

the loans were effectively forgiven. We summed those amounts and added the leasing amount for 1999 and then allocated this sum over the 10-year average useful life of assets (AUL) used in the honey industry. We used the 1999 annual average of long-term fixed Peso-denominated interest rates as our discount rate. See "Benchmark Interest Rates and Discount Rates," and "Allocation Period" sections, above.

For the purposes of establishing the countervailable subsidy rate for 2001, we converted the Argentine Peso-denominated benefit attributable to 2001 into U.S. Dollars using the official exchange rates provided by the GOA. We then divided this amount by the U.S. Dollar value of honey production in the Province of San Luis during 2001. We then determined the countervailable subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from San Luis represents of total honey exports to the United States during 2001. Thus, the countervailable subsidy rate attributable to this program for 2001 is 0.141 percent *ad valorem*.

For the purposes of establishing the countervailable subsidy rate for 2002, and the cash deposit rate, we converted the Argentine Peso-denominated benefit attributable to 2002 into U.S. Dollars using the official annual average exchange rate provided by the GOA. We then divided this amount by the U.S. Dollar value of honey production in the Province of San Luis during 2002. We then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from San Luis represents of total honey exports to the United States during 2002. Thus, the countervailable subsidy rate for 2002 and cash deposit rate applicable to this program are 0.024 percent *ad valorem*.

2. Province of Chaco Line of Credit Earmarked for the Honey Sector

The Chaco government's Line of Credit Earmarked for the Honey Sector funded efforts to increase honey production in the province. The Chaco government offered long-term, fixed rate, Argentine Peso-denominated loans to purchase hives as well as loans to improve access to new bee breeds and for honey extraction rooms. These loans were made as part of a series of annual campaigns which took place in 1995, 1997, and 1999.

In the *Honey Final Determination*, we determined that the leasing component of the Honey Program was countervailable. See *Honey Issues*

Memo, at "Province of Chaco Line of Credit Earmarked for the Honey Sector." There is no new information or evidence of changed circumstances which would warrant the reconsideration of this finding.

However, in the instant review, based on the results of verification, we find it appropriate to make one change to the calculation of the benefit arising from this program. We calculated outstanding balances for these loans to include outstanding interest which accrued on these loans. In order to determine whether a benefit existed, we compared the interest rate charged on loans provided under this program to the commercial interest rates for loans that most closely resemble loans under this program. Because these are long-term, fixed rate, Argentine Peso-denominated loans, we selected from information provided by the GOA a long-term benchmark from: 1995 to apply to the 1995 tranche; 1997 to apply to the 1997 tranche; and 1999 to apply to the 1999 tranche. Based on this comparison, there is a difference in the amount the recipient of the loan pays on the loan and the amount the recipient would have paid on a comparable commercial loan that the recipient could have actually obtained on the market. Thus, this line of credit is providing a benefit, under section 771(5)(E) (ii) of the Act.

We calculated the amount of the benefit for 2001 in the following steps: (1) We multiplied the average outstanding Argentine Peso-denominated loan balances for 2001 by the interest rate differential; (2) we converted the resulting the resulting Argentine Peso-denominated benefit into U.S. Dollars using the official annual average exchange rates provided by the GOA; (3) we divided this U.S. Dollar-denominated benefit by the U.S. Dollar value of honey production in the Province of Chaco during 2001; (4) we then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from the Province of Chaco represents of total honey exports to the United States during 2001. We find the countervailable subsidy from this line of credit to be 0.084 percent *ad valorem* for 2001.

For the purposes of establishing the countervailable subsidy rate for 2002 and the cash deposit rate of estimated countervailing duties, we calculated the amount of the benefit for 2002 in the following steps: (1) We multiplied the average outstanding Argentine Peso-denominated loan balances for 2002 by the interest rate differential; (2) we converted the resulting Argentine Peso-

denominated benefit into U.S. Dollars using the official exchange rates provided by the GOA; (3) because the GOA was unable to demonstrate that no honey produced in Chaco was exported to the United States in 2002, we divided this U.S. Dollar-denominated benefit by the U.S. Dollar value of honey production in Argentina during 2002. Thus, the countervailable subsidy rate for 2002 and cash deposit rate applicable to this program are 0.019 percent *ad valorem*.

3. Buenos Aires Honey Program

In 1996, the Province of Buenos Aires created the Buenos Aires Honey Development Program (BAHP) to increase provincial honey production, and improve production efficiency and quality. Through the program, the Banco de la Provincia de Buenos Aires (Banco Provincia or BAPRO), a bank owned by the government of the Province of Buenos Aires, provides two types of credit lines to honey producers in the province: the Line of Credit for Working Capital; and the Line of Credit for the Acquisition of Capital Goods. Eligibility for both credit lines requires honey producers to enroll in the Province's Registry of Honey Producers. In addition, the Province of Buenos Aires provided Technical Assistance at no charge to honey producers.

In the underlying investigation, we found all three elements of the BAHP to provide countervailable subsidies. See *Honey Issues Memo*, at "Buenos Aires Honey Program." There is no new information or evidence of changed circumstances which would warrant reconsideration of this finding. However, the GOA reported, and we verified, that no Technical Assistance was provided under the BAHP during the POR.

A. The Line of Credit for Working Capital

The Line of Credit for Working Capital enables beekeepers to finance their operating expenses. Beekeepers applying for this loan must have a minimum of fifteen beehives. This line offers US\$15.00 per active producing beehive with no limit on the number of beehives. The maximum term for repayment of the loan may not exceed 180 days from the date of the loan.

The Banco Provincia offered two different rates under this line of credit: (i) For products that will be exported, the applicable interest rate is the market rate applied by Banco Provincia under its line of credit for the pre-financing of exports; (ii) for all other cases, the applicable interest rate is the market rate that Banco Provincia charges under