incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).

Currency Conversion

Because certified exchange rates for Ecuador were unavailable from the Federal Reserve, we made currency conversions for expenses denominated in Ecuadorian sucres based on the official monthly exchange rates in effect on the dates of the U.S. sales as published by the International Monetary Fund.

Verification

As provided in 19 U.S.C. 1677e(b), Department personnel conducted sales and cost verifications of respondents' data from October 3, 1994, through November 11, 1994, in Quito, Ecuador; the Netherlands; Miami, Florida; New York, New York; and Los Angeles, California.

Critical Circumstances

In the petition, petitioner alleged that "critical circumstances" exist with respect to importation of roses. However, we did not initiate a critical circumstances investigation. Because roses are extremely perishable, it is not possible to accumulate an inventory of roses in order to evade a potential antidumping duty order. Therefore, we determined that an allegation that critical circumstances exist is without merit. *See* the September 12, 1994, Concurrence Memorandum.

Interested Party Comments

The Department conducted LTFV investigations in Fresh Cut Roses from Ecuador and Fresh Cut Roses from Colombia concurrently. We determined that certain decisions should be applied consistently across both cases, even though parties may have placed different arguments on the record as these decisions concerned issues common to both cases. All decision memoranda pertaining to general issues and corresponding supporting documentation are on the record for both investigations. The information discussed in the General Comments section of this notice is all nonproprietary. Therefore, unless otherwise stated, the General Comments apply to both investigations, even if parties in one investigation did not specifically address the issue.

General Comments

Petitioner and respondents raised comments pertaining to the concordance, the treatment of Difmer adjustments, the aggregation of third country markets, and annual and monthly averaging of FMV. These comments were rendered moot by the Department's decision to base FMV on CV. See Comment 6 below.

Comments Pertaining to Scope

Comment 1: Roses in Bouquets

Respondents assert that roses in bouquets should not be included within the scope of the investigation for four reasons: (1) There is no legal basis for the Department to include within the scope of the investigation only a component part contained in imported finished merchandise (i.e., the roses within the bouquet); (2) bouquets are not within the same class or kind of merchandise as roses according to the criteria set out in Diversified Products v. United States, 572 F. Supp. 883, 889 (CIT 1983) (Diversified Products); (3) the Department lacks the authority to expand the investigation to include bouquets; and (4) petitioner does not represent producers of bouquets or producers of "roses in bouquets." Respondents have supplied an analysis of the information in these investigations as applied to Diversified Products.

Petitioner requests that the Department continue to include roses in bouquets within the scope of its investigation. Petitioner states that since the description of bouquets is found in the petition, the Department's and ITC's preliminary determinations are dispositive as to the scope of the investigation, and an analysis under Diversified Products is unnecessary, although petitioner supplied such an analysis. Petitioner states that the scope description in the petition covers all fresh cut roses, whether imported as individual blooms (stems) or in bouquets or bunches. Also, petitioner claims to represent growers producing mixed bouquets of fresh cut flowers, and hence has standing to file a petition covering bouquets.

Petitioner maintains that any antidumping duty order issued in this investigation will be substantially undermined if foreign rose producers/ exporters can circumvent the order by importing bouquets of fresh cut roses covered by the order. Petitioner states that it would be absurd for the Department to permit respondents to combine merchandise subject to the order to achieve a final product outside the scope of the order.

DOC Position

Roses, including roses in bouquets, are within the scope of the investigation and constitute a single class or kind of merchandise. Because the scope covers only the roses in bouquets, not the bouquets themselves, respondents' arguments that bouquets constitute a separate class or kind are inapposite. Therefore, a *Diversified Products* analysis is not required. The Department's conclusion that all roses, whether or not imported as individual stems or in bouquets or bunches, constitute a single class or kind of merchandise is consistent with its determination in *Flowers. See Flowers*, 59 FR 15159, 15162–4 (March 31, 1994) (final results of 4th admin. review).

The packaging and presentation of roses in bunches and bouquets do not transform the roses into merchandise outside the scope of the order. See Final Determination of Sales at Less Than Fair Value: Red Raspberries from Canada, 50 FR 19768, 19771 (May 10, 1985). Nor is the rose transformed into a new article by virtue of being bunched or placed in a bouquet. Notably, Customs disaggregates bouquets, requiring separate reporting and collection of duties on individual flower stems regardless of how they are imported. As a result, Customs, in this case, will collect duty deposits only on individual rose stems incorporated in bouquets, not the bouquets themselves.

Respondents argue that there is no legal basis for the Department to include within the scope of an investigation only a component part of imported finished merchandise, *i.e.*, the roses within the bouquet. As discussed above, consistent with Customs, the Department is not treating bouquets as a distinct finished product.

Respondents' argument that the Department cannot expand the investigation to include bouquets, also can be dismissed. A review of the descriptions contained in the petition and the Department's and ITC preliminary determinations reveals quite clearly that what is covered by this investigation is all fresh cut roses, regardless of the form in which they were imported. Specifically, the petition covers "all fresh cut roses, whether imported as individual blooms (stems) or in bouquets or bunches, as provided in HTSUS 0603.10.60." Petition at 8 (emphasis added). HTSUS 0603.10.60 covers

Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh * * *

0603.10.60 Roses:

- 10 Sweetheart
- 90 Other

Furthermore, the scope of this investigation unequivocally states that

The products covered by this investigation are fresh cut roses, including sweethearts or miniatures, intermediates, and hybrid teas,