that all programs that were determined to be countervailable in past administrative reviews of the order have been terminated. The Department has reviewed these programs in three consecutive administrative reviews of this order (including this review). In each of the past two reviews, the Department determined that all countervailable programs have been eliminated and there was no net subsidy on lamb meat. In this review, we preliminarily determine that all countervailable programs on lamb meat have been terminated and have not been replaced with other countervailable programs. We also preliminarily determine that it is not likely that in the future the GONZ will reinstate for lamb meat those programs or substitute other countervailable programs. In addition, we preliminarily determine that the net subsidy during the review period was de minimis. Therefore, if the final results of this review remain unchanged from these preliminary results, the Department intends to revoke the order pursuant to 19 CFR 355.25(a)(1).

Scope of Review

Imports covered by this review are shipments of lamb meat, other than prepared, preserved or processed, from New Zealand. This merchandise is currently classifiable under item numbers 0204.10.0000, 0204.22.2000, 0204.23.2000, 0204.30.0000, 0204.42.2000, and 0204.43.2000 of the Harmonized Tariff Schedule (HTS). The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Verification

As required under 19 CFR 355.36(a)(ii) of the Department's regulations, we verified the elimination of programs that had been found countervailable in past administrative reviews and examined the countervailability of other programs that may have replaced these programs. We also selected several companies for verification to ensure that there were no net subsidies and that no residual benefits were being provided to lamb meat producers under the terminated programs.

Analysis of Programs

- I. Program Preliminarily Determined to Confer Subsidies
- (A) Livestock Incentive Scheme

The Livestock Incentive Scheme (LIS) was introduced in 1976 in order to encourage farmers to increase permanently their number of livestock.

Under the scheme, a farmer engaged in a stock increase program, for a minimum of one and a maximum of three years, could opt for one of two incentives: (1) An interest-free suspensory loan of NZ\$12 for each additional stock unit carried; or (2) a deduction of NZ\$24 from taxable income for each additional stock unit carried. If the livestock increase was met, farmers who elected to take out loans wrote the loans off as tax-free grants. For farmers electing the tax option, the provisional tax deduction could be applied toward tax liability in any of the three years after completion of the development program. Applications to participate in the LIS program were accepted until March 31, 1982. No new loans have been given under this program since 1983, and no tax credits have been authorized since the 1983/84 government fiscal year. The last loan was forgiven in 1988; these forgiven loans are treated by the Department as grants. During the 1991/ 92 government fiscal year (the review period), we verified that there were no outstanding loans that had not been converted to grants and no tax credits remaining to be claimed by lamb producers.

The Department has previously found this program to be countervailable because benefits under this program are available only to farmers with livestock herds, and, as such, are limited to a specific enterprise on industry, or group of enterprises or industries (See Preliminary Affirmative Countervailing **Duty Determination**; Lamb Meat From New Zealand (50 FR 28236, June 25, 1985 and Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Lamb Meat From New Zealand (50 FR 37708, September 17, 1985)). No new information or evidence of changed circumstances has been submitted to warrant reconsideration of this determination.

To calculate the benefit, we treated the loan amounts forgiven in prior years as grants and allocated those amounts over five years, the average useful life of breeding stock. This methodology is described in § 355.49(g) of Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments (51 FR 23366, 23385; May 31, 1989). Because the 1988 grant under this program was allocated over five years, we find that a benefit was conferred during the review period; however, this is the last year of the fiveyear benefit stream and no further benefits will be provided under these forgiven LIS loans. The discount rate chosen was the average interest rate on

overdrafts during the year in which the loans were forgiven.

The methodology and discount rate are the same used in previous administrative reviews (see e.g. Lamb Meat from New Zealand; Preliminary Results of Countervailing Duty Administrative Review (56 FR 27243; June 13, 1991) and Lamb Meat from New Zealand; Final Results of Countervailing Duty Administrative Review (56 FR 38423; August 13, 1991). We added the value of the benefits from the grants and multiplied the results by a factor determined to represent the value of lamb meat as a percentage of the total value of all livestock production. We then divided that result by the total value of lamb meat production during the review period. On this basis, we preliminarily determine the benefit from this program to be 0.0013 percent ad valorem for all firms.

- II. Programs Preliminarily Determined Not To Confer Subsidies
- (A) Regional Development Suspensory Loan Scheme (RDSL)

The GONZ established the Regional Development Assistance Program to encourage utilization of resources in priority regions of New Zealand. Regions designated by the government as non-priority did not qualify for regional development assistance. The RDSL program, one of a variety of regional development programs administered by the Development Finance Corporation (DFC), provided interest-free loans which were later converted to grants if development objectives are met.

The Department previously found this program to be countervailable because it provided government-funded financing to specific regions in New Zealand on terms inconsistent with commercial considerations (See Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Lamb Meat from New Zealand (50 FR 37708, September 17, 1985)). The RDSL was terminated on April 21, 1986, by the GONZ and the Regional Development **Investigation Grants Scheme (RDIGS)** was established as its replacement (See Verification Report on Lamb Meat from New Zealand (Public Version) dated April 13, 1988).

In 1988, the Ministry of Commerce (MOC) became the administrator of the RDIGS, and the name of the program was changed to the Business Development Investigation Grant Scheme (BDIGS). Unlike its predecessor, the RDSL, under BDIGS, all New Zealand taxpayers from any region are