We calculated ESP based on packed prices to unrelated customers in the United States. We made deductions, where appropriate, for quality-related credits, foreign inland freight, export taxes, air freight, U.S. customs duties, U.S. brokerage and handling expenses and U.S. inland freight. We also made deductions for direct selling expenses inlcuding credit and for U.S. and Ecuadorian indirect selling expenses, including inventory carrying costs.

Regarding export taxes, Arbusta did not report these taxes in its sales listing. Because the taxes are included in the USP, we, therefore, calculated them based on the formula given in Arbusta's response.

2. Floricola

For Floricola, we calculated ESP based on packed prices to unrelated customers in the United States. We made deductions, where appropriate, for quality-related credits, including billing and other credits, foreign inland freight, export taxes imposed by the government of Ecuador, air freight, U.S. customs duties, U.S. inland freight and credit expenses. We also made deductions for U.S., Panamanian, and Ecuadorian indirect selling expenses, including brokerage and handling expenses and inventory carrying costs.

Floricola failed to report inventory carrying costs on their ESP sales. Accordingly, as in the preliminary determination, we calculated these costs using an inventory carrying period of seven days.

3. Guaisa

For Guaisa, we calculated purchase price based on packed F.O.B. Quito prices to unrelated customers. We made deductions, where appropriate, for quality-related credits and foreign inland freight. We also made deductions for export taxes imposed by the Government of Ecuador.

We calculated ESP based on packed prices to unrelated customers in the United States. We made deductions, where appropriate, for quality-related credits, foreign inland freight, U.S. inland freight, air freight, U.S. customs duties, U.S. brokerage and handling expenses, employee commissions, credit expenses and indirect selling expenses including warehousing expenses inventory carrying costs.

Guaisa reported that it earned a rebate, as well as six free round-trip tickets, from its air freight carrier based on its volume of sales to the United States during the POI. We deducted the rebate from Guaisa's air freight calculations. However, because the airline tickets were not a direct reduction in the air freight paid, we did not reduce Guaisa's air freight.

Foreign Market Value

We based FMV on CV for all producers. For those respondents with viable third country markets, we rejected sales to these markets. *See* Comment 6 below. The remaining respondent had no viable home or third country market. We calculated CV on a rose type basis, where the appropriate data were available. *See* comment 5 below.

In order to determine whether there were sufficient sales of fresh cut roses in the home market to serve as a viable basis for calculating FMV, we compared the volume of home market sales of export quality roses to the volume of third country sales of export quality roses in accordance with 19 U.S.C. 1677b(a)(1)(A). Based on this comparison, we determined that none of the three non-BIA respondents had viable home markets.

In the preliminary determination, we based FMV for two of the three non-BIA respondents on third country sales. However, as set forth in Comment 6 below, we determined third country prices as an inappropriate basis for FMV in this investigation. Therefore, we calculated FMV based on CV for all non-BIA companies, in accordance with 19 U.S.C. 1677b(e).

Third Country Versus Constructed Value

The Department has determined that FMV should be based on CV rather than third country. For a full discussion of this issue, see Comment 6 below.

Constructed Value

We also made specific adjustments to each respondent's submitted COP and CV data as described below:

1. Arbusta

For Arbusta, we: (1) Adjusted amortization and depreciation expenses for the effects of Ecuadorian inflation; (2) corrected G&A to reflect income generated from the sale of humus; (3) reclassified the FONIN tax to selling expenses; (4) removed foreign exchange gains unrelated to production from the reported financial expenses.

2. Floricola

For Floricola, we: (1) Adjusted amortization and depreciation expenses for the effects of Ecuadorian inflation; (2) corrected a computational error in the amortization expense; (3) reclassified the FONIN tax to selling expenses; (4) included the amortization of pre-operating expenses and corrected the over accrual of other expenses in G&A; (5) reclassified insurance reimbursements, gain on sale of fixed assets and other expenses from financial expense to G&A; (6) revised the cost of goods sold used as the allocation basis for G&A; and, (7) decreased short term financial income for foreign exchange gains from sales transactions.

3. Guaisa

For Guaisa, we: (1) Adjusted amortization and depreciation expenses for the effects of Ecuadorian inflation; (2) corrected the allocation methodology for certain expenses to a relative area planted methodology; (3) included the write-off of greenhouses; (4) adjusted costs for two clerical errors; (5) increased financial expenses to include all interest paid; (6) increased financial expenses for translation losses on loans denominated on foreign currencies; (7) increased the quantity of export quality roses to reflect normal production levels.

In order to calculate FMV, we made company-specific adjustments as described below:

1. Arbusta

For CV to purchase price comparisons, we made circumstance of sale 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 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).

2. Floricola

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

3. Guaisa

For CV to purchase price comparisons, we made circumstance of sale adjustments for direct selling expenses including credit expenses and export taxes.

For CV to ESP comparisons, we made deductions, where appropriate, for direct selling expenses including credit expenses and export taxes. We also deducted from CV the indirect selling expenses, including inventory carrying costs and warehousing expenses up to the amount of indirect selling expenses