltda	76.60	76.60	76.60
Rosex Ltda	(1)	(1)	(1)
Rosicler Ltda	76.60	76.60	76.60
Sabana Flowers	76.60	76.60	76.60
Sabana Group	7.89	2.59	3.48
Flores de la Sabana S.A.			
Roselandia			
Sansa Flowers	(1)	(1)	(1)
Santa Rosa Group	1.88	2.97	0.96
Flores Santa Rosa Ltda.			
Floricola la Ramada Ltda.			
Santana Flowers Group	0.26	2.14	(2)
Hacienda Curubital			
Inversiones Istra			
Santana Flowers			
Senda Brava Ltda	12.37	0.10	1.57
Shasta Flowers y Compania Ltda	3.91	0.22	0.00
Siempreviva	(1)	(1)	(1)
Soagro Group	9.78	13.23	5.81
Argicola el Mortino Ltda.			
Flores Aguaclara Ltda.			
Flores del Monte Ltda.			
Flores la Estancia			
Jaramillo y Daza			
Sunset Farms	76.60	76.60	76.60
Superflora Ltda	(2)	(2)	6.28
Sweet Farms	(2)	(2)	(1)
Tag Ltda	0.31	0.64	3.38
Tempest Flowers	76.60	76.60	76.60
The Beall Company (Beall's Roses)	(1)	(1)	(1)
Tinzuque Group	5.48	0.07	0.01
Tinzuque Ltda.			
Catu S.A.			
Toto Flowers Group	1.34	1.98	0.09
Flores de Suesca S.A.			
Toto Flowers			
The Tuchany Group	0.59	0.50	0.83
Tuchany S.A.			
Flores Sibate S.A.			
Flores Munya S.A.			
Flores Tikaya Ltda.			
Uniflor Ltda	6.14	1.11	3.78
Velez de Monchaux Group	4.38	6.20	5.10

Producer/exporter	5th	6th	7th
Velez De Monchaux e Hijos Y Cia. S. en C. Agroteusa			
Victoria Flowers	0.76	2.33	1.74
Villa Cultivos Ltda	(2)	(2)	3.37
Vuelven Ltda	(2)	4.20	4.69

[1] No U.S. sales during this review period.
[2] No review requested for this period.

The Department will instruct the Customs Service to assess antidumping duties on all appropriate entries. Individual differences between United States price and foreign market value may vary from the percentages as 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 these final results of administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse for consumption, as provided by section 751(a)(1) of the Act, on or after the publication date of these final results of review: (1) The cash deposit rate for the reviewed companies will be the most recent rates as 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 less-than-fair-value 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) the cash deposit rate for all other manufacturers or exporters will be the ''all other'' rate of 3.10 percent. This is the rate established during the LTFV investigation.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also 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 the subsequent assessment of double antidumping duties.

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO. These administrative reviews 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: August 9, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–20931 Filed 8–16–96; 8:45 am]

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National Oceanic and Atmospheric Administration

[I.D. 080996C]

Gulf of Mexico Fishery Management Council; Public Meetings

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will convene public meetings.

DATES: The meetings will be held on September 9–13, 1996.

ADDRESSES: These meetings will be held at the Holiday Inn Crowne Plaza, 333 Poydras Street, New Orleans, LA; telephone: 504–525–9444.

Council address: Gulf of Mexico Fishery Management Council, 5401 West Kennedy Boulevard, Suite 331, Tampa, FL 33609.

FOR FURTHER INFORMATION CONTACT: Wayne E. Swingle, Executive Director; telephone: (813) 228–2815.

SUPPLEMENTARY INFORMATION:

Council

September 11

3:00 p.m.—Convene.

3:15 p.m. - 4:15 p.m.—Receive a report of NMFS Highly Migratory Species Activities.

4:15 p.m. - 5:30 p.m.—Receive a report of the Joint Shrimp/Reef Fish Committee.

September 12

8:30 a.m. - 10:30 a.m.—Receive a report of the Shrimp Management Committee.

10:30 a.m. - 11:30 a.m.—Receive a report of the Red Drum Management Committee.

1:00 p.m. - 3:30 p.m.—Reconvene to receive a report of the Reef Fish Management Committee.

3:30 p.m. - 4:00 p.m.—Receive a report of Habitat Protection Committee.

4:00 p.m. - 4:30 p.m.—Receive a report of the Ad Hoc Communications Committee.

4:30 p.m. - 5:00 p.m.—Personnel Session (CLOSED SESSION).

September 13

8:30 a.m. - 9:15 a.m.—Receive a report of Magnuson Act Amendments.

9:15 a.m. - 9:30 a.m.—Receive a report of the Shark Operations Team.

9:30 a.m. - 9:45 a.m.—Receive a South Atlantic Fishery Management Council Report.

9:45 a.m. - 10:00 a.m. —Receive Enforcement Report.

10:00 a.m. - 10:30 a.m.—Receive Director's Reports.

10:30 a.m. - 10:45 a.m.—Other business to be discussed.

10:45 a.m. - 11:00 a.m.—Election of Chairman and Vice-Chairman.

Committees

September 9

11:00 a.m. - 12:00 noon—Convene the Personnel Committee. (CLOSED SESSION)

1:00 p.m. - 5:00 p.m.—Convene the Joint Shrimp/Reef Fish Management Committee. The committees will consider a report by LGL Ecological Research Associates, Inc. of Bryan, Texas that analyzes the procedure and data available for use by NMFS in preparing the assessments of the status of red snapper stock. The committees will also hear comments by scientific groups on this report and will develop its recommendations to the Council.