companies from any other interested party and because no other request for review was received with respect to other companies, we are rescinding this review in its entirety in accordance with 19 CFR 351.213(d)(1).

Clarification of Final Results of Changed Circumstances Review

On April 27, 1998, we published our *Notice of Final Results of Antidumping Duty Changed Circumstances Review; Circular Welded Non-Alloy Steel Pipe From Korea* (63 FR 20572). In these final results, the cash deposit rate listed for SeAH was incorrect. The correct cash deposit rate is 5.31 percent *ad valorem*, as found in *Circular Welded Non-Alloy Steel Pipe From the Republic of Korea; Amendment of Final Results of Antidumping Duty Administrative Review* (63 FR 2200, 2202, January 14, 1998). This cash deposit rate will apply to all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after April 27, 1998. This cash deposit rate shall remain in effect until publication of the final results of the next administrative review.

This notice is published in accordance with 19 CFR 353.22(f).

Dated: June 14, 1998.

Richard W. Moreland,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 98–15469 Filed 6–9–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–301–602]

Certain Fresh Cut Flowers From Colombia: Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of antidumping duty administrative review.

SUMMARY: On February 2, 1998, the Department of Commerce published the preliminary results of the administrative review of the antidumping duty order on certain fresh cut flowers from Colombia. This review covers a total of 424 producers and/or exporters of fresh cut flowers to the United States during the period March 1, 1996 through February 28, 1997.

We gave interested parties an opportunity to comment on the preliminary results. Based on our analysis of the comments received, we have made certain changes for the final results. The review indicates the existence of dumping margins for certain firms during the review period.

EFFECTIVE DATE: June 10, 1998.

FOR FURTHER INFORMATION CONTACT: Rosa Jeong, Hong-Anh Tran or Todd Hansen, Office 1, Group 1, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–1278, (202) 482–0176 or (202) 482–1276, respectively.

APPLICABLE STATUTE AND REGULATIONS: The Department of Commerce (the Department) is conducting this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to those codified at 19 CFR Part 353 (April 1997).

SUPPLEMENTARY INFORMATION:

Background

On February 2, 1998, we published a notice of *Preliminary Results and Partial Termination of Antidumping Duty Administrative Review (Preliminary Results),* wherein we invited interested parties to comment. *See* 63 FR 5354. At the request of the interested parties, we held a public hearing on April 14, 1998.

Scope of Review

Imports covered by this review are shipments of certain fresh cut flowers from Colombia (standard carnations, miniature (spray) carnations, standard chrysanthemums and pompon chrysanthemums). These products are currently classifiable under item numbers 0603.10.30.00, 0603.10.70.10, 0603.10.70.20, and 0603.10.70.30 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS item numbers are provided for convenience and customs purposes. The written description of the scope of this order remains dispositive.

Fair Value Comparisons

Export Price and Constructed Export Price

For the price to the United States, we used export price (EP) or constructed export price (CEP) as defined in section 772(a) and 772(b) of the Act. We calculated EP and CEP based on the same methodology used in the *Preliminary Results* with the following exceptions: (1) we recalculated Tuchany's credit expenses net of commission and international freight expenses (*see infra* Comment 14); (2) we accounted for the returns for Clavecol and Caicedo for the months reported rather than allocating them over the period of review (POR) (*see infra* Comment 16).

Normal Value

As discussed in the *Preliminary Results,* we determined that home market and third-country sales are not an appropriate basis for normal value (NV) and, therefore, used constructed value (CV) as defined in section 773(e) of the Act as the basis for determining NV. We used the same methodology to calculate NV as that described in the *Preliminary Results.*

Analysis of Comments Received

We received case and rebuttal briefs from the Floral Trade Council (FTC), the domestic interested party, and the Asociacion Colombiana de Exportadores de Flores (Asocolflores), an association of Colombian flower producers representing many of the respondents in this case.

General Issues

Comment 1: Asocolflores argues that zero and *de minimis* margins should be included in the calculation of the rate for non-selected respondents since it is reasonable to assume that some of the non-selected respondents would have received the same had they been individually reviewed. Citing to *Serampore Indus. Pvt. Ltd.* v. *United States,* 696 F. Supp. 665, 668–69 (CIT 1988), Asocolflores argues that excluding zero and *de minimis* margins amounts to a presumption of dumping on behalf of non-selected firms.

Asocolflores further argues that if the rates of selected companies are not, in some way, ''representative,'' then there is no legal basis for using such rates for non-selected respondents. Referring to *National Knitwear & Sportswear Association* v. *United States,* 779 F. Supp. 1364, 1372 (CIT 1991), Asocolflores elaborates that the benefits of zero or *de minimis* margins made available to selected respondents should be extended to non-selected respondents. Acknowledging that the Act provides for the exclusion of zero and *de minimis* margins in calculating the cash deposit rate for non-examined producers in an investigation, Asocolflores differentiates this situation from the final results of an administrative review which give rise to actual duty payments. Asocolflores emphasizes that because of the Department's decision to limit the number of respondents, all exporters and importers do not have the ability to obtain their own assessment rates as they normally would in an administrative review.

Asocolflores claims that the Department's decision to exclude zero and *de minimis* margins is arbitrary and denies non-selected respondents their substantive and procedural due process rights. Moreover, Asocolflores asserts that because no adverse facts available (AFA) rates were applied in this review, the Department's approach of excluding zero and *de minimis* rates alone would in effect result in an ''unbalanced'' approach, defeating the rationale for a ''balanced'' approach (*i.e.,* excluding both AFA and zero and *de minimis* margins), taken by the Department in *Certain Fresh Cut Flowers from Colombia: Final Results and Partial Rescission of Antidumping Duty Administrative Review,* 62 FR 53287 (October 14, 1997) (*Ninth Review Final Results*).

In the event the Department continues to exclude zero, *de minimis* and AFA margins, Asocolflores claims that Tuchany's rate should be excluded because it is mostly derived from information based on facts available (FA). By excluding Tuchany's rate, Asocolflores asserts that a more ''balanced'' result will be maintained.

The FTC contends that there is no valid basis for excluding margins based on AFA on the one hand while including *de minimis* margins on the other. The FTC argues that Asocolflores' argument ignores the fact that the Department's methodology, one of selecting only the largest producers in this case, is not intended to be a statistically representative sampling of the whole population. The FTC asserts that over the past twelve years, all respondents have had many opportunities to request partial revocation, by demonstrating that they were not dumping. Those respondents who have succeeded in obtaining revocation, the FTC states, are properly excluded from the universe from which a sample would be drawn in future administrative reviews. Consequently, the FTC asserts that the remaining universe is fairly presumed to consist of those producers that continue to dump. Therefore, the FTC argues that the Department's practice of excluding zero and *de minimis* margins in calculating the rate for non-selected respondents is appropriate. The FTC states that margins such as Tuchany's that are not based entirely on AFA should be included in the non-selected respondent rate.

Department's Position: Consistent with our practice in *Ninth Review Final Results,* we are not including zero or *de minimis* rates or rates based entirely on AFA in the calculation of the rate for non-selected respondents. As stated in that segment of this proceeding, there is no over-arching rule as to the inclusion or exclusion of zero and *de minimis* rates in calculating the rate to be applied to non-selected respondents. The approach we have adopted parallels the statutorily mandated formula for calculating the all-others rate, *i.e.,* the weighted-average rate of uninvestigated companies not including AFA and zero and *de minimis* rates. *See* section 735(c)(5) of the Act. This approach is both reasonable and one that yields a balanced result.

We disagree with Asocolflores that due process is being denied to non-selected respondents because we have not included zero and *de minimis* margins. Asocolflores misread the relevant case law. The cases cited by Asocolflores stand for the proposition that the parties' procedural and substantice rights are limited to those set forth in the antidumping statute and regulations. *Arjay Associates, Inc.* v. *Bush,* 891 F. 2d 894, 896 (Fed. Cir. 1989); *Gulf States Tube Division of Quanex Corp.* v. *United States,* 981 F. Supp. 630, 652 (CIT 1997); *see also Kemira Fibres Oy* v. *United States,* 858 F.Supp. 229, 235 (CIT 1994). In the instant case, our methodology of excluding zero and *de minimis* margins in the calculation of rates applicable to non-respondents in no way prevents non-selected respondents from obtaining revocation of the antidumping duty order in this case. Rather, they have the opportunity for revocation as set forth in *Ninth Review Final Results* at 53290 (Comment 4). Specifically, companies that requested reviews in prior reviews but were not selected for examination may request revocation by certifying and demonstrating that they have not sold subject merchandise at not less than normal value during the current and two prior periods of review (POR).

We also disagree with Asocolflores that because there is no AFA-based rate applicable in this review, zero and *de minimis* margins must be included in the non-selected respondents' rate calculation in order to maintain a ''balanced'' result. The fact that there is no AFA-based rate in the present review does not affect the validity of our methodology of excluding zero and *de minimis* rates and rates based on AFA from the calculation of the non-selected respondent rate. For instance, if there had been a rate based on AFA but no zero or *de minimis* rate in the present review, we would have followed the same approach by excluding the AFA rate from the calculation of the non-selected respondent rate.

As we stated in the *Ninth Review Final Results* at 53290, we do not find that the selected respondents, who represent the largest producers/exporters of the subject merchandise, are necessarily representative of the whole population. Therefore, we do not treat the selected companies as a statistical sample and compute a margin that is based on the results of all the selected companies.

Finally, we have included Tuchany's rate in the calculation of the rate for non-selected respondents. Because its rate is not entirely based on AFA, it would be included in calculating an all-others rate, the same approach that we are adopting here.

Comment 2: The FTC argues that the Department's reasons for rejecting third-country prices as the basis for determining NV in past reviews are insufficient to support a finding that third-country prices should not be used for any of the respondents in this review. The FTC notes that the Department has rejected the use of prices from sales to European markets in past reviews because of evidence indicating that prices in European markets are more stable than those in the U.S. market, and that the demand pattern in European markets differs significantly from the U.S. market due to differences in the flower-giving holidays. In the present review, however, the FTC claims that the Department has no reason to reject non-European third-country prices as the basis for determining NV. The FTC notes that Canada and Japan have become increasingly important markets for Colombian flower exporters, and that in this review the Department found that several exporters had viable markets in Japan and/or Canada. The FTC claims that there is no evidence on the record indicating that either the Japanese or the Canadian market differs significantly from the U.S. market. Moreover, the FTC argues that the Department has consistently determined the proper basis for NV on a company-specific basis. Therefore, the Department should use sales to Japan or Canada as the basis for determining NV whenever these markets are found to be viable for individual respondents.

Asocolflores argues that the non-European third-country markets are not representative markets for the majority of Colombian growers and that sales to these markets should not be used as the basis of NV for any of the responding companies. Asocolflores notes that all of the major third-country markets for Colombian flower growers are European, and that the Canadian and Japanese are not significant third-country markets for the Colombian industry as a whole. Asocolflores argues that the Department was correct not to use third-country prices to Japan or Canada to calculate NV for certain respondents in the *Preliminary Results* because reliance on such data would not produce representative results for the non-selected respondents.

Department's Position: We disagree with the FTC. Because Japan and Canada are not significant export markets for Colombia, we determined that, under the facts of this case, prices to Canada or Japan are not representative within the meaning of section 773(a)(1)(B)(ii)(I) of the Act. As discussed in the *Preliminary Results* at 5355, we limited our analysis to a subset of the Colombian companies exporting to the United States and are basing the antidumping duty assessments for the non-selected companies on the margins calculated for the selected companies. Given this, it is important that our analysis be as representative as possible of the companies that were not selected to respond to our questionnaire.

It is clear that neither Japan nor Canada is an important export market for Colombian flower growers. Evidence on the record indicates that Canada represents less than three percent of flower exports from Colombia and Japan represents less than one percent. Thus, to use sales to Japan or Canada as the basis of our margin calculations for the few exporters that have viable markets in Japan and Canada and then include those results in calculating the rate used for assessing duties on the non-selected respondents would be inappropriate for the vast majority of growers. Consequently, in accordance with section 773(a)(4) of the Act, we based NV on CV.

As an alternative method of ensuring that NV was representative, we considered using third-country sales for those companies with viable third-country markets, but excluding those companies from the calculation of the assessment rate for non-selected exporters. However, such a methodology would substantially reduce the percentage of exports during the POR that would form the basis of the assessment calculation for non-selected exporters. Therefore, we determine that the use of CV is a more reasonable means of establishing a representative NV for purposes of calculating the assessment rates for all exporters under review.

Export Price or Constructed Export Price

Comment 3: The FTC claims that section 772(d)(1) of the Act explicitly requires the Department to reduce CEP first by deducting commissions and then by deducting any indirect selling expenses for both affiliated and unaffiliated parties. The FTC contends that the Act recognizes that a CEP reseller, whether or not affiliated, should be treated as a separate entity. Consequently, because all CEP transactions are made at the same level of trade (LOT), the FTC argues that commissions should be treated the same whether the CEP sale is made through an affiliated reseller or through an unaffiliated reseller. The FTC further argues that, because of changes which resulted from the URAA, no double-counting would result if the Department deducts commissions paid by the exporter to an affiliated importer and then deducts any additional indirect expenses.

Asocolflores counters that the FTC's commission argument has been repeatedly rejected by the Department in earlier reviews of this same case, as well as in *Fresh Cut Roses from Ecuador: Final Determination of Sales at Less Than Fair Value,* 60 FR 7019, 7028 (Feb. 6, 1995) *(Roses from Ecuador),* and in *Fresh Cut Roses from Colombia: Final Determination of Sales at Less Than Fair Value,* 60 FR 6980, 6992 (Feb. 6, 1995) *(Roses from Colombia).* Asocolflores also points out that the Department's rejection of the FTC's argument that related party commissions should be deducted from U.S. price was recently affirmed by the U.S. Court of International Trade (CIT). *See Asociacion Colombiana de Exportadores de Flores* v. *United States,* Slip Op. 98–33 at 74–81 (March 25, 1998) (*Asociacion Colombiana*).

Department's Position: We disagree with the FTC. Consistent with *Asociacion Colombiana* and the Department's practice in prior reviews of this case, the Department will make adjustments for commissions paid to unaffiliated U.S. consignees, while adjusting for actual U.S. selling expenses of affiliated consignees of the exporter. *See Ninth Review Final Results* at 53294; *see also Asociacion Colombiana* at 78–81. Notwithstanding the fact that the decision in *Asociacion Colombiana* is based on pre-URAA practice, the principle remains the same: to avoid double-counting, we deduct commissions paid to unaffiliated resellers in the United States, but for affiliated resellers, we deduct the actual selling expenses of the affiliated importer and allocate profit.

Comment 4: Asocolflores contends that the Department should calculate the CEP profit rate on a monthly rather than an annual basis. Asocolflores points to the holiday-driven demand patterns for flowers in the United States, noting that the price for flowers can vary by more than 100 percent between peak and off-peak months. Asocolflores states that this variability in demand for flowers results in highly variable profit rates when comparing peak to off-peak months.

Asocolflores argues that calculating the CEP profit rate on a monthly basis is necessary to avoid the distortion inherent in deducting a constant profit percentage from monthly sales when actual profit margins are demonstrably and radically different. Asocolflores notes that nothing in the Act or the Department's regulations requires the CEP profit deduction be calculated on an annual basis. Asocolflores points to the preamble to the Department's 1997 regulations where the Department states that paragraph (d) of section 351.402 affords the Department the flexibility to calculate the CEP profit deduction on the basis of something less than all sales of the subject merchandise and the foreign like product throughout the period of investigation or review. *See Antidumping Duties; Countervailing Duties; Final Rule,* 62 FR 27296, 27354 (May 19, 1997). Because both CEP and EP prices reflect huge swings in monthly prices, a monthly calculation of the CEP profit rate would, according to Asocolflores, be more consistent with the contemplated purpose of the CEP profit adjustment as described in the *Statement of Administrative Action,* H. Doc. 316, 103d Cong., 2nd Session 870 (SAA) at page 153, *i.e.,* calculating CEP price to be, as closely as possible, a price corresponding to EP.

The FTC argues that an arm's length price to an unrelated importer would incorporate some element of profit, whereas a methodology that isolates holiday sales from other transactions, as proposed by Asocolflores, may result in a zero profit rate for several months of the POR because CEP profit is calculated based on the total profit for both the grower and the reseller. The FTC contends that while importers may realize different monthly profits based on seasonal price swings, growers' profit expectations are annual. Use of an annual rate, the FTC argues, ensures that some profit is assigned to all months, reflecting the reasonable expectations of arm's length importers. The FTC notes that the use of an annual rate still results in a variation in the amount of CEP profit when prices vary.

The FTC further cites to *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof from France, Germany, Italy, Japan, Singapore, and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews,* 62 FR 2081, 2125 (January 15, 1997) (*AFBs from France, et al*), where the Department indicated a preference for a single rate for CEP profit. The FTC argues that Asocolflores' logic that the use of monthly prices requires the use of monthly profit rates leads to the conclusion that sale-by-sale comparisons require the use of sale-by-sale CEP profit rates, a proposition that would undermine the very purpose of the CEP profit deduction.

Department's Position: Consistent with our practice in *Ninth Review Final Results* and the *Preliminary Results,* we have used an annual CEP profit rate for purposes of these final results. As the FTC has noted, the Department's practice has been to apply a single rate for CEP profit. Although Asocolflores has argued that profit rates may vary due to changes in demand conditions, this is true, to some extent, for many products. Moreover, the CEP profit calculation is normally based on the overall profit of home market and U.S. sales rather than on the profit of a particular U.S. sale. Although a respondent may have few or no home market sales, we nonetheless use an average profit rate for those U.S. and home market sales that were made. We determine that the circumstances surrounding this case do not compel a departure from our usual practice of using a single rate for CEP profit.

Comment 5: Asocolflores argues that the Department erred in calculating CEP profit, because the calculation of the ratio of total profit to total selling expenses did not include imputed selling expenses, while this ratio was applied to a U.S. selling expense figure that included imputed selling expenses. According to Asocolflores, this treatment is inconsistent and overstates profit on U.S. selling activities. Asocolflores argues that the Department's past rationales for this practice do not withstand analysis. Asocolflores contends that the Department's statement that "'actual' profit is calculated on the basis of 'actual' rather than imputed expenses" in *Certain Cold-Rolled and Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Reviews,* 62 FR 18404, 18440 (April 15, 1997) is unfounded, because the Act makes no distinction between "actual" and "imputed" expenses. According to Asocolflores, imputed credit represents a real expense to the company because payment today is worth more than payment in the future. Additionally, Asocolflores notes that the Department "imputes" inflation in calculating the growers' CV and includes this imputed inflation adjustment when calculating "actual" profit and the CEP profit ratio.

Asocolflores also disagrees with the Department's explanation that, "if [the Department] were to account for imputed expenses in the denominator of the CEP allocation ratio, we would double-count the interest expense incurred for credit and inventory carrying costs because these expenses are already included in the denominator." *Id.* Asocolflores notes that in calculating CEP, the Department makes an adjustment for both imputed credit expense and indirect selling expenses, which already include actual interest expense. Asocolflores contends that to the extent the Department believes that imputed credit expenses and interest expense overlap, the Department should be consistent and eliminate all double-counting by either reducing U.S. indirect selling expenses by the amount of imputed credit expense or according the same treatment to both actual and imputed credit as expenses for purposes of calculating and allocating CEP profit.

Department's Position: We disagree with Asocolflores. Consistent with our practice in the *Ninth Review Final Results* and the *Preliminary Results,* we excluded imputed selling expenses in deriving total actual profit for these final results. As described in a recent policy bulletin, we included these expenses in the pool of U.S. selling expenses used to allocate a portion of total actual profit to each sale. *See* Import Administration Policy Bulletin number 97/1, issued on September 4, 1997, concerning the Calculation of Profit for Constructed Export Price Transactions, at 3 and note 5; *see also Notice of Final Results of Antidumping Duty Administrative Review: Canned Pineapple Fruit From Thailand,* 63 FR 7392, 7395–96 (February 13, 1998).

Asocolflores' argument confuses actual interest expenses with adjustments for imputed credit. While interest expense components included in the calculation of indirect selling expenses and CV are actual expenses, imputed credit is an opportunity cost, and not an actual, recorded expense. Contrary to Asocolflores' claims, the inflation adjustment to depreciation expense does not represent an opportunity cost, but rather, reflects a restatement of the value of fixed assets to account for the effects of inflation.

When allocating a portion of the actual profit to each CEP sale, we include imputed credit as part of the total U.S. expenses allocation factor, consistent with section 772(f)(2) of the Act which defines the term "total U.S. expenses" as those described under sections 772(d)(1) and (2) of the Act. We note that credit expense is specifically enumerated in section 772(d)(1)(B) of the Act.

Normal Value

Comment 6: While acknowledging that the Department's practice was recently upheld in Asociacion Colombiana at 27–34, Asocolflores maintains that the Department must allocate production costs equally to national and export quality flowers when calculating CV. Asocolflores relies on *IPSCO, Inc.* v. *United States,* 965 F.2d 1056 (Fed. Cir. 1992) (*IPSCO*) in which, according to Asocolflores, the court held that lower quality grades of the same primary product which are used for the same purpose and produced by the same process may not be treated as a by-product to which no production costs are allocated. Asocolflores also notes that the court in *Thai Pineapple Public Co.* v. *United States,* 946 F. Supp. 11 (CIT 1996) (*Thai Pineapple*) had rejected the Department's attempt to allocate production costs on the basis of relative sales value. Asocolflores argues that the Department must follow its post-IPSCO practice of allocating the same production costs to different grades of product that are produced in the same manner, citing to such cases as *Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of Korea; Final Results of Antidumping Duty Administrative Reviews and Notice of Revocation in Part,* 61 FR 35177, 35182–83 (July 5, 1996); *Porcelain-on-Steel Cookware from Mexico: Final Results of Antidumping Duty Administrative Review,* 62 FR 25908, 25911–912 (May 12, 1997); and *Canned Pineapple Fruit From Thailand; Final Determination of Sales at Less Than Fair Value,* 60 FR 29553, 29561 (June 5, 1995). In accordance with these precedents and the above-cited court decisions, Asocolflores argues that the Department should allocate production costs to all flowers sold regardless of grade.

Noting that Asocolflores' argument has been raised and rejected in *Roses from Colombia* and that the Department's practice has been upheld by the court in *Asociacion Colombiana,* the FTC argues that the Department should continue to reject Asocolflores' argument that production costs should be allocated to national quality flowers or culls.

Department's Position: We disagree with Asocolflores. Our general practice in cases involving agricultural goods has been to treat ''reject'' products as by-products and to offset the total cost of production with revenues earned from the sale of any such ''reject'' products. This approach has been upheld by the CIT in *Asociacion Colombiana.* Specifically, the CIT found that our approach ''represents a permissible construction of the Act and a longstanding agency practice.'' *Asociacion Colombiana* at 31. Furthermore, the CIT held that Asocolflores' reliance on *IPSCO* and *Thai Pineapple* was misguided (*Id.* at 29), noting that those two cases involved the accounting treatment of co-products, not by-products. In light of the fact that our treatment of national quality flowers as by-products for cost allocation purposes has been upheld by the CIT, we see no reason to depart from our methodology.

Comment 7: Asocolflores maintains that the Department's failure to make an adjustment to financial expenses for ''net monetary correction,'' while including an adjustment for the effects of inflation in respondents' depreciation and amortization costs, leads to significant distortions in the calculation of CV. Asocolflores argues that in addition to requiring an inflation adjustment to asset values, Colombian law and generally accepted accounting principles (GAAP) also require the adjustment for ''monetary correction,'' which represents the net gain or loss to the company caused by inflation on its net exposed monetary assets and liabilities.

Asocolflores explains that under Colombian GAAP, financial costs, along with depreciation and amortization expense, must be adjusted from nominal pesos to current value pesos because the costs incurred by a company in the current period but not payable until later periods, such as accounts payable and peso loan balances, will be paid in the future when the pesos will be cheaper in current value terms. According to Asocolflores, the Department's methodology results in a distorted cost calculation that mixes nominal pesos for some costs with inflation adjusted, current value pesos for other costs. Asocolflores contends that the Department must either disregard all inflation adjustments or include the net monetary correction.

Asocolflores asserts that under section 773(f)(1)(A) of the Act, the Department must calculate costs based on the records of the exporter, unless such costs are distortive or do not reasonably reflect costs. According to Asocolflores, the Department violates the Act by disregarding the net monetary correction without making a finding that the inclusion of the adjustment distorts costs or otherwise does not reasonably reflect the cost associated with the production and sale of the merchandise. Asocolflores also cites past cases involving inflation accounting where the Department recognized that the monetary correction must be included. *See Gray Portland Cement and Clinker from Mexico; Final Results of Antidumping Duty Administrative Review,* 58 FR 25803 (April 28, 1993) (*Cement from Mexico* (1993)); *Gray Portland Cement and Clinker from Mexico; Final Results of Antidumping Duty Administrative Review,* 62 FR 17148 (April 9, 1997) (*Cement from Mexico* (1997)); *Aimcor, Ala. Silicon, Inc.* v. *United States,* slip op. No. 95–130, 1995 WL 431186 (CIT July 20, 1995). Asocolflores further argues that the Department's rationale for excluding monetary correction in the *Ninth Review Final Results,* that inflation effects to financial expenses are ''largely confined within the POR,'' is unreasonable because the significance of inflation upon costs is based not only on the age of the asset or loan but also on its amount.

The FTC asserts that the Department's rejection of the monetary correction adjustment is supported by past cases such as *Roses from Colombia,* where the Department specifically declined to include inflation adjustments resulting from the annual revaluation of non-monetary assets because the adjustment ''merely reflects an increase to respondent's financial statement equity due to the restatement of non-monetary assets to account for inflation.'' 60 FR at 6993. The FTC distinguishes *Cement from Mexico* (1993) in that the Mexican inflation adjustment was determined to pertain solely to monetary assets and liabilities whereas the Colombian monetary correction is an adjustment to non-monetary assets. The FTC also points out that the court in *Association Colombiana* has upheld the Department's rejection of the adjustment.

Department's Position: We disagree with Asocolflores. Consistent with our practice in *Ninth Review Final Results,* we have continued to adjust only fixed asset costs for the effects of inflation and have not revised CV to include the monetary correction suggested by Asocolflores. With the exception of cases involving countries with ''hyperinflationary'' economies, the Department typically ignores the effects of inflation on costs incurred during the period of investigation or review. However, as in this review, the Department has recognized the effect that high levels of inflation may have on the historical cost of certain production assets when compounded over periods prior to the period of investigation or review. In these instances, the Department adjusts the historical cost of these assets such that they reflect the currency value during the period for which costs are calculated.

In *Asociacion Colombiana,* the CIT upheld the Department's method of accounting for the longer-term effects of significant inflation on assets that were purchased or placed into service before the POR, but that were not recognized as production costs until some time during the POR. The CIT also rejected Asocolflores' argument that, where the Department adjusts fixed asset costs for inflation, it must also recognize the monetary correction for inflationary effects arising within the POR. *See Budd Co.* v. *United States,* 773 F. Supp. 1549 (CIT 1991) (holding that full accounting for inflation is neither necessary nor possible).

Comment 8: Asocolflores argues that the Department should adjust the CV in the final results by either excluding an amount allocable to the actual cost of financing trade accounts receivable or by reducing the CV by an amount for imputed credit expense. Citing *Amended Final Results of Antidumping Duty Administrative Review: Silicon Metal from Brazil,* 62 FR 54087, 54091 (October 17, 1997) (*Silicon Metal from Brazil*), Asocolflores states that the Department recently acknowledged that an inaccurate result arises when comparing the CV inclusive of all actual financing costs to a U.S. price exclusive of imputed credit costs. Asocolflores charges that the Department's failure to make such an adjustment in the instant case results in an unfair comparison of U.S. price to CV.

Asocolflores contends that it was the Department's practice prior to the *Ninth Review Final Results* to include in the CV interest expense only the portion of respondents' borrowing costs associated with production. Asocolflores states that the Department either should reduce the CV interest expense by the ratio of accounts receivable to total assets or it should make a circumstance-of-sale (COS) adjustment to CV. Asocolflores argues that by including all actual financing expenses in the CV, the Department included the cost of financing sales to all markets. Because a majority of respondents' sales are made to the United States, Asocolflores suggests that the Department use the imputed credit expenses on U.S. sales as a COS adjustment. Specifically, Asocolflores recommends that the Department use the percentage of U.S. price attributable to credit expense on a customer-specific basis as the adjustment to the CV.

The FTC asserts that the cases cited by Asocolflores show that it is the Department's practice to use only *home market* imputed credit expenses as a COS adjustment. In the instant case, however, the FTC states that the Department should not make a COS adjustment to CV because there are no home market credit costs associated with Colombia's non-viable market. Additionally, the FTC argues that on CEP sales, the U.S. importer incurs the U.S. credit expenses rather than the producer. Because the reported CV interest expense does not include these costs, the FTC argues, it would be inappropriate to deduct them from CV.

Department's Position: Since the adoption of the URAA, we no longer make a reduction to interest expense to account for the percentage of total assets accounted for by accounts receivable because we no longer include an amount for imputed credit in the CV. However, we agree with the parties that it is our practice to make a COS adjustment for differences in credit costs between the home and U.S. markets in the calculation of CV. *See, e.g., Silicon Metal from Brazil; Certain Stainless Steel Bar from India: Final Results of Antidumping Duty Administrative Review*, 63 FR 13622, 13624 (Comment 5) (March 20, 1998). Addressing this same issue in *Ninth Review Final Results* at Comment 24, we explained that:

> It is no longer appropriate to do as Asocolflores suggests and reduce actual interest expense * * *. Any differences in credit expense between the U.S. and foreign market are taken into account as a circumstance of sale adjustment, but not as part of the actual calculation of net interest expense incurred for the product.

The Department's practice is to reduce CV by home market imputed credit expenses. *See, e.g., Certain Stainless Steel Wire Rods from France: Final Results of Antidumping Duty Administrative Review*, 62 FR 7206, 7209 (February 18, 1997). However, respondents reported no home market credit expenses. Thus, as in the *Preliminary Results* and in the *Ninth Review Final Results*, we have reduced CV by home market credit expenses of zero as a COS adjustment for these final results.

Comment 9: Asocolflores argues that the Department's use of the profit rate of Compania Nacional de Chocolates S.A. (CNC), a Colombian producer of chocolate and other processed agricultural products, as FA in the calculation of CV is inconsistent with the Act. Asocolflores contends that for those selected respondents whose home market sales of export quality flowers were made below cost (i.e., zero profit), the Department should use the profit rate of zero pursuant to section 773(e)(2)(B)(i) of the Act. With respect to the remaining respondents, Asocolflores argues that the application of the ''profit cap'' described in section 773(e)(2)(B)(iii) of the Act is mandatory. Therefore, Asocolflores claims that because none of the responding companies had profits on sales of flowers in the home market, the profit cap applicable to all selected respondents must be zero.

Asocolflores states that basic principles of statutory construction preclude the Department from construing the Act as requiring profit to be a positive amount. Asocolflores points out that the methodologies of calculating profit set forth in sections 773(e)(2)(A) and 773(e)(2)(B)(ii) of the Act specifically include an ordinary course of trade test, which by its terms excludes certain below cost sales and ensures that the profit margins using these methodologies are above zero. Asocolflores argues that by omitting the ordinary course of trade test in sections 773(e)(2)(B)(i) and (iii) of the Act, while including it in the methodologies under other sections as above, Congress must have intended that the profit rate is not required to be above zero. Asocolflores also contends that in other sections of the Act where the Department is required to calculate an amount for profit, such as sections 772(d) and (f), which relate to an adjustment to CEP for profit allocable to certain expenses incurred in the United States, the Department has not construed the Act as requiring a positive profit figure.

Asocolflores argues the Department's reasoning, as explained in the *Ninth Review Final Results*, that the profit figure used cannot be zero and must be positive is flawed and contrary to the Act and the SAA. Asocolflores states that by noting that for ''below-cost sales * * * the profit is zero,'' the SAA (on page 169) makes clear that while profit cannot be a negative number, it is zero when all sales are below cost. Citing to the same page of the SAA, Asocolflores contends that the statement that CV ''must include an amount * * * for profit'' in no way precludes the ''amount'' from being zero. Asocolflores argues that in *Shop Towels from Bangladesh; Final Results of Antidumping Duty Administrative Review*, 61 FR 55957 (October 30, 1996) (*Shop Towels from Bangladesh*), and *Bicycles from the People's Republic of China; Notice of Final Determination of Sales at Less Than Fair Value*, 61 FR 19026 (April 30, 1996) (*Bicycles from the PRC*), the Department included zero profit for the companies that had shown losses in deriving the average of the profit rates to be used in calculating CV. Asocolflores also cites to three initiations of antidumping duty investigations where the Department used zero as the profit in the calculation of CV: *Initiation of Antidumping Duty Investigation: Clad Steel Plate from Japan*, 60 FR 54666 (October 25, 1995); *Initiation of Antidumping Duty Investigation: Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany and Japan*, 60 FR 38546 (July 27, 1995); and *Initiation of Antidumping Duty Investigation: Light-Walled Rectangular Pipe and Tube from Mexico*, 60 FR 20963 (April 28, 1995). Asocolflores argues that the exception allowed in the SAA to the profit cap applies only when, ''due to the absence of data,'' the Department cannot calculate the profit cap. Here, Asocolflores contends, there is no absence of data; the data merely indicate that the profit rate is zero.

Asocolflores further argues that the use of CNC's profit rate is inconsistent with the purpose of the Act and violates due process. According to Asocolflores, the profit rate used is arbitrary, unpredictable and random, thereby providing the Colombian producers of flowers no basis on which to price their products to avoid dumping. Asocolflores contends that although there is no evidence of any similarity between the Colombian market for chocolate and the Colombian market for fresh cut flowers, dumping is arbitrarily found by the Department in any month in which the Colombian flower grower does not earn a profit margin equal to the annual profit margin earned by CNC.

The FTC counters that the Department correctly interpreted the Act and SAA in determining that the profit must be a positive amount. The FTC argues that because respondents' home market sales consist of culls, not export quality flowers, such sales are neither a ''foreign like product'' nor ''in the ordinary course of trade'' as described in the Act. As such, the FTC contends that such sales cannot be used as the basis for profit pursuant to section 773(e)(2)(A) or

773(e)(2)(B) of the Act. The FTC further claims that the ''fair sales price'' described at page 171 of the SAA cannot be at price levels which lack profit thereby not providing any return on investment.

Where home market sales of the ''same general category of products'' include sales of culls, the FTC argues there is insufficient basis for calculating the profit cap. Because culls are treated as by-products in the Department's calculations and are assigned a cost basis of zero, the FTC argues that the profit rate on such sales would be equal to the full revenue received. Although section 773(e)(2)(B)(iii) of the Act does not impose the ''ordinary course'' constraint on sales within the ''same general category,'' the FTC contends that Congress could not have intended for cull sales to be rejected under 773(b) or 773(e)(2)(A) of the Act but then to be accepted under 773(e)(2)(B)(iii) as the basis for calculating profits or the profit cap. *Department's Position:* We disagree with Asocolflores. Although the URAA eliminated the use of a minimum profit rate, the presumption of a profit element in the calculation of CV was not eliminated. The SAA (at page 169) states: ''Because CV serves as a proxy for a sales price, and because a fair sales price would recover [selling, general and administrative (SG&A)] expenses and would include an element of profit, CV must include an amount for SG&A expenses and for profit.'' We find that ''a fair sales price,'' as intended by the SAA, is a price that necessarily includes a positive amount for profit, therefore providing a return on investment.

Asocolflores' argument that the Department has used a zero profit figure in the calculation of profit pursuant to other sections of the Act such as 772(d) and (f) which refer to CEP profit is inapplicable. This adjustment to CEP represents a portion of the company's total actual profit allocable to economic activities incurred in the United States, which may be zero.

We also disagree with Asocolflores' argument that a zero rate of profit would be consistent with *Shop Towels from Bangladesh* and *Bicycles* from the PRC. An average that includes some zeroes but still yields a positive number, as was the case in *Shop Towels from Bangladesh* and *Bicycles from the PRC*, is different from using a profit rate of zero. We also find that Asocolflores' reliance on the three initiations is misplaced. Given the general constraints in the availability of data in the initiation stage of an investigation, the Department's use of a zero profit figure was reasonable in that it was the most conservative approach.

By providing three alternative methodologies for calculating CV profit in section 773(e)(2)(B), the Act enables the Department to use an overall positive profit rate whenever the calculation of CV profit under section 773(e)(2)(A) is not appropriate. The inclusion of a positive profit rate is consistent with the Department's past practice. *See, e.g., Silicomanganese from Brazil; Final Results of Antidumping Duty Administrative Review*, 62 FR 37869, 37877 (July 15, 1997) (''[I]f a company has no home market profit or has incurred losses in the home market, the Department is not instructed to ignore the profit element, include a zero profit or even consider the inclusion of a loss; rather, the Department is directed to find an alternative home market profit.'').

Consistent with our practice in the *Ninth Review Final Results*, we have continued to use CNC's profit rate since there is no information on the record that would enable us to calculate a home market profit rate on the same general category of merchandise as flowers or a profit cap. As discussed above, a profit rate of zero is not appropriate for use in calculating CV; therefore, we do not have appropriate information to use as the basis for a profit cap. Accordingly, we have applied the alternative of section 773(e)(2)(B)(iii) of the Act on the basis of ''the facts available,'' as instructed by the SAA at 171.

Comment 11: The FTC maintains that the Department's use of CNC's profit rate is inappropriate. The FTC asserts that because CNC's products are primarily processed agricultural products, they do not entail the same risks of perishability and, therefore, investors would expect a different (lower) rate of return on equity. Instead, the FTC urges the Department to base profit upon the projected return on equity of Banco Ganadero, a Colombian bank that, in 1994, made approximately 23.06 percent of its loans to the agricultural sector. The FTC contends that this bank, whose profitability is based on the experience of its borrowers, is a better gauge of the return that would need to be earned by producers in the Colombian agricultural sector than a chocolate manufacturer.

In the alternative, the FTC argues that the Department should base the profit rate on the third-country sales of Colombian flower growers. While noting that the court in *Asociacion Colombiana* has affirmed the Department's rejection of third-country sales as the basis for profit in prior reviews, the FTC asserts that section 773(e)(2)(B)(iii) of the Act, as amended by the URAA, explicitly provides the Department the authority to use ''any reasonable method'' to calculate profit where other alternative bases are not available. As such, the FTC draws a distinction with the court decision, which arose under the pre-URAA law. The FTC further argues that because profit is determined on an annual basis, the Department's reasoning in rejecting third-country sales as basis of determining NV, *i.e.*, differences in price patterns due to different demand, does not apply in the context of calculating profit. The FTC asserts that third-country profits realized by respondents are more closely related to the foreign like product or general category of merchandise and better reflect the profit of the specific respondents. According to the FTC, the use of third-country profits is appropriate since dumping in the United States is made possible by profits earned from higher prices charged in third-country markets such as Europe.

Asocolflores disagrees with the suggestion of basing the profit rate on the Colombian bank's rate of equity. According to Asocolflores, a return on equity, which is equal to a company's total profits divided by its total equity, is fundamentally different from a profit rate, which is a rate applicable to the sale of goods. Asocolflores also argues that there is no evidence that the profitability of Banco Ganadero, whose product is a service rather than goods, is in any way representative of the profitability of the agricultural sector in Colombia.

With respect to the use of third-country profit, Asocolflores asserts that the third-country profit margin presented by the FTC should be rejected because the FTC's calculation ignores expenses such as movement charges and selling expenses. Referring to section 351.405(b)(1) of the Department's final regulations as well as the proposed regulations, Asocolflores contends that the Department, having rejected third-country prices as the basis for NV, is not permitted to use third-country profit as the basis for CV profit. Asocolflores maintains that no respondents are using home market profits or third-country profits to subsidize U.S. sales, which are profitable on their own.

Department's Position: We disagree with the FTC. As stated by Asocolflores, we find that the rate of return on equity of a financial institution is not appropriate for this case. While we were unable to locate a profit rate on home-market sales for a Colombian producer of merchandise in the same general category of flowers, we determine that using the profit rate of CNC, a

Colombian producer of processed agricultural goods, is more appropriate than the rate of return on equity of a Colombian bank.

We also reject the FTC's suggestion that we base profit on third-country sales. As we have found third-country sales to be an inappropriate basis for calculating NV, it would likewise be inappropriate to base CV profit on third-country sales. Accordingly, consistent with our practice in *Ninth Review Final Results,* we have used CNC's profit rate as FA in calculating CV profit.

Comment 12: The FTC argues that if the Department continues using CNC data to calculate CV profit in the final results, the Department should either adjust the calculation of CNC's profit rate by excluding SG&A expenses or add CNC's SG&A expenses to CV. The FTC contends that section 773(e)(2)(B)(iii) of the Act does not distinguish SG&A from profit or contemplate that these values will come from different sources. The FTC states that the reason respondents lack home market selling expenses is the same reason that they lack profits: sales in the home market are not in the ordinary course of trade. The FTC notes that while respondents had neither profit nor selling expenses in the home market, CNC has both profits and selling expenses. If profits are determined using CNC's profit rate, according to the FTC, it follows that selling expenses should be determined likewise in order to reflect the selling expenses that would have been incurred if respondents had home market sales in the ordinary course of trade.

The FTC further argues that to the extent selling expenses incurred with respect to export sales are incurred in the home market and are not deducted from CV, then the CEP sales will reflect selling activities that are not reflected in CV. The FTC argues that some proxy for selling expenses must be identified or there is an inconsistency between the LOT for actual sales and CV.

Asocolflores argues that it would be inappropriate to recalculate CNC's profitability by assuming it did not incur costs which, in fact, it did incur. Asocolflores notes that profitability is dependent on costs being incurred to generate revenues, and that the FTC is incorrect in its assertion that if a company reduces expenditures the result will be a higher level of profitability.

Asocolflores also contends that there is no legal basis for adding hypothetical selling expenses to CV when respondents incurred no actual selling expenses on their home market sales. Asocolflores asserts that, contrary to the FTC's argument, there is no statutory preference for using the same source of data for SG&A and profits.

Asocolflores asserts that the FTC's argument that growers incur no selling expenses in the home market because home market sales are outside the ordinary course of trade is not relevant because sections 773(e)(2)(B)(i) and (iii) of the Act contain no ordinary course of trade test. Asocolflores contends that the Department is correct to use the actual amount of selling expenses in the home market in calculating CV.

Department's Position: We disagree with the FTC that we should adjust CV profit or CV selling expenses to account for selling expenses incurred by CNC. As noted by Asocolflores, there is no requirement or preference that profit and SG&A expenses be drawn from the same source. The Department has used different sources for selling expenses and for profit in other cases where respondents had no profitable home market sales. *See, e.g., Shop Towels From Bangladesh,* 61 FR at 55959. Moreover, we are not persuaded by the FTC's argument that a potential difference in LOT compels the inclusion of the selling expenses of CNC or another proxy. Section 773(e)(2)(B) of the Act, which describes the sources on which the Department may base selling expenses for determining CV, does not require us to reject the use of the respondent's actual selling expenses due to a potential difference in LOT. *See also Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews,* 63 FR 2557, 2578 (January 15, 1998) (''We base home market LOTs on a respondent's actual experience in selling in the home market. * * * [T]here is no statutory basis for us to ''construct'' levels in the home market or elsewhere.''). Accordingly, we based selling expenses on the actual amounts incurred and realized by the respondents in selling in the home market (*i.e.,* zero) for purposes of calculating CV.

Comment 13: Asocolflores claims that the Department should compare the annual average CV with annual average U.S. prices, in light of the extreme seasonality of U.S. demand and prices. The FTC argues that the Department has consistently rejected Asocolflores' position that annual averages should be used when comparing CV with U.S. price. The FTC further maintains that use of annual averages as the basis for CV and U.S. price would eliminate the seasonality issue and allow the Department to use viable third-country market prices as the basis of determining NV.

Department's Position: In accordance with our past practice and as affirmed by the CIT, we have continued to use monthly weighted averages in calculating CV and U.S. price. *See Floral Trade Council* v. *United States,* 775 F. Supp. 1492, 1499–1501 (CIT 1991). By relying on monthly averages, we are able to use the exporters' actual price information, which is often available only on a monthly basis. As in prior reviews, we have not adopted Asocolflores' suggestion that we move to annual averages. In our view, use of an annual average would allow respondents to dump during periods of low demand, a result that is not consistent with the Act.

Company Specific Comments

Comment 14: Asocolflores argues that because Tuchany's U.S. sales were mainly made through unaffiliated U.S. importers, the Department should deduct freight and commissions before computing Tuchany's imputed credit expense on sales to unaffiliated customers. Asocolflores explains that when an exporter sells through an unaffiliated consignment importer, or, as with Tuchany, makes EP sales with a commission payable, it finances a receivable equal to the sales value less the commission and less any international freight. Asocolflores argues that because the exporter does not finance the international freight or commission, no credit expense should be imputed on these amounts.

The FTC contends that because Asocolflores does not cite any authority in support of its position, the Department should reject its argument.

Department's Position: We agree with Asocolflores. For these final results, we calculated credit expenses net of commission and international freight. While Asocolflores has not cited to any statutory authority in support of its credit calculation formula, we find that it has nonetheless articulated reasonable grounds that are consistent with the Department's practice of calculating imputed credit on the basis of net accounts receivable.

Comment 15: The FTC contends that the Department should use AFA to determine Tuchany's cost for the review period because Tuchany failed to supply complete cost data. The FTC asserts that Tuchany is among the top ten groups of exporters in this review and is well versed in antidumping procedures. As such, the FTC argues that Tuchany should have been aware of its obligation to collect and maintain the necessary cost data.

Asocolflores claims that at the time the questionnaires were issued in the current review, three of the Tuchany Group companies had already gone out of business and had fired all employees. Asocolfores further explains that because the cost data were kept individually by each of the companies, the cost data for the defunct companies were no longer available. Despite the best efforts of two remaining companies, Xue and Tikiya, Asocolflores claims that they were unable to recover the cost data for the defunct companies. Given the circumstances and the effort made by Xue and Tikiya to obtain the cost data of the other three companies, Asocolflores argues that the Tuchany Group as a whole should not be penalized by the application of AFA.

Department's Position: We agree with Asocolflores. We believe that it is inappropriate to draw adverse inferences from Xue's and Tikiya's failure to provide cost data for the three defunct companies of the Tuchany Group under these circumstances. The descriptions provided by Tuchany with respect to the efforts to locate the missing information and the difficulties that arose from the dissolution of the group demonstrate these two companies have acted to the best of their ability to respond to our request for cost information. Therefore, we believe that it is appropriate to use the standard carnation CV data for the two farms for which we have cost data to calculate a margin for standard carnations and also apply this same margin to the sales of other flower types.

Comment 16: Asocolflores claims that while it may be reasonable to allocate returns for companies that do not match returns to the month of the initial sale, the Department should not have disregarded the monthly reported returns for Clavecol and the Caicedo groups because both groups report their returns in the month that the flowers subject to the claim were sold, not in the month the claim was made. Given these circumstances, Asocolflores argues that the reported data relating to returns more accurately reflect the relevant month for the returns than the Department's methodology. Asocolflores further states that the Department's reallocation introduces an unnecessary distortion, since the monthly average price for flowers is highly variable over the POR.

The FTC argues that there is no legal authority or agency precedent to support a change in the Department's return methodology here. According to the FTC, Caicedo's and Clavecol's U.S. prices and adjustment for returns through numerous past reviews have been calculated in the same manner as all other respondents. Moreover, the FTC contends that the verification reports do not show that the reporting methodology for returns is accurate or complete and some returns may represent a credit to customers when the market is slow, rather than by reason of the quality of the flowers.

Department's Position: We agree with Asocolflores and have made appropriate changes to our calculation of these final results for Caicedo and Clavecol. Since the *Ninth Review Final Results,* the Department's practice has been to allocate returns over the POR because most companies report returns in the month the claim was made, not in the month the flowers were initially sold. However, because Caicedo and Clavecol report their returns in the month the flowers were initially sold, their reporting of returns is more accurate than an allocation. Therefore, it is inappropriate to allocate their returns over the POR.

Although not specifically detailed in the verification report, the accuracy of Caicedo's return methodology was fully verified in the present review. In general, verification reports tend to place greater emphasis on describing any inconsistencies found at verification, rather than restating the information from the responses that are verified to be accurate. Clavecol was not verified in the present review, and because we have no reason to believe that its return methodology is inaccurate, we have accepted Clavecol's return values as reported.

Comment 17: Asocolflores asserts that the additional interest expenses associated with the freeze of Floraterra's U.S. bank accounts during the POR qualify as an excludable extraordinary expense that are unrelated to the production or sale of flowers. According to Asocolflores, the additional costs are ''unusual in nature'' and ''infrequent in occurrence,'' and, thereby meet the Department's requirements of extraordinary expenses that are to be excluded from COP or CV. Asocolflores refers to *Roses from Ecuador,* where the Department excluded expenses incurred due to wind damage from the CV calculation.

Asocolflores further argues that the Department routinely excludes costs associated with defending against U.S. Government investigations unrelated to a company's normal business operations. *See Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut to Length Carbon Steel Plate from Canada: Final Results of Antidumping Duty Administrative Reviews,* 63 FR 12725, 12731 (March 16, 1998). Because Floraterra's increased costs are analogous to the costs of defending against an antidumping case, Asocolflores contends that such costs must be deducted.

The FTC rebuts that although the seizure of assets may have been unusual, it is not unusual in the industry to have unexpected needs for additional funds. Furthermore, the FTC argues that Floraterra has not shown that the allegedly extraordinary expenses were treated as such in its financial statements or other accounting records. In light of the fact that Floraterra did not separate such costs in its financial statements, the FTC contends that there is no basis to construct a calculation that would separate the financing costs Floraterra would have incurred from those it claims to be extraordinary.

Department's Position: We disagree with Asocolflores's contention that the amounts incurred as described above are extraordinary expenses and, as a result, must be excluded from the company's reported costs. As the FTC noted, Floraterra did not treat these expenses as ''extraordinary'' items in its own financial statements. Furthermore, it is the Department's practice to include all interest expenses incurred during the POR as part of operating capital. As such, the additional interest expenses incurred by the company are properly included as a part of the cost of the subject merchandise.

Final Results of Review

As a result of our review, we determine the following percentage weighted-average margins to exist for the period March 1, 1996 through February 28, 1997:

Selected Respondents

The following 10 groups of firms (composed of 86 companies) were selected as respondents and received individual rates, as indicated below.

	Percent
Agrodex Group	0.88
Agricola de las Mercedes S.A.	
Agricola el Retiro Ltda.	
Agrodex Ltda.	
Degaflores Ltda.	
Flores Camino Real Ltda.	
Flores Cuatro Esquinas Ltda.	
Flores de la Comuna Ltda.	
Flores de Los Amigos Ltda.	
Flores de los Arrayanes Ltda.	
Flores de Mayo Ltda.	

	Percent
Flores del Gallinero Ltda.	
Flores del Potrero Ltda.	
Flores dos Hectareas Ltda.	
Flores de Pueblo Viejo Ltda.	
Flores el Trentino Ltda.	
Flores la Conejera Ltda.	
Flores Manare Ltda.	
Florlinda Ltda.	
Horticola el Triunfo Ltda.	
Horticola Montecarlo Ltda.	
Caicedo Group	3.66
Agrobosque S.A.	
Andalucia S.A.	
Aranjuez S.A.	
Consorcio Agroindustrial Colombiano S.A. (CAICO)	
Exportaciones Bochica S.A.	
Floral Ltda.	
Flores del Cauca S.A.	
Productos el Rosal S.A.	
Productos el Zorro S.A.	
Claveles Colombianos Group	0.86
Claveles Colombianos Ltda.	
Elegant Flowers Ltda.	
Fantasia Flowers Ltda.	
Splendid Flowers Ltda.	
Sun Flowers Ltda.	
Cultivos Miramonte Group	0.61
C.I. Colombiana de Bouquets S.A.	
Cultivos Miramonte S.A.	
Flores Mocari S.A.	
Floraterra Group	6.10
Floraterra S.A.	
Flores Casablanca S.A.	
Flores Novaterra Ltda.	
Flores San Mateo S.A.	
Siete Flores S.A.	
Florex Group	1.17
Agricola Guacari S.A.	
Agricola el Castillo	
Flores San Joaquin	
Flores Altamira S.A.	
Flores de Exportacion S.A.	
Flores Primavera S.A.	
Guacatay Group	2.49
Agricola Cunday S.A.	
Agricola Guacatay S.A.	
Agricola Ventura	
Jardines Bacata Ltda.	
Multiflora Comercializadora Internacional S.A.	
Queens Flowers Group	0.11
Agroindustrial del Rio Frio	
Cultivos General Ltda.	
Flora Nova	
Flora Atlas Ltda.	
Flores Calima S.A.	
Flores Canelon Ltda.	
Flores de Bojaca	
Flores del Cacique	
Flores del Hato	
Flores el Aljibe Ltda.	
Flores el Cipres	
Flores El Pino Ltda.	
Flores el Tandil	
Flores la Mana	
Flores las Acacias Ltda.	
Flores la Valvanera Ltda.	
Flores Jayvana	
Flores Ubate Ltda.	
Jardines de Chia Ltda.	
Jardines Fredonia Ltda.	
M.G. Consultores Ltda.	
Mountain Roses	
Queens Flowers de Colombia Ltda.	
Quality Flowers S.A.	
Florval S.A. (Floval)	
Jardines del Rosal	
Tinzuque Group	1.23
Tinzuque Ltda.	
Catu S.A.	
Tuchany Group	9.06
Tuchany S.A.	
Flores Sibate	
Flores Tikaya	
Flores Munya	
Flores Xue S.A.	

Non-Selected Respondents

The following 338 companies were not selected as respondents and will receive a rate of 2.52 percent:

Abaco Tulipanex de Colombia
Achalay
Aga Group
  Agricola la Celestina
  Agricola la Maria
  Agricola Benilda Ltda.
Agrex de Oriente
Agricola Acevedo Ltda.
Agricola Altiplano
Agricola Arenales Ltda.
Agricola Bonanza Ltda.
Agricola Circasia Ltda.
Agricola de Occident
Agricola del Monte
Agricola el Cactus S.A.
Agricola el Redil
Agricola Guali S.A.
Agricola la Corsaria Ltda.
Agricola la Siberia
Agricola Las Cuadras Group
  Agricola las Cuadras Ltda.
  Flores de Hacaritama
Agricola Megaflor Ltda.
Agricola Yuldama
Agrocaribu Ltda.
Agro de Narino
Agroindustrial Don Eusebio Ltda. Group
  Agroindustrial Don Eusebio Ltda.
  Celia Flowers
  Passion Flowers
  Primo Flowers
  Temptation Flowers
Agroindustrial Madonna S.A.
Agroindustrias de Narino Ltda.
Agromonte Ltda.
Agropecuria Cuernavaca Ltda.
Agropecuaria la Marcela
Agropecuaria Mauricio
Agrorosas
Agrotabio Kent
Aguacarga
Alcala
Alstroflores Ltda.
Amoret
Ancas Ltda.
Andalucia
Andes Group
  Cultivos Buenavista Ltda.
  Flores de los Andes Ltda.
  Flores Horizonte Ltda.
  Inversiones Penas Blancas Ltda.
A.Q.
Arboles Azules Ltda.
Aspen Gardens Ltda.
Astro Ltda.
Becerra Castellanos y Cia.
Bojaca Group
  Agricola Bojaca
  Universal Flowers
  Flores y Plantas Tropicales
  Flores del Neusa Nove Ltda.
  Tropiflora
Cantarrana Group
  Cantarrana Ltda.
  Agricola los Venados Ltda.
Carcol Ltda.
Cienfuegos Group
  Cienfuegos Ltda.
  Flores la Conchita
Cigarral Group
  Flores Cigarral
  Flores Tayrona
Classic
Claveles de los Alpes Ltda.
Clavelez
Coexflor
Colibri Flowers Ltda.
Color Explosion
Combiflor
Consorcio Agroindustrial
Cota
Crest D'or
Crop S.A.
Cultiflores Ltda.
Cultivos Guameru
Cultivos Medellin Ltda.
Cultivos Tahami Ltda.
Cypress Valley
Daflor Ltda.
Degaflor
De La Pava Guevara E. Hijos Ltda.
Del Monte
Del Tropico Ltda.
Dianticola Colombiana Ltda.
Disagro
Diveragricola
Dynasty Roses Ltda.
El Antelio S.A.
Elite Flowers (The Elite Flower/Rosen Tantau)
El Milaro
El Tambo
El Timbul Ltda.
Envy Farms Group
  Envy Farms
  Flores Marandua Ltda.
Euroflora
Exoticas
Exotic Flowers
Exotico
Expoflora Ltda.
Exportadora
Falcon Farms de Colombia S.A. (formerly Flores de Cajibio Ltda.)
Farm Fresh Flowers Group
  Agricola de la Fontana
  Flores de Hunza
  Flores Tibati
  Inversiones Cubivan
Ferson Trading
Flamingo Flowers
Flor Colombiana S.A.
Flora Bellisima
Flora Intercontinental
Floralex Ltda.

Floralex Ltda.
Flores el Puente Ltda.
Agricola Los Gaques Ltda.
Florandia Herrera Camacho & Cia.
Floreales Group
Floreales Ltda.
Kimbaya
Florenal (Flores el Arenal) Ltda.
Flores Abaco S.A.
Flores Acuarela S.A.
Flores Agromonte
Flores Aguila
Flores Colon Ltda.
Flores de la Sabana S.A.
Flores de Serrezuela S.A.
Flores de Suesca S.A.
Flores del Rio Group
Agricola Cardenal S.A.
Flores del Rio S.A.
Indigo S.A.
Flores El Molino S.A.
Flores El Zorro Ltda.
Flores la Cabanuela
Flores la Fragrancia
Flores la Gioconda
Flores la Lucerna
Flores la Macarena
Flores la Pampa
Flores la Union/Gomez Arango & Cia. Group
Santana
Flores las Caicas
Flores las Mesitas
Flores los Sauces
Flores Monserrate Ltda.
Flores Montecarlo
Flores Monteverde
Flores Palimana
Flores Ramo Ltda.
Flores S.A.
Flores Sagaro
Flores Saint Valentine
Flores Sairam Ltda.
Flores San Andres
Flores San Carlos
Flores San Juan S.A.
Flores Santa Fe Ltda.
Flores Santana
Flores Sausalito
Flores Selectas
Flores Silvestres
Flores Sindamanoi
Flores Suasuque
Flores Tenerife Ltda.
Flores Tiba S.A.
Flores Tocarinda
Flores Tomine Ltda.
Flores Tropicales (Happy Candy) Group
Flores Tropicales Ltda.
Happy Candy Ltda.
Mercedes Ltda.
Rosas Colombianos Ltda.
Flores Urimaco
Flores Violette
Florexpo
Floricola
Floricola la Gaitana S.A.
Florimex Colombia Ltda.
Florisol
Florpacifico
Flor y Color
Flowers of the World/Rosa
Four Seasons
Fracolsa
Fresh Flowers
F. Salazar
Funza Group
Flores Alborada
Flores de Funza S.A.
Flores del Bosque Ltda.
Garden and Flowers Ltda.
German Ocampo
Granja
Green Flowers
Grupo el Jardin
Agricola el Jardin Ltda.
La Marotte S.A.
Orquideas Acatayma Ltda.
Gypso Flowers
Hacienda la Embarrada
Hacienda Matute
Hana/Hisa Group
Flores Hana Ichi de Colombia Ltda.
Flores Tokai Hisa
Hernando Monroy
Horticultra Montecarlo
Horticultura de la Sasan
Horticultura El Molino
Hosa Group
Horticultura de la Sabana S.A.
HOSA Ltda.
Innovacion Andina S.A.
Minispray S.A.
Prohosa Ltda.
Illusion Flowers
Industria Santa Clara
Industrial Agricola
Industrial Terwengel Ltda.
Ingro Ltda.
Inverpalmas
Inversiones Almer Ltda.
Inversiones Bucarelia
Inversiones Cota
Inversiones el Bambu Ltda.
Inversiones Flores del Alto
Inversiones Maya, Ltda.
Inversiones Morcote
Inversiones Morrosquillo
Inversiones Playa
Inversiones & Producciones Tecnica
Inversiones Santa Rita Ltda.
Inversiones Silma
Inversiones Sima
Inversiones Supala S.A.
Inversiones Valley Flowers Ltda.
Iturrama S.A.
Jardin de Carolina
Jardines Choconta
Jardines Darpu
Jardines Natalia Ltda.
Jardines Tocarema
Jardines de America
Jardines de Timana
J.M. Torres
Karla Flowers
Kingdom S.A.
La Colina
La Embairada
La Flores Ltda.
La Floresta
La Plazoleta Ltda.
Las Amalias Group
Las Amalias S.A.
Pompones Ltda.
La Fleurette de Colombia Ltda.
Ramiflora Ltda.
Las Flores
Laura Flowers
L.H.
Linda Colombiana Ltda.
Loma Linda
Loreana Flowers
Los Geranios Ltda.
Luisa Flowers
Luisiana Farms
M. Alejandra
Manjui Ltda.
Mauricio Uribe
Maxima Farms Group
Agricola los Arboles S.A.
Colombian D.C. Flowers
Polo Flowers
Rainbow Flowers
Maxima Farms Inc.
Merastec
Monteverde Ltda.
Morcoto
Nasino
Natuflora Ltda./San Martin Bloque B
Olga Rincon
Oro Verde Group
Inversiones Miraflores S.A.
Inversiones Oro Verde S.A.
Otono (Agroindustrial Otono)
Papagayo Group
Agricola Papagayo Ltda.
Inversiones Calypso S.A.
Petalos de Colombia Ltda.
Pinar Guameru
Piracania
Pisochago Ltda.
Plantaciones Delta Ltda.
Plantas S.A.
Prismaflor
Propagar Plantas S.A.
Reme Salamanca
Rosa Bella
Rosaflor
Rosales de Colombia Ltda.
Rosales de Suba Ltda.
Rosas Sabanilla Group
Flores la Colmena Ltda.
Rosas Sabanilla Ltda.
Inversiones la Serena
Agricola la Capilla
Rosas y Jardines
Rose
Rosex Ltda.
Roselandia
San Ernesto
San Valentine
Sansa Flowers
Santa Rosa Group
Flores Santa Rosa Ltda.
Floricola La Ramada Ltda.
Santana Flowers Group
Santana Flowers Ltda.
Hacienda Curibital Ltda.
Inversiones Istra Ltda.
Sarena
Select Pro
Senda Brava Ltda.
Shasta Flowers y Compania Ltda.
Shila
Siempreviva
Soagro Group
Agricola el Mortino Ltda.
Flores Aguaclara Ltda.
Flores del Monte Ltda.
Flores la Estancia
Jaramillo y Daza
Solor Flores Ltda.
Starlight
Superflora Ltda.
Susca
Sweet Farms
Flores Santa Rosa Ltda.
Floricola la Ramada Ltda.
Tag Ltda.

The Beall Company
The Rose
Tomino
Toto Flowers Group
 Flores de Suesca S.A.
 Toto Flowers
Tropical Garden
Uniflor Ltda.
Velez de Monchaux Group
 Velez De Monchaux e Hijos y Cia S. en C.
 Agroteusa
Victoria Flowers
Villa Cultivos Ltda.
Villa Diana
Vuelven Ltda.
Zipa Flowers

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. We have calculated an importer-specific per-stem duty assessment rate based on the ratio of the total amount of AD duties calculated for the examined sales made during the POR to the total quantity of subject merchandise entered during the POR. This rate will be assessed uniformly on all entries of that particular importer made during the POR. The Department will issue appraisement instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit requirements will be effective upon publication of these final results of administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption, as provided by section 751(a)(1) of the Act, on or after the publication date of these final results of review: (1) The cash deposit rate for the individually examined companies will be the most recent rates as listed above, except that for firms whose weighted-average margins are less than 0.5 percent and therefore *de minimis,* the Department shall require a zero deposit of estimated antidumping duties; (2) the cash deposit rate for non-selected companies will be the weighted-average of the cash deposit rates for the individually examined companies; (3) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (4) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the producer is, the cash deposit rate will be the rate established for the most recent period for the producer of the merchandise; and (5) the cash deposit rate for all other producers or exporters will be the ''all other'' rate of 3.10 percent. This is the rate established during the Less-Than-Fair-Value (LTFV) investigation, as amended in litigation.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402 (f)(2) to file a certificate regarding the reimbursement of AD duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of AD duties occurred and the subsequent assessment of doubled AD duties.

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO.

This administrative review is issued and published in accordance with section 751(a)(1) of the Act.

Dated: June 2, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–15349 Filed 6–9–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–818, A–489–805]

Certain Pasta From Italy and Turkey: Notice of Extension of Time Limits for Antidumping Duty; First Administrative Reviews

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: June 10, 1998.

FOR FURTHER INFORMATION CONTACT: Edward Easton or John Brinkmann, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482–1777 and (202) 482–5288, respectively.

SUPPLEMENTARY INFORMATION:

Postponement of Preliminary Results of the First Administrative Reviews

On August 28, 1997, the Department of Commerce (the Department) initiated the first administrative reviews of the antidumping duty orders on certain pasta from Italy and Turkey, covering the period January 19, 1996, through June 30, 1997 (62 FR 45621). Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department to make a preliminary determination in an administrative review within 245 days after the last day of the anniversary month of an order for which a review is requested. The original deadline for the preliminary results of these reviews was April 2, 1998. However, when it is not practicable to complete the review within the time period, section 751(a)(3)(A) allows the Department to extend this time period up to 365 days. Accordingly, on January 28, 1998, the Department extended the time limit for completion of the preliminary results of the administrative review by 90 days (63 FR 4218). The current extended deadline for the preliminary results of these reviews is July 1, 1998. We have now concluded, however, that the full 120-day extension is necessary. Accordingly, the Department is extending the time limit for completion of the preliminary results of these administrative reviews by 30 additional days, or until July 31, 1998. We plan to issue the final results of these administrative reviews within 120 days after publication of the preliminary results.

These extensions are in accordance with section 751(a)(3)(A) of the Act.

Dated: June 3, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–15473 Filed 6–9–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–814]

Amended Order and Final Determination of Sales at Less Than Fair Value: Small Diameter Circular Seamless Carbon and Alloy Steel, Standard, Line and Pressure Pipe From Italy

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Amendment to final determination of antidumping duty investigation in accordance with decision upon remand.

SUMMARY: On August 29, 1997, the United States Court of International Trade (the CIT) remanded to the Department of Commerce (the Department) the final determination in the antidumping duty investigation of