we have corrected this problem in our final calculations. (*See* Comment 11).

Comment 65

Respondent claims the Department's verification report overstates the errors with respect to its credit period calculation and U.S. credit expenses, and that only two customers were affected. For those two customers, respondent used an incorrect box charge in the denominator of its credit expense calculation. Respondent claims that increasing the monthly average sales by a given amount results in no change to the credit periods for these two customers. Respondent also states that the days outstanding will not change as a result of volume changes as suggested in the verification report.

The petitioner states that verification disclosed errors in the calculation of U.S. credit days that should be amended.

DOC Position

While we noted errors in respondent's calculation of U.S. credit days for two customers, the effect of these errors does not change the actual number of days outstanding from that reported. Thus, we have used respondent's reported days outstanding.

Comment 66

The petitioner states that discounts are price adjustments or direct selling expenses, not financial costs. Accordingly, such costs should be segregated and separately deducted as direct selling expenses. The petitioner states that to the extent that these costs cannot be separated from true financial costs, the entire amount should be treated as direct selling expenses.

The respondent states that there is no way to segregate cash discounts from the related importer's financial expenses, nor is there any reason to do so. Respondent notes that because the basis of its FMV is CV, it does not matter whether these costs are reported as indirect or direct selling expenses.

DOC Position

We agree with the petitioner that discounts should be segregated and treated as a price adjustment. Accordingly, we have segregated discounts from indirect selling expenses and made an adjustment to USP for these discounts. Thus, we have adjusted indirect selling expenses for the discounts and have also included financial expenses in the indirect selling expenses.

Grupo Clavecol

Comment 67

The petitioner maintains that respondent's air freight charges were improperly allocated by flower weight. The petitioner maintains that the use of a universal kg/box weight to allocate freight charges is inaccurate because box weight will vary significantly depending on the type of flowers packed in the same size box. The petitioner maintains that the per-rose weight calculated from the reported average is not realistic based on the petitioner's comparison of the per-rose weight to weights of other flowers shipped by respondent. The petitioner maintains that the Department should use the ratio of total sales of roses to total sales of all flowers to allocate total air freight charges to roses.

The respondent maintains its allocation is reasonable because, although the number of flowers per box varies, boxes of flowers are generally treated as weighing approximately the same regardless of the type of flowers contained in the box. The respondent states that the petitioner overstates the variance in flower weights by failing to recognize that units for flowers such as alstromeria are for bunches, not stems. Moreover, the petitioner's proposed methodology appears to result in a lower air freight charge for roses than the currently reported allocation.

DOC Position

We disagree with the petitioner. The petitioner did not distinguish between numbers of stems and numbers of bunches for alstromeria, which changes the relationship between weight and flower type considerably. The result of respondent's calculation was an average weight per rose stem which is neither unreasonable nor improbable. We note that the respondent's basic weight-driven methodology had been on the record since June. The petitioner never raised this issue, nor did the Department instruct respondent to change its reporting prior to verification. Verification is not intended to collect new data nor to design new methodology. The petitioner neglects to mention that the air freight bills to respondent's U.S. subsidiary cover the subsidiary's FOB Miami sales both to the United States and to Canada, so that the higher rate would, in fairness, apply to the average for both U.S. and Canadian FOB Miami sales. Accordingly, we have continued to use the data as reported and verified by the Department.

Comment 68

The petitioner maintains that respondent did not sufficiently substantiate that the expenses recorded under a certain account code pertain only to sales made to third countries. The petitioner argues that respondent presented no documentation at verification to support its claim. Moreover, the petitioner argues that, if third-country sales represent a given percent of total exports, it is not credible that third-country selling expenses equal a larger percent of total selling expenses reported.

Respondent maintains that the documentation examined at verification showed that the categories of expenses included in its response were specifically related to third country sales. The respondent states that these expenses, by their nature, do not apply to U.S. sales.

DOC Position

We disagree with the petitioner. The Department's verifiers were provided with both explanations and basic documentation to show that certain Bogota export expenses did not pertain to U.S. sales. In terms of the general difference in levels of cost, respondent's sales channels in third-country markets are not the same as its operations in the United States, therefore, it is not improbable that different costs are incurred for processing third country sales.

Comment 69

The petitioner argues that respondent should have separately reported U.S. inland freight costs rather than include them with indirect selling expenses.

The respondent maintains that the Department issued a letter on August 10, 1994, expressly stating that it was not necessary to segregate inland freight charges from U.S. indirect selling expenses.

DOC Position

Early in the investigation, counsel for numerous Colombian respondents, including respondent, explained that, because of the nature of their companies' record-keeping, certain expenses could not readily be broken out in the requested computer format. In our August 10, 1994, letter, we allowed the respondents to report various expenses, including brokerage and handling, inland freight, and warehousing, as components of aggregate indirect selling expenses, instead of breaking these out as separate costs to be reported as movement expenses. The letter was conditional, however, as it stated that, ''if at