

Group's farms. However, the respondent contends that it is impossible to separate selling expenses on a farm-specific basis. The respondent maintains that its allocation methodology for its indirect selling expenses is correct because the total selling expenses to be allocated reflect selling support functions for all the Group's products. The respondent argues that it would have overstated its total selling expenses allocable to roses if, as the Department suggests, it would have used sales revenue from only Floramerica, S.A. and Flores Las Palmas.

The petitioner argues that indirect selling expenses incurred in Colombia should be allocated only over sales by Floramerica S.A. and Las Palmas. The petitioner maintains that the verification exhibit supporting the Department's analysis of respondent's indirect selling expenses expressly states "Total Selling Expenses (Floramerica and Palmas)" allocated by revenue of all farms in the Group. The petitioner further argues that the cost verification report does not indicate that selling expenses were limited to Floramerica, S.A. and Flores Las Palmas.

#### DOC Position

We agree with respondent. Respondent allocated the indirect selling expenses of Floramerica, S.A. and Flores Las Palmas to roses by determining the percentage of rose sales as a proportion of sales of all products. Because respondent allocated Floramerica S.A.'s and Flores Las Palmas' indirect selling expenses by the revenue of all related farms in the Group, its calculation understated the indirect selling expenses of Floramerica, S.A. and Flores Las Palmas. However, because Floramerica S.A. provides sales support for the entire group, if we allocated the indirect selling expenses by only Floramerica S.A.'s and Flores Las Palmas' revenue, we would overstate their indirect selling expenses. Therefore, as there is no way to reallocate these expenses, we have accepted the respondent's methodology as reasonable.

#### Comment 77

Petitioner argues that only income relating directly to respondent's short-term assets is permitted as an offset to interest expense.

Respondent contends that the Department should continue to allow its total financial income to offset its financial expenses. Respondent maintains that the cost verification report does not conclude that only a portion of its financial income should

be allowed to offset its financial expenses. According to the respondent, the cost verification report states that financial income generated from short-term investments of working capital are generally allowed as an offset to financial expenses. Respondent states that its financial income was verified without discrepancy.

#### DOC Position

Respondent reduced financial expenses for interest income earned from certain assets. These assets had maturities ranging from one to five years. The Department generally only allows financing expense to be offset by short-term investments of working capital (see, *Final Result of Antidumping Administrative Review: Gray Portland Cement from Mexico*, 58 FR 47256 (September 8, 1993)). The maturities of these assets are all greater than one year and therefore cannot be considered short-term in nature. Therefore, we disallowed the portion of interest income earned from the long term assets.

#### Comment 78

Petitioner argues that fixed costs should be included in respondent's packing expenses.

Respondent states that the Department verified its packing calculation and its allocation methodology and found no discrepancies. Therefore, respondent contends that the Department should use the verified packing expense data and not the BIA amount used in the preliminary determination. Furthermore, respondent argues that the Department should include fixed overhead in the packing costs. Respondent further argues that, if the Department decides these costs are not packing costs, these costs must be classified as indirect selling expenses.

#### DOC Position

We agree with respondent that certain fixed overhead costs are part of the packing operation. Accordingly, we have included fixed overhead related to the packing operation in the packing cost for purposes of the final determination.

#### Comment 79

Respondent contends that the Department should make year-end accounting adjustments which were noted at verification. Respondent states that it reported the higher unadjusted costs to the Department instead of its actual costs, as adjusted at year-end. Respondent states that the most significant of the year-end accounting

adjustments relates to an over-accrual of pension liability. Respondent states that it reported the higher, unadjusted costs rather than the actual labor costs incurred during the POI.

Petitioner agrees with the respondent that the Department should make year-end labor adjustments.

#### DOC Position

We agree with respondent that its submitted cost data did not include the year-end accounting adjustments. Accordingly, for purposes of the final determination, we corrected the submitted costs to include all 1993 year-end adjustments.

#### Comment 80

Respondent argues that the Department should accept its reported and verified G&A calculation, which was based on cost of goods sold, for purposes of the final determination.

Petitioner agrees with respondent that the Department's normal practice is to allocate G&A on the basis of cost of goods sold. Petitioner states that there is no apparent reason to depart from the normal methodology unless adequate cost data for each respondent is not available.

#### DOC Position

We agree with both parties. The Department considers respondent's allocation of interest expense and G&A based on cost of goods sold to be reasonable.

#### Grupo Intercontinental

##### Comment 81

Respondent argues the Department should base its final determination on the information submitted by it and verified by the Department. It states that, while the Department used BIA as a basis for its preliminary determination, the Department noted in that determination that it would conduct verification and base its final determination on the verified information if these respondents submitted "adequate and timely" responses to supplemental requests for information.

Respondent states that it filed adequate and timely responses to supplemental requests regarding both sales and cost and the Department made no further requests for additional information or clarification. Moreover, respondent states that the Department conducted a detailed verification of the information submitted and found only a few minor discrepancies in revenue and charges.

The petitioner states that respondent's U.S. sales listing is unreliable and