

respondent's U.S. sales listing to be unreliable and resort to BIA.

The respondent states that the quantity shipped to its U.S. subsidiary reconciles with the quantity received by the U.S. subsidiary in the United States and that documentation collected by the Department at verification demonstrates that the U.S. sales listing is reliable.

DOC Position

We agree with the respondent. It was demonstrated at verification that, for the three selected POI months, the quantity shipped by the respondent to the United States reconciles with the quantity received by the U.S. subsidiary. In cases where differences existed between the amount of merchandise shipped from Colombia and the amount received in the United States, the respondent provided a reconciliation of the differences. Therefore, we have used the respondent's U.S. sales data in our analysis because the U.S. sales listing is reliable.

Comment 35

The petitioner contends that we should resort to BIA due to the number and frequency of data problems such as the mis-reporting and under-reporting of sales information from invoices and grower-reports.

The respondent maintains that it provided the Department with all information necessary to correct data-entry errors at verification and that the Department verified all corrections. The respondent points out that these errors all arose as a result of manually entering data for tens of thousands of home market sales and providing the Department with one monthly variety-specific stem-specific U.S. price during each POI month. Because the errors were unavoidable and most, if not all, were brought to the attention of the Department's verification team, the respondent requests that the Department use its sales data in the final analysis.

DOC Position

We agree with the respondent. We thoroughly tested the respondent's sales databases and established that the errors mentioned above were inadvertent, isolated, and small in magnitude, all of which the respondent either brought to our attention or were errors which we discovered as a result of respondent providing all requested information. Therefore, we have used respondent's response in our analysis.

Comment 36

The petitioner alleges that the respondent's methodology for determining returned quantities

(described in the respondent's September 12, 1994, submission) is based on returns of both subject and non-subject merchandise and that the Department should not allow the adjustment. In addition, the petitioner maintains that, even though the respondent's reported monthly returned quantities were less than what would have resulted using an alternative methodology described in the verification report, the Department should not correct for the respondent's error because it would greatly benefit the respondent by producing increases in the average unit value of the quantity sold.

The respondent states that it did not include amounts of non-subject merchandise in its allocation methodology. The respondent further notes that the methodology it used conservatively calculated its quantity of returns. Therefore, the respondent maintains that the Department should accept its returned credit quantity allocation method.

DOC Position

We agree with the respondent. As verification demonstrated, information contained in the credit memos is not contained in the respondent's U.S. subsidiary's computer system. For this reason, the respondent used a monthly allocation method. Furthermore, we find that the respondent did not include returns of non-subject merchandise in its monthly allocation method. After examining the U.S. sales database, we determined that the respondent had in fact correctly applied the allocation method described in its September 12, 1994, submission. The verification report notes that had the respondent used the returned credit *value* factors (not the returned credit quantity factors), the total quantity returned amount for the POI would have been greater than the amount the respondent in fact derived using its allocation method. This does not, however, signify that the respondent's allocation methodology was improperly or incorrectly computed. Thus, we have accepted the respondent's returned credit quantity allocation method.

Comment 37

The petitioner contends that respondent's foreign inland freight monthly per-unit amounts shown in the verification report are based on quantity information contained in the registros and should not be used. In addition, the petitioner questions the variation in some of the monthly per-unit amounts. Finally, the petitioner maintains that the respondent should not have allocated

the freight costs over gross unit price, since prices for different varieties and colors fluctuate substantially and such an allocation method would understate inland freight charges on the least expensive roses. Because of these alleged errors, the petitioner requests that the Department use, as BIA, the highest monthly per-unit amount to calculate freight expenses for all POI months.

The respondent states that the quantity figures used in the freight calculation were verified by the Department and that it did not allocate its freight costs over gross unit price. In addition, the respondent states that monthly freight costs fluctuate significantly because the volume of shipments can be vastly different for a given month. Therefore, the respondent maintains that the Department should accept its methodology and not reject it because freight costs differ from one month to another in the POI.

DOC Position

We agree with the respondent. It was demonstrated at verification that its revised freight expense calculation is not based on quantity amounts from the registros, but on amounts from invoices and grower reports. Specifically, the quantity amounts of roses and non-subject merchandise sold to third countries are from invoices and the quantity amounts of roses and non-subject merchandise sold in the U.S. market are from grower reports. Therefore, respondent is using actual quantities to derive its freight expense.

Regarding the petitioner's concerns that questionable variations exist for some of the monthly per-unit amounts, the respondent derived its monthly freight expenses by determining the freight expense it paid and the quantity amount it exported for each month based on when it recorded the expense in its accounting records and when it exported its product based on invoices. We have no reason to question this methodology because the calculated expenses accurately reflect the amounts respondent incurred.

Finally, the respondent did not allocate freight expenses over gross unit price. As found at verification, the respondent derived monthly freight per-unit expenses using only quantity and freight expenses as variables. Therefore, we have accepted the respondent's freight allocation methodology and have used the monthly per-unit amounts.

Comment 38

Respondent states that, while it normally accounts for the cost of greenhouse plastic as an expense in the