eligible to apply for this program. The criteria for eligible projects under the program are: (1) The project must be a lawful activity, and (2) the activity must be new to the region in that its technical feasibility and/or commercial viability has yet to be established in the region.

The BDIGS assists applicants in assessing the feasibility of a new activity by providing grants to cover expenses such as accountant fees, Ministry of Agriculture and Fisheries (MAF) soil studies, pilot plant costs, marketing consultant fees, and travel costs of visiting a similar operation in another country. These grants may cover up to 50 percent of the costs related to the project feasibility studies. We verified that as of June 1989, there are no regional distinctions made by this program or the government with respect to eligibility for these grants.

Although the lamb meat industry is not a new or unproven activity in any region in New Zealand, the introduction of an advanced technology to the lamb industry could be funded through this scheme. At verification, we examined the use of BDIGS and found that no producers or exporters of lamb meat used the program at any time between early 1991 to June 1994. We found that the program was available to all sectors of the economy and all regions within New Zealand. During the review period, we verified that this program was used in a wide variety of different economic sectors for the development of such projects as tree surgery products, a holiday home exchange program, a plastic bag holder, Mediterranean bread, and an intelligent radio modem and that these projects were conducted across all regions in New Zealand (See Verification of the Countervailing Duty Order on Lamb Meat from New Zealand (Public Version) dated December 13, 1994). Therefore, because this program is not limited to a specific enterprise or industry, or group of enterprises or to companies in specific regions, we find that it is not countervailable.

# (B) Expert Assistance Grant Scheme (EAGS)

The EAGS is a program established in 1992 by the MOC to assist small businesses, those with 10 employees or less, in their efforts to become more competitive. Under the EAGS program, grants are provided to small firms in any industry throughout New Zealand. Grants are provided to firms that are hiring "experts" to help improve quality and provide expertise that is not available within the firm.

At verification, we examined the EAGS and found that no producers or exporters of lamb meat used the

program at any time between early 1991 to June 1994. We found that the program was available to all sectors of the economy and all regions within New Zealand. During the review period, we verified that this program was used in a wide variety of different economic sectors of the economy including foundries, data systems, and engineering projects and that companies using EAGS were located across all regions of New Zealand (See Verification of the Countervailing Duty Order on Lamb Meat from New Zealand (Public Version) dated December 13, 1994). Therefore, because this program is not limited to a specific enterprise or industry, or group of enterprises or to companies in specific regions, we find that it is not countervailable.

#### III. Programs Preliminarily Determined To Be Terminated

## (A) The Export Market Development Taxation Incentive (EMDTI)

Under the EMDTI, established in the 1979 Amendment to the Income Tax Act of 1976, exporters have received tax credits for a certain percentage of their export market development expenditures. Qualifying expenditures included those incurred principally for seeking and developing new markets, retaining existing markets and obtaining market information. An exporter who took advantage of this tax credit could not deduct the qualifying expenditures as ordinary business expenses in calculating taxable income. Because the program was contingent upon exportation, the Department previously found this program to confer a countervailable grant or subsidy (See 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).

Effective with the government fiscal year beginning April 1, 1990, the GONZ eliminated the EMDTI tax credit, and all formerly eligible expenditures are subject to the rules for ordinary business expenses in calculating taxable income. Because certain corporate fiscal years do not correspond with the GONZ's fiscal year, some residual benefits were still possible. However, according to the questionnaire response, no exporters of the subject merchandise claimed benefits under this program on their tax return during the review period. Moreover, at verification, we saw no evidence that EMDTI tax credits were given or that they existed during the review period. Furthermore, we verified

that there can be no residual benefits after our review period. Accordingly, we preliminarily determine that this program has been terminated and that there are no residual benefits to lamb meat producers or exporters.

### (B) Export Suspensory Loan Scheme (ESLS)

The ESLS administered by the Department of Trade & Industry and the DFC, was established in the 1973 budget and modified by Cabinet decision in 1978. The purpose of the program is to provide loans to assist exporters in purchasing equipment needed to expand their production of export goods. The loans covered up to 40 percent of eligible expenditures and were converted to grants if predetermined export targets were met. If the export targets were not met, the loans could be partially converted to grants or called in full at the DFC's longterm interest rates. The ESLS terminated on March 31, 1985; we have verified that no new loans under this program were granted after that date.

The Department has previously found this program to be countervailable because benefits under this program are contingent on export performance and the program provided loans that: (1) Could be at rates lower than those available from commercial sources, and (2) could be converted to grants (See Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Lamb Meat from New Zealand (50 FR 37708, September 17, 1985)).

At verification, we examined this program and found that there were no outstanding ESLS loans during the review period. The final payments on loans under this program were made during the 1990-91 New Zealand Government fiscal year. (See Verification of the Countervailing Duty Order on Lamb Meat from New Zealand (Public Version) dated December 13, 1994.) Furthermore, we saw no evidence that ESLS loans were used by lamb meat exporters during the review period. Accordingly, we preliminarily determine that this program has been terminated and that there are no residual benefits to lamb meat producers or exporters.

#### (C) Export Programme Grant Scheme (EPGS/Export Programme Suspensory Loan Scheme (EPSLS)

The EPGS was established in the 1979 Budget to encourage marketing research in targeted foreign markets. The grants, amounting to 64 percent of budgeted expenditures, were available for up to three years. In 1982, the grant program was converted to the EPSLS, a