

69 FR 4489, January 30, 2004

C-122-839  
New Shipper Review  
POR: 1/1/02 - 12/31/02  
Public Document  
Group II/DAS II/Office VI: JM

**MEMORANDUM TO:** James J. Jochum  
Assistant Secretary  
for Import Administration

**FROM:** Holly A. Kuga  
Acting Deputy Assistant Secretary  
for AD/CVD Enforcement II

**RE:** Countervailing Duty New Shipper Review of Certain Softwood  
Lumber Products from Canada (C-122-839)

**SUBJECT:** Final Issues and Decision Memorandum for La Pointe & Roy Ltee.

#### SUMMARY

On October 31, 2003, the Department of Commerce (the Department) published the Preliminary Results of the above-mentioned countervailing duty (CVD) new shipper review. See Certain Softwood Lumber Products From Canada: Preliminary Results of New Shipper Countervailing Duty Review, 68 FR 62055 (October 31, 2003) (Preliminary Results). La Pointe & Roy Ltee. (La Pointe & Roy) is the sole respondent covered by this CVD new shipper review.

We did not receive any comments from interested parties in the Preliminary Results of this CVD new shipper review. As a result, we have made no modifications to our Preliminary Results. Below is the "Analysis of Programs" section of this memorandum that describes the decisions made in this new shipper review.

#### ANALYSIS OF PROGRAMS

##### I. Programs Determined to Be Countervailable

##### A. Private Forest Development Program (PFDP)

In the underlying investigation, the Department found the PFDP to be countervailable. See the "Program Administered by the Province of Quebec" section of the March 21, 2002, Issues and Decision Memorandum that accompanied the Notice of Final Affirmative Countervailing Duty

Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products From Canada, 67 FR 15545 (April 2, 2002) (Lumber Final). Specifically, in the underlying investigation, the Department determined that the PFDP provides silviculture support to private woodlot owners through payments, either made directly to forest engineers or via reimbursement to the woodlot owner, for silviculture treatments performed on private land. Thus, we found that payments under the PFDP constitute a financial contribution under section 771(5)(D)(i) of the Act and that the benefit conferred under the PFDP is equal to the grant of funds provided during the review period. We further found in the underlying investigation that because the PFDP is limited to private woodlot owners, the assistance is specific under section 771(5A)(D) of the Act.

In its April 4, 2003, questionnaire response, La Pointe & Roy reported that it received assistance from an agency known as the Agence de Mise en Valeur de la Forêt Privée de L'Estrie (AMFE) during calendar year 2002, the period of review (POR). Specifically, AMFE arranged for a company called the A.F.A. Des Appalaches Inc. (AFA) to perform silviculture work on a private woodlot held by La Pointe & Roy. La Pointe & Roy paid AFA for a portion of the work while AMFE directly compensated AFA for the remaining amount. La Pointe & Roy received similar assistance from the Agence de Mise en Valeur des Forêts Privées de Chaudière (AMFC) in 1999.

La Pointe & Roy received assistance from AMFE and AMFC. We preliminarily determined that the PFDP assistance is countervailable. Further, we preliminarily determined that the assistance received by La Pointe & Roy conferred a benefit in the form of a grant. Finally, we continued to find that this program is specific under section 771(5A)(D) of the Act, because assistance under this program is limited to private woodlot owners.

At verification we confirmed the dollar amount of the assistance provided under the PFDP program. Based on record evidence and information collected during verification, we find that La Pointe & Roy received a countervailable subsidy under the PFDP.

In accordance with 19 CFR 351.524(b)(2), we have allocated all of the grants provided under the PFDP to the year of receipt because the total amounts approved under the program are less than 0.5 percent of the company's total sales of softwood lumber products in the year of receipt, net of resales. Using this methodology, the net subsidy rate attributable to La Pointe & Roy under the PFDP is 0.08 percent ad valorem.

## II. Programs Determined to Be Not Used

We preliminarily determined that La Pointe & Roy did not use the following programs.

- A. Provincial Stumpage Program
- B. Export Assistance under the Société de Développement Industriel du Québec (SDI) / Investissement Québec (IQ)
- C. Assistance under Articles 7 and 28 of the SDI
- D. Assistance from the Société de Récupération d'Exploitation et de Développement

Forestiers du Quebec (Rexfor)

We verified that La Pointe & Roy sourced all its inputs from private syndicates and thus did not benefit from the provincial stumpage program. We also reviewed the company's records to establish that it did not benefit from the other programs. Therefore, we affirm our preliminary determination that La Pointe & Roy did not benefit from these programs.

III. Total Ad Valorem Rate

We have not revised the net subsidy rate that was calculated in the Preliminary Results. The net subsidy rate for La Pointe & Roy is 0.08 percent ad valorem. As provided for in 19 CFR 351.106(c)(1), any rate less than 0.5 percent ad valorem in a new shipper review is de minimis.

IV. Recommendation

Based on our analysis, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the Final Results of the determination in the Federal Register.

\_\_\_\_\_  
Agree

\_\_\_\_\_  
Disagree

\_\_\_\_\_  
James J. Jochum  
Assistant Secretary  
for Import Administration

\_\_\_\_\_  
Date