

direct selling expenses. We also deducted from CV the indirect selling expenses up to the amount of U.S. indirect selling expenses incurred on U.S. sales and U.S. commissions to unrelated parties.

2. Flores Mocari S.A.

For CV to purchase price comparisons, we made circumstance of sales adjustments for direct selling expenses including credit expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for credit expenses. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

3. Grupo Clavecol

For CV to purchase price comparisons, pursuant to section 773(a)(4)(B) of the Act and 19 CFR 353.56(a)(2), we made circumstance of sale adjustments, where appropriate, for credit expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for credit expenses. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

4. Grupo Sabana

For CV to purchase price comparisons, we made circumstance of sales adjustments for direct selling expenses, including credit expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for direct selling expenses, including credit expenses. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

5. Grupo Tropicales

For CV to purchase price comparisons, we made circumstance of sales adjustments, where appropriate, for direct selling expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for direct selling expenses, including credit expenses. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

6. Rosex LTDA

For CV to purchase price comparisons, we made circumstance of

sale adjustments, where appropriate, for credit expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for credit expenses. We also deducted from CV the indirect selling expenses up to the amount of indirect selling expenses and commissions paid to unrelated parties incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

Verification

As provided in section 776(b) of the Act, we conducted verification of the information provided by the respondents by using standard verification procedures, including the examination of relevant sales, cost and financial records, and selection of original source of original source documentation.

Critical Circumstances

In the petition, the petitioner alleged that "critical circumstances" exist with respect to importation of roses. However, we did not initiate a critical circumstances investigation because, since roses are extremely perishable, it is not possible to accumulate an inventory of roses in order to evade a potential antidumping duty order. Therefore, we determined that an allegation that critical circumstances exist is without merit (See the September 12, 1994, concurrence memorandum).

General Comments

Petitioner and respondents raised comments pertaining to the concordance, the treatment of Difmer adjustments, the aggregation of third country markets, and annual and monthly averaging of FMV. These comments were rendered moot by the Department's decision to base FMV on CV. See Comment 6 below.

Comments Pertaining to Scope

Comment 1: Roses in Bouquets

Respondents assert that roses in bouquets should not be included within the scope of the investigation for four reasons: (1) There is no legal basis for the Department to include within the scope of the investigation only a component part contained in imported finished merchandise (*i.e.*, the roses within the bouquet); (2) bouquets are not within the same class or kind of merchandise as roses according to the criteria set out in *Diversified Products v. United States*, 572 F. Supp. 883, 889 (CIT 1983) (*Diversified Products*); (3) the Department lacks the authority to expand the investigation to include bouquets; and (4) petitioner does not represent producers of bouquets or

producers of "roses in bouquets." Respondents have supplied an analysis of the information in these investigations as applied to *Diversified Products*.

Petitioner requests that the Department continue to include roses in bouquets within the scope of its investigation. Petitioner states that since the description of bouquets is found in the petition, the Department's and ITC's preliminary determinations are dispositive as to the scope of the investigation, and an analysis under *Diversified Products* is unnecessary, although petitioner supplied such an analysis. Petitioner states that the scope description in the petition covers all fresh cut roses, whether imported as individual blooms (stems) or in bouquets or bunches. Also, petitioner claims to represent growers producing mixed bouquets of fresh cut flowers, and hence has standing to file a petition covering bouquets.

Petitioner maintains that any antidumping duty order issued in this investigation will be substantially undermined if foreign rose producers/exporters can circumvent the order by importing bouquets of fresh cut roses covered by the order. Petitioner states that it would be absurd for the Department to permit respondents to combine merchandise subject to the order to achieve a final product outside the scope of the order.

DOC Position

Roses, including roses in bouquets, are within the scope of the investigation and constitute a single class or kind of merchandise. Because the scope covers only the roses in bouquets, not the bouquets themselves, respondents' arguments that bouquets constitute a separate class or kind are inapposite. Therefore, a *Diversified Products* analysis is not required. The Department's conclusion that all roses, whether or not imported as individual stems or in bouquets or bunches, constitute a single class or kind of merchandise is consistent with its determination in *Flowers*. See *Flowers*, 59 FR 15159, 15162-4 (March 31, 1994) (final results of 4th admin. review).

The packaging and presentation of roses in bunches and bouquets do not transform the roses into merchandise outside the scope of the order. See *Final Determination of Sales at Less Than Fair Value; Red Raspberries from Canada*, 50 FR 19768, 19771 (May 10, 1985). Nor is the rose transformed into a new article by virtue of being bunched or placed in a bouquet. Notably, Customs disaggregates bouquets, requiring separate reporting and