therefore, no adjustment is deemed necessary.

Comment 92

Respondent notes that the Department is correct in suggesting that the write-off of bad debt is a selling expense. However, the write-off of the bad debt is a selling expense related to sales in 1990 and 1991, not to sales during the POI. Therefore, the amount of the write-off should be excluded from finance expense and should not be included in the calculation of POI per unit costs.

Petitioner argues that the bad debt write-off during the POI should be included as a selling expense for the POI. The petitioner notes that, in the future respondent will experience bad debt expense related to sales occurring in the POI, which would not be included in POI costs. Thus, the current write-off of past sales is the best evidence of the proper amount to be deducted currently.

DOC Position

The Department agrees with petitioner. We consider bad debt, by its very nature, to be an indirect selling expense since, under generally accepted accounting principles, bad debt is recovered over time by future price increases (*see, Brass Sheet and Strip from France*, 52 FR 6, 812 (DOC 1987)). Bad debts should be recognized when the expense is recognized.

Comment 93

Respondent maintains that the unreported general expense items do not relate to rose production during the POI. Respondent asserts that they are corrections to sales and production expenses from previous years. Therefore, these costs are not properly attributable to the POI. Respondent contends that if the Department decides to include these costs, then it also should offset them by the related income amounts.

Petitioner argues that there is no basis to offset G&A expense items and year-end accounting adjustments with income unrelated to rose production. According to petitioner there is no evidence to support respondents' claim for this offset.

DOC Position

The unreported general income and expense items relate to the general activities of respondent as a whole. Certain income and expense items identified during the current year relate to prior periods. Similarly income and expense items relating to the current year are not being identified until a future point in time, thus generating an offsetting effect. Therefore, we consider it reasonable to include the financial statement general income and expense items in the G&A calculation.

Grupo Prisma

Comment 94

The respondent claims that each of the deficiencies identified by the Department as a reason for BIA in the preliminary determination are now moot because the problems have been resolved in its September 23, 1994, submission and at verification. Respondent states that the Department thoroughly verified the completeness of its U.S. and home market sales reporting, the accuracy of the adjustments and the methodology used to consolidate sales of different companies of the group. Respondent claims the Department identified only minor data entry errors in its sales report. Accordingly, respondent alleges there no longer exists any sustainable basis for finding that its response contains significant deficiencies or for applying a BIA rate.

Respondent states that the ''significant findings'' noted in the sales verification report all involve minor data entry errors that were corrected and verified. Respondent states that none of the errors detracts from the overall integrity of the questionnaire response. Specifically, respondent indicates that, whether or not Argicola el Faro (one of the respondent's growers) was omitted from the corporate flow chart is inconsequential as Agricola el Faro's products never separately enter the United States. Regarding quantity changes noted in the verification report, respondent notes that these were isolated and the result of input errors. Finally, respondent states that the reporting error to one customer has no impact on its overall numbers and that the error worked against it and respondent states that the Department should use the corrected sales listing it prepared for this customer. The respondent states that the petitioner's entire argument for basing the respondent's final determination on BIA is based on a misrepresentation of a sentence in a draft version of the verification report that the Department has admitted was mistakenly issued to the petitioner.

Finally, respondent alleges that the petitioner took a statement out of context from the verification report to suggest that the respondent's indirect selling expenses are not accurate. Respondent notes that, as its unrelated importer had prepared the noted worksheet based on its own documents and records, the information could not be verified by using its documents. Moreover, respondent states that even disregarding the importer's worksheets and using its own sales values did not change the indirect selling expense that it reported. Thus, respondent claims there is no basis for the petitioner's charge that its response is unreliable.

The petitioner states that, based upon the results of verification, respondent's U.S. sales listing is unreliable and should be rejected in favor of BIA. The petitioner states that the Department found numerous discrepancies during verification including discrepancies in respondent's June sales affecting volume and value and, sometimes, both. The petitioner also notes that, with respect to U.S. indirect selling expenses, the verification report states that, ''importer's worksheets were not maintained as we were unable to verify much of the data.'' Therefore, the petitioner claims that the U.S. sales listing is not credible. The petitioner suggests that the June sales for which the Department checked 100 percent of the transactions might be relied upon as the basis for calculating margins for that month. Without similarly exhaustive revisions to the sales listing for other months, however, the petitioner claims the errors are too numerous to disregard. The petitioner, thus, suggests that BIA be used for purposes of the final determination.

DOC Position

Although we used BIA for respondent for purposes of the preliminary determination, we conducted a complete and thorough verification of its responses. The discrepancies noted at verification were of the type normally discovered at verification. We find no reason to reject the respondent's response in *to to* and have used it for purposes of the final determination.

Comment 95

The petitioner alleges that respondent has not included any salaries in its indirect selling expenses and references an account for the respondent that includes G&A expenses for the company.

Respondent states that, as its unrelated importers in Miami function as its sales force, it does not have a sales force in Miami. Respondent notes that the account the petitioner mentions includes all expenses for general services, including all administrative and general management salaries. Thus, respondent notes that the expenses were properly reported as G&A expenses in the CV tables. Respondent claims it included all relevant salaries in its