



C-122-858
Investigation
Public Document
E&C/OI, OIII: Team

April 24, 2017

MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Gary Taverman
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Determination in the
Countervailing Duty Investigation of Certain Softwood Lumber
Products from Canada

I. SUMMARY

The Department¹ preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain softwood lumber products in Canada, as provided in section 703 of the Act.

II. BACKGROUND

A. Initiation and Case History

On November 25, 2016, the COALITION² filed a petition with the Department seeking the imposition of ADs and CVDs on imports of softwood lumber from Canada.³ We released supplemental petition questionnaires to the petitioner on November 30, 2016, and December 2, 2016.⁴ The petitioner submitted its supplemental petition responses on December 1, 2016, and on December 5, 2016.⁵ The petitioner also submitted a correction to certain Petition exhibits on December 2, 2016.⁶ In accordance with section 702(b)(4)(A)(ii) of the Act, the Department held

¹ Abbreviations and short-cites used throughout this Memorandum are available in Appendix I.

² The petitioner is the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (COALITION), which is an ad hoc association whose members are: the U.S. Lumber Coalition, Inc.; Collum's Lumber Products, L.L.C.; Hankins, Inc.; Potlatch Corporation; Rex Lumber Company; Seneca Sawmill Company; Sierra Pacific Industries; Stimson Lumber Company; Swanson Group; Weyerhaeuser Company; Carpenters Industrial Council (a union); Giustina Land and Timber Company; and Sullivan Forestry Consultants, Inc.

³ See Petition.

⁴ See Supplemental Questionnaire – Petition I, and Supplemental Questionnaire – Petition II.

⁵ See Petition Supplement I, and Petition Supplement II.

⁶ See Correction – Petition Exhibits.

consultations with the GOC on December 7, 2016.⁷ On December 8, 2016, we received comments from the petitioner on the GOC's consultation submission.⁸ On December 15, 2016, the Department initiated a CVD investigation on softwood lumber from Canada.⁹

On February 3, 2017, the Department conducted a plant tour at Rex Lumber Company in Graceville, Florida.¹⁰

On March 30, 2017, the Department met with certain interested parties concerning the stumpage system in British Columbia.¹¹

On April 7, 2017, the petitioner submitted comments regarding stumpage denominators.¹²

Between April 11, and April 17, 2017, certain interested parties provided pre-preliminary determination comments.¹³

B. Subsidy Rate Methodology and Respondent Selection

We stated in the *Initiation Notice* that we intended to follow our standard practice in CVD investigations by calculating company-specific subsidy rates (rather than calculating subsidy rates based on the aggregate method) and that we intended to conduct respondent selection subsequent to the initiation.¹⁴ We received comments on the appropriate subsidy rate methodology for this investigation from the petitioner, Canfor, the Central Canada Alliance, the GOC, the GNB, the GOO, the GNS, the GOQ, and the NBLP, on December 29, 2016.¹⁵ We received timely-filed rebuttal comments on the appropriate investigation methodology from the GOC on January 3, 2017.¹⁶ On January 18, 2017, in the Respondent Selection Memorandum, we determined to conduct a company-specific investigation, after analyzing interested parties' comments on the matter.¹⁷

⁷ See Consultations Memorandum.

⁸ See Petitioner Comments – GOC Consultations.

⁹ See *Initiation Notice*, and Initiation Checklist.

¹⁰ See Plant Tour Memorandum.

¹¹ See *Ex-Parte* Meeting – BC Stumpage.

¹² See Petitioner Comments – Stumpage Denominator. See also, Petitioner Benchmark Submission.

¹³ See Canfor Comments – Pre-Prelim; GBC Comments – Pre-Prelim; GOA Comments – Pre-Prelim; GOC Comments – Pre-Prelim; GOM Comments – Pre-Prelim; GOO Comments – Pre-Prelim; GOQ Comments – Pre-Prelim; GOS Comments – Pre-Prelim; Irving Comments – Pre-Prelim; Petitioner Comments – Pre-Prelim NS; Tolko Comments – Pre-Prelim; and, West Fraser Comments – Pre-Prelim.

¹⁴ See *Initiation Notice*, 81 FR at 93901.

¹⁵ See Petitioner Comments – Methodology; Central Canada Alliance Comments – Initiation; GOC Comments – Initiation; GNB Comments – Methodology; GOO Comments – Methodology; GNS Comments – Methodology; GOQ Comments – Initiation; and, NBLP Comments – Methodology.

¹⁶ See GOC Rebuttal Comments – Methodology.

¹⁷ See Respondent Selection Memorandum at 1-7. Additionally, we placed referenced respondent selection memoranda on the record. See Referenced Respondent Selection Memoranda.

On December 22, 2016, the Department released CBP entry data under administrative protective order.¹⁸ We received timely-filed comments from the petitioner, Canfor, the Central Canada Alliance, the GOC, the GOQ, JDIL, and Tembec Inc., on December 29, 2016.¹⁹ We received rebuttal comments on respondent selection from the GOC on January 3, 2017, and from JDIL on January 4, 2017.²⁰ Based on certain of these comments, we revised our summations of CBP entry data to aggregate certain companies' data for name variations of potential respondents.²¹ We relied upon these revised entry statistics to select Canfor, Resolute, Tolko,²² and West Fraser as mandatory respondents on January 18, 2017.²³

C. Questionnaires and Responses

1. Initial Questionnaires

On January 19, 2017, the Department issued its CVD investigation questionnaire to the GOC and mandatory respondents Canfor, Tolko, Resolute, and West Fraser requesting information regarding the alleged subsidies.²⁴ On January 26, 2017, the Department met with the GOC and certain provincial governments regarding GOC comments on the Initial Questionnaire.²⁵ Subsequently, on February 3, 2017, and February 6, 2017, the Department provided guidance to these parties regarding their comments.²⁶

On January 31, 2017, the Department issued an addendum to the Initial Questionnaire regarding stumpage for New Brunswick, Nova Scotia, Manitoba, and Saskatchewan.²⁷ On February 8, 2017, the GOC submitted comments on this questionnaire addendum.²⁸ The Department provided guidance to the GOM and GOS on this questionnaire at their request.²⁹

¹⁸ See CBP Query Results.

¹⁹ See Petitioner Comments – Respondent Selection; Canfor Comments – Methodology; Central Canada Alliance Comments – CBP Data; GOC Comments – Initiation; GOQ Comments – Initiation; JDIL Comments – Respondent Selection; and, Tembec Comments – CBP Data.

²⁰ See GOC Rebuttal Comments – Initiation, and JDIL Rebuttal Comments – Respondent Selection.

²¹ See Respondent Selection Memorandum at 13 citing Revised CBP Data.

²² We identified Tolko Marketing & Sales Ltd. as a company associated with the sale of Canadian softwood lumber. See Tolko Memorandum.

²³ See Respondent Selection Memorandum at 8-15. As explained in that memorandum, when faced with a large number of producers/exporters, the Department may determine that it is not practicable to examine all companies. In these circumstances, section 777A(e)(2)(A)(ii) of the Act and 19 CFR 351.204(c) give the Department discretion to limit its examination to a reasonable number of the producers/exporters accounting for the largest volume of the subject merchandise that can be reasonably examined.

²⁴ See Initial Questionnaire. On January 24, 2017, the Department issued a copy of the Initial Questionnaire directly to Tolko Sales & Marketing Ltd. See Tolko QR Distribution Memorandum.

²⁵ See Ex-Parte Meeting – IQ Government. See also, GOC Comments – Initial Questionnaire; GOC Certifications – IQ Comments; and GOC Comments – IQ Follow Up.

²⁶ See Initial Questionnaire – Guidance I; Initial Questionnaire – Guidance II; and, Initial Questionnaire – Guidance III.

²⁷ See Initial Questionnaire – Addendum.

²⁸ See GOC Comments – IQ Addendum.

²⁹ See Initial Questionnaire – Guidance VI.

On February 27, 2017, the Department issued a correction to the Initial Questionnaire, and the addendum thereto, with respect to loan benchmarks and guarantees.³⁰ We notified parties of this change on the same day that the correction was issued.³¹

On March 7, 2017, the Department issued a correction to the Initial Questionnaire and the related addendum, directing certain provinces and the mandatory respondents to respond to the Standard Questionnaire Appendix concerning provincial stumpage programs.³² On March 8, 2017, the Department issued a clarification of its March 7 correction to the Initial Questionnaire, rescinding the requirement that provinces to which the addendum to the Initial Questionnaire was issued needed to respond to the Standard Questionnaire Appendix for provincial stumpage programs.³³

Between January 31, 2017, and February 2, 2017, Canfor, Tolko, and West Fraser requested certain exclusions from reporting requirements with respect to the Initial Questionnaire.³⁴ On February 3, 2017, the Department met with certain mandatory respondents to discuss their requests for reporting exclusions.³⁵ Subsequently, on February 8, 2017, the Department provided guidance to the mandatory respondents which requested exclusions regarding their reporting requirements.³⁶

2. Affiliation Responses – Mandatory Respondents

We received affiliation responses from Canfor, Tolko, Resolute, and West Fraser between February 2, and February 8, 2017.³⁷ We received comments from the petitioner on certain mandatory respondents' affiliation responses, and a further response from Resolute thereafter.³⁸ We sent supplemental questionnaires on these affiliation responses to Canfor, Resolute, and West Fraser between February 9, and February 22, 2017.³⁹ We received responses to these supplemental questionnaires between February 15 and March 8, 2017.⁴⁰ We sent an additional supplemental questionnaire to Resolute on February 17, 2017, and received a response to this questionnaire on February 21, 2017.⁴¹ The Department issued a final supplemental questionnaire

³⁰ See Initial Questionnaire – Correction.

³¹ See Notification – Initial Questionnaire Correction.

³² See Initial Questionnaire – Correction II.

³³ See Initial Questionnaire – Correction II Clarification.

³⁴ See Canfor Request – Reporting Exclusions; Tolko Request – Reporting Exclusions; and, West Fraser Request – Reporting Exclusions. Tolko submitted further comments in Tolko Comments – Reporting Exclusions I, and Tolko Comments – Reporting Exclusions II.

³⁵ See Ex-Parte Meeting – IQ Mandatories. See also, Petitioner Comments – Tolko Exclusions.

³⁶ See Initial Questionnaire – Guidance IV; Initial Questionnaire – Guidance V; and, Initial Questionnaire – Guidance VII.

³⁷ See Canfor Affiliation Response; Resolute Affiliation Response I; Tolko Affiliation Response; and West Fraser Affiliation Response I.

³⁸ See Petitioner Comments – Canfor Affiliation; Petitioner Comments – Resolute Affiliation; Petitioner Comments – Tolko Affiliation; Petitioner Comments – West Fraser Affiliation; and Resolute Affiliation Response II.

³⁹ See Supplemental Questionnaire – Canfor Affiliation; Supplemental Questionnaire – Resolute Affiliation I; and, Supplemental Questionnaire – West Fraser Affiliation.

⁴⁰ See Canfor Affiliation Response; Resolute Affiliation Response II; and, West Fraser Affiliation Response II.

⁴¹ See Supplemental Questionnaire – Resolute Affiliation II; and, Resolute Affiliation Response III.

to Resolute on its affiliated companies on February 21, 2017.⁴² The Department issued guidance to Resolute and West Fraser concerning the reporting of cross-owned companies on February 23, 2017.⁴³ Resolute submitted its response to the third supplemental questionnaire regarding its affiliated companies on March 8, 2017.⁴⁴

3. Initial Questionnaire Responses

We received the response to our Initial Questionnaire and its addendum from the GOC, including provincial responses for Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan on March 15, 2017.⁴⁵ We received responses to our company-specific initial questionnaires from Canfor, Tolko, Resolute, and West Fraser between March 13, and March 15, 2017.⁴⁶ The petitioner commented on the initial questionnaire responses on March 27, 2017, and the GOC responded to these comments on April 6, 2017.⁴⁷ On April 13, 2017, the petitioner requested leave to submit additional factual information correcting information in its March 27, 2017, submission.⁴⁸

Between March 16, and March 20, 2017, we received responses to our March 7, 2017, correction to the Initial Questionnaire and the related addendum, directing certain provinces and respondents to respond to the Standard Questionnaire Appendix concerning provincial stumpage programs.⁴⁹ The GOC commented on the GNS response on March 21, 2017, and the GNS provided rebuttal comments on April 7, 2017.⁵⁰ Resolute requested that we reject the latter for certain shortcomings on April 10, 2017.⁵¹

4. Supplemental Questionnaires and Responses

We sent supplemental questionnaires to the GOC and certain provinces between March 21, and March 30, 2017.⁵² We received responses to these supplemental questionnaires between April 3, and April 14, 2017.⁵³

⁴² See Supplemental Questionnaire – Resolute Affiliation III;

⁴³ See Resolute Affiliation – Guidance; and, West Fraser Affiliation – Guidance.

⁴⁴ See Resolute Affiliation Response IV.

⁴⁵ See GQR. See also, Petitioner Comments – Initial Questionnaire.

⁴⁶ See CQR, TQR, RQR-NS; RQR-S, and WFQR, respectively. See also, RQR-S Correction.

⁴⁷ See Petitioner Comments – Initial QRs, and GOC Rebuttal Comments – Initial QRs, respectively.

⁴⁸ See Petitioner Request – Additional NFI Initial QRs.

⁴⁹ See CQR – SQA Stumpage; GBC – SQA Stumpage; GOA – SQA Stumpage; GOO – SQA Stumpage; GOQ – SQA Stumpage; GNBQR; GNSQR; RQR – SQA Stumpage; and, WFQR – SQA Stumpage.

⁵⁰ See Provincial Comments – GNS Stumpage Response; and, GNS Rebuttal Comments – GNS Stumpage Response.

⁵¹ See Resolute Rejection Request.

⁵² See Supplemental Questionnaire – GBC; Supplemental Questionnaire – GOC I; and, Supplemental Questionnaire – GNS.

⁵³ See GOASQR; GBC/GOASQR; GBCSQR; GOQ – Refile Stumpage Report I; GOQ – Refile Stumpage Report II; GNSS1QR; GNSS1QR; and, GS1QR. Certain interested parties submitted comments on GNSS1QR and GNSS2QR. See JDIL Comments – GNSS1QR; Provincial Comments – GNSS1QR; and, Resolute Comments – GNSS2QR.

We sent additional supplemental questionnaires to the GOC and certain provinces on April 3, and April 5, 2017.⁵⁴

We received responses to our additional supplemental questionnaires to the GOC and certain provinces between April 12, and April 14, 2017.⁵⁵

We sent company-specific supplemental questionnaires to Canfor on March 3, to Tolko on March 30, to Resolute on March 22, to West Fraser on April 5, and an addendum to the West Fraser supplemental questionnaire on April 6, 2017.⁵⁶

Canfor replied on April 5, Resolute replied on April 3, Tolko replied on April 5, and West Fraser replied on April 14, 2017.⁵⁷

The Department requested that certain respondents supply publicly ranged data for certain sales information supplied in initial questionnaire responses. These respondents supplied the requested information between April 7, 2017, and April 11, 2017.⁵⁸

We sent additional supplemental questionnaires to Canfor on April 4, 2017, and to Resolute on March 24, March 30, and April 3, 2017 (the last was an addendum to the March 24 supplemental questionnaire).⁵⁹

We received responses to these supplemental questionnaires from Canfor on April 14, and from Resolute on April 6, April 7, and April 12, 2017.⁶⁰

On April 13, 2017, the Department requested that the mandatory respondents and the voluntary respondent submit additional sales information.⁶¹ We received responses to this request between April 17, and April 18, 2017.⁶²

5. Voluntary Respondents

On January 25, 2017, JDIL requested that the Department accept it as a voluntary respondent.⁶³ On February 2, 2017, JDIL submitted its affiliation response on a voluntary basis.⁶⁴ On March

⁵⁴ See Supplemental Questionnaire – GOC II; and, Supplemental Questionnaire – GOC III.

⁵⁵ See GNBSQR; and, GS3QR.

⁵⁶ See Supplemental Questionnaire – Canfor Benchmark; Supplemental Questionnaire – Resolute I; Supplemental Questionnaire – Tolko Benchmark; and, Supplemental Questionnaire – West Fraser Ia.

⁵⁷ See CS1QR, RS1QR-NS; TSQR; and, WFSQR.

⁵⁸ See Request Sales Information; and, respondent's responses thereto: Canfor Sales Information; JDIL Sales Information; and, Tolko Sales Information.

⁵⁹ See Supplemental Questionnaire – Canfor; Supplemental Questionnaire – Resolute IIa; Supplemental Questionnaire – Resolute IIb; and, Supplemental Questionnaire – Resolute III.

⁶⁰ See CS2QR; RS2aQR-NS; RS2bQR-NS; and, RS3QR.

⁶¹ See Request Additional Sales Information.

⁶² See Canfor Additional Sales Information; JDIL Additional Sales Information; Resolute Additional Sales Information; Tolko Additional Sales Information; and, West Fraser Additional Sales Information.

⁶³ See JDIL Request VR.

⁶⁴ See JDIL Affiliation Response.

13, 2017, JDIL submitted a voluntary response to the remaining sections of the initial questionnaire.⁶⁵ On April 3, 2017, the Department accepted JDIL as a voluntary respondent.⁶⁶ On March 17, 2017, the GNB and the GNS submitted information regarding other assistance they provided to JDIL in their initial responses.⁶⁷

6. Factual Information Submissions

We received factual information containing benchmark information, corrections to questionnaire responses, and other information from several interested parties.⁶⁸ We received rebuttal factual information between April 3, and April 6, 2017.⁶⁹

D. Alignment

In accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), and based on the petitioner's request,⁷⁰ we are aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of softwood lumber from Canada. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be due no later than September 6, 2017, unless postponed.

E. Postponement of the Preliminary Determination

On January 26, 2017, the petitioner requested that the Department postpone the preliminary determination.⁷¹ The Department granted the petitioner's request and, on February 2, 2017, postponed the preliminary determination until April 24, 2017, in accordance with section 703(c)(1)(A) of the Act and 19 CFR 351.205(b)(2).⁷²

⁶⁵ See JDILQR.; *see also*, JDIL Comments – IQR.

⁶⁶ See Voluntary Response – Acceptance.

⁶⁷ See GNS – Other Assistance JDIL; and GNBQR.

⁶⁸ See BCLTC Factual Information; Canfor Benchmark Submission; GOA Factual Information; GOA Benchmark Submission; GBC Benchmark Submission; GOO Factual Information; GOQ Factual Information; GNB Benchmark Submission; GQR Errata I; GQR Errata II; JDIL Factual Information; JDIL Benchmark Submission; Petitioner Benchmark Submission; Resolute Factual Information; Tolko Benchmark Submission; and, West Fraser – Benchmark and Errata. Further, we requested certain changes to certain of these submissions. *See* Request Corrections – GOQ; Request Corrections – GQR Errata II, and, Request Corrections – Tolko, Request Corrections – West Fraser, respectively. We received the following in response to our requests: GOQ Corrections; GQR Errata II – Corrections; Tolko Corrections; and, West Fraser Corrections.

⁶⁹ See BCLTC Factual Information – Rebuttal; Canfor Benchmark Information – Rebuttal; Canfor Factual Information – Rebuttal; GOA Factual Information – Rebuttal; GBC Benchmark Information Rebuttal; GNS Factual Information – Rebuttal; and, Tolko Benchmark Information – Rebuttal. We requested changes to certain GOA factual submissions on April 11, 2017. *See* Request Corrections – GOA. We received the following in response to our request: GOA – Corrections.

⁷⁰ *See* Petitioner Request – Alignment.

⁷¹ *See* Petitioner Request – Postponement.

⁷² *See* Postponement.

F. New Subsidy Allegations

On March 15, 2017, the petitioner submitted new subsidy allegations.⁷³ We will consider whether to initiate an investigation with respect to these alleged subsidies after this preliminary determination.

G. Period of Investigation

The POI is January 1, 2015, through December 31, 2015.

H. Injury Test

Because Canada is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. On January 6, 2017, the ITC determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of Certain Softwood Lumber Products from Canada.⁷⁴

I. Critical Circumstances

In the Petition, the petitioner filed allegations that critical circumstances exist with respect to imports of subject merchandise.⁷⁵ On January 31, 2017, the Department issued questionnaires to the respondents requesting monthly quantity and value shipment data.⁷⁶ Between February 22, 2017, and April 18, 2017, the respondents submitted monthly quantity and value shipment data.⁷⁷ On February 24, 2017, the GOC submitted comments on the petitioner’s allegations of critical circumstances.⁷⁸ On March 2, 2017, the petitioner responded to the GOC’s comments.⁷⁹ On March 9, 2017, the GOC submitted rebuttal comments on the petitioner’s allegations of critical circumstances.⁸⁰ On April 19, 2017, the petitioner submitted comments on the respondents’ critical circumstances responses,⁸¹ to which the GOC submitted rebuttal comments on April 20, 2017.⁸²

On April 13, 2017, the Department preliminarily determined that critical circumstances exist with respect to certain companies.⁸³ Pursuant to this determination, the Department determined

⁷³ See New Subsidy Allegations; *see also*, GOC Comments – NSA; and, Resolute Comments – NSA.

⁷⁴ See *ITC Preliminary Injury Determination*.

⁷⁵ See Petition, at Volume III, pp. 231-236.

⁷⁶ See Request for Monthly Q&V.

⁷⁷ See Canfor Shipment Data1, Canfor Shipment Data2, Canfor Shipment Data3, JDIL Shipment Data1, JDIL Shipment Data2, JDIL Shipment Data3, Resolute Shipment Data1, Resolute Shipment Data2, Resolute Shipment Data3, Tolko Shipment Data1, Tolko Shipment Data2, Tolko Shipment Data3, West Fraser Shipment Data1, West Fraser Shipment Data2, and West Fraser Shipment Data3.

⁷⁸ See GOC Comments – Critical Circumstances.

⁷⁹ See Petitioner Comments – Critical Circumstances.

⁸⁰ See GOC Comments – Critical Circumstances Rebuttal.

⁸¹ See Petitioner Comments – Critical Circumstances Responses.

⁸² See GOC Comments – Critical Circumstances Responses Rebuttal.

⁸³ See *Preliminary Critical Circumstances Determination*.

that critical circumstances exist for imports of subject merchandise from JDIL and all-other producers/exporters.

III. SCOPE COMMENTS AND REQUESTS FOR EXCLUSIONS

In accordance with the *Preamble*, our *Initiation Notice* provided a period of 20 calendar days for interested parties to raise issues regarding product coverage (*i.e.*, comments on the scope).⁸⁴ Later, we extended the deadline by five calendar days, in response to a request from the GOC for an extension of time to provide comments.⁸⁵ We received comments concerning the scope of the AD and CVD investigations of softwood lumber from Canada from several interested parties.⁸⁶ We received rebuttal comments concerning product coverage from CIFQ, IKEA, and the petitioner, and sur-rebuttal comments to the latter from OCFP.⁸⁷ On March 28, 2017, the Department requested the submission of proposed changes to the scope language.⁸⁸ We received responses to this request between March 31, and April 3, 2017.⁸⁹ On April 5, 2017, we received a request from the GOC concerning the class or kind designation of remanufactured lumber.⁹⁰ The petitioner commented on the GOC's request on April 11, 2017.⁹¹

On February 15, 2017, the Department met with the GOC to discuss its request that we entertain company exclusions in this investigation, and met with the GNS to discuss its request for a provincial exclusion.⁹² On February 23, 2017, the Department met with the petitioner on the same matter.⁹³ On March 6, 2017, the GBC commented on the GOC's request.⁹⁴

On March 21, 2017, the Department met with NBLP and JDIL to discuss company exclusions and a provincial exclusion for New Brunswick.⁹⁵ On March 29, and March 30, 2017, the GOC and the petitioner, respectively, commented on the GOC's request for company exclusions.⁹⁶ On April 19, 2017, the Department concluded that it lacks the authority to conduct the requested

⁸⁴ See *Preamble* at 27323; see also, *Initiation Notice*.

⁸⁵ See *Scope Comment Deadline Extension* in response to *GOC Scope Comment Extension Request*.

⁸⁶ See *Barrette Comments – Scope I*; *Canfor Comments – Scope I*; *Central Canada Alliance Comments – Scope*; *CIFQ Comments – Scope I*; *GBC Comments – Scope I*; *GOC Comments – Scope*; *GNS Comments – Scope*; *JDIL Comments – Scope I*; *IKEA Comments – Scope*; *Montana Lumber Comments – Scope*; *NBLP Comments – Scope*; *Resolute Comments – Scope I*; *RILA Comments – Scope I*; *Terminal Comments – Scope I*; *WFP Comments – Scope*; see also, *Memorandum – OCFP Comments*, placing on the record *OCFP Comments – Scope I*.

⁸⁷ See *CIFQ Rebuttal Comments – Scope*; *IKEA Rebuttal Comments – Scope*; *Petitioner Rebuttal Comments – Scope*; and, *OCFP Rebuttal Comments – Scope*.

⁸⁸ See *Scope Language Request*.

⁸⁹ See *Barrette Comments – Scope II*; *Canfor Comments – Scope II*; *CIFQ Comments – Scope II*; *CIFQ Comments – Scope III*; *GBC Comments – Scope II*; *GOC Comments – Scope II*; *JDIL Comments – Scope II*; *OCFP Comments – Scope II*; *Petitioner Comments – Scope Comments*; *Resolute Comments – Scope II*; *RILA Comments – Scope II*; *Terminal Comments – Scope II*; *Tolko Rebuttal Comments – Scope*; *UFP Comments – Scope*; *West-Wood Comments – Scope*; and, *Woodtone Comments – Scope*.

⁹⁰ See *GOC Comments – Remanufactured Lumber*.

⁹¹ See *Petitioner Rebuttal Comments – Remanufactured Lumber*.

⁹² See *Ex-Parte Meeting – Company Exclusions I*.

⁹³ See *Ex-Parte Meeting – Company Exclusions II*.

⁹⁴ See *GBC Comments – Company Exclusions*.

⁹⁵ See *Ex-Parte Meeting – Exclusions*.

⁹⁶ See *GOC Comments – Company Exclusions*, and, *Petitioner Comments – Company Exclusions*.

company exclusion process in the context of this countervailing duty investigation on softwood lumber from Canada.⁹⁷ Also, on March 31, 2017, the GNB commented on the request for certain exclusions.⁹⁸ On April 20, 2017, the GOC provided rebuttal comments to the petitioner's March 30 comments.⁹⁹

On April 3, 2017, the petitioner requested an exclusion for certain products, including softwood lumber certified by the ALB, according to specified standards, as being first produced in Atlantic Canada, *i.e.*, Newfoundland and Labrador, Nova Scotia, and/or Prince Edward Island.¹⁰⁰ On April 7, 2017, the Department held a phone conference with certain interested parties concerning the petitioner's April 3, 2017, request for an exclusion for certain certified lumber from Atlantic Canada described above.¹⁰¹ We received a request from the petitioner to submit additional factual information concerning certain certified lumber produced in Atlantic Canada and the process by which it would be certified by the ALB.¹⁰² We granted this request on April 12, 2017, and received the petitioner's submission of new factual information on April 17, 2017.¹⁰³

The Department is inviting interested parties to comment on the scope exclusions currently under consideration by the Department, including the request to exclude merchandise from certain provinces. The Department has set a deadline for such comments as seven days after publication of the accompanying Preliminary Determination notice in the *Federal Register*. Please note that the Department will not accept any new factual information in these submissions. The Department will set the same deadline on the record of the companion AD investigation. We will incorporate the decisions into the final CVD and AD determinations after considering any relevant comments submitted in case and rebuttal briefs.

IV. SCOPE OF THE INVESTIGATION

The merchandise covered by this investigation is softwood lumber, siding, flooring and certain other coniferous wood (softwood lumber products). The scope includes:

- Coniferous wood, sawn, or chipped lengthwise, sliced or peeled, whether or not planed, whether or not sanded, or whether or not finger-jointed, of an actual thickness exceeding six millimeters.
- Coniferous wood siding, flooring, and other coniferous wood (other than moldings and dowel rods), including strips and friezes for parquet flooring, that is continuously shaped (including, but not limited to, tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded) along any of its edges, ends, or faces, whether or not planed, whether or not sanded, or whether or not end-jointed.
- Coniferous drilled and notched lumber and angle cut lumber.

⁹⁷ See Memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, dated April 19, 2017.

⁹⁸ See GNB Comments – Exclusions.

⁹⁹ See GOC Rebuttal Comments – Company Exclusions.

¹⁰⁰ See Petitioner Comments – Scope Comments.

¹⁰¹ See Ex-Parte Meeting – Phonecon Atlantic Canada.

¹⁰² See Petitioner Request – Additional NFI Scope.

¹⁰³ See Allow Additional NFI – Atlantic Canada; and, Petitioner Additional NFI Atlantic Canada.

- Coniferous lumber stacked on edge and fastened together with nails, whether or not with plywood sheathing.
- Components or parts of semi-finished or unassembled finished products made from subject merchandise that would otherwise meet the definition of the scope above.

Softwood lumber product imports are generally entered under Chapter 44 of the Harmonized Tariff Schedule of the United States (HTSUS). This chapter of the HTSUS covers “Wood and articles of wood.” Softwood lumber products that are subject to this investigation are currently classifiable under the following ten-digit HTSUS subheadings in Chapter 44:

4407.10.01.01; 4407.10.01.02; 4407.10.01.15; 4407.10.01.16; 4407.10.01.17; 4407.10.01.18; 4407.10.01.19; 4407.10.01.20; 4407.10.01.42; 4407.10.01.43; 4407.10.01.44; 4407.10.01.45; 4407.10.01.46; 4407.10.01.47; 4407.10.01.48; 4407.10.01.49; 4407.10.01.52; 4407.10.01.53; 4407.10.01.54; 4407.10.01.55; 4407.10.01.56; 4407.10.01.57; 4407.10.01.58; 4407.10.01.59; 4407.10.01.64; 4407.10.01.65; 4407.10.01.66; 4407.10.01.67; 4407.10.01.68; 4407.10.01.69; 4407.10.01.74; 4407.10.01.75; 4407.10.01.76; 4407.10.01.77; 4407.10.01.82; 4407.10.01.83; 4407.10.01.92; 4407.10.01.93; 4409.10.05.00; 4409.10.10.20; 4409.10.10.40; 4409.10.10.60; 4409.10.10.80; 4409.10.20.00; 4409.10.90.20; 4409.10.90.40; and 4418.90.25.00.

Subject merchandise as described above may also be classified as stringers, square cut boxspring-frame components, fence pickets, truss components, pallet components, flooring, and door and window frame parts under the following ten-digit HTSUS subheadings in Chapter 44:

4415.20.40.00; 4415.20.80.00; 4418.90.46.05; 4418.90.46.20; 4418.90.46.40; 4418.90.46.95; 4421.90.70.40; 4421.90.94.00; and 4421.90.97.80.

Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

V. SUBSIDIES VALUATION

A. Allocation Period

The Department normally allocates the benefits from non-recurring subsidies over the AUL of renewable physical assets used in the production of subject merchandise. The Department finds the AUL in this proceeding to be 10 years, pursuant to 19 CFR 351.524(d)(2) and the U.S. Internal Revenue Service’s 1977 Class Life Asset Depreciation Range System.¹⁰⁴ The Department notified the respondents of the 10-year AUL in the Initial Questionnaire and requested data accordingly. No party in this investigation disputed this allocation period.

Furthermore, for non-recurring subsidies, we have applied the “0.5 percent test,” as described in 19 CFR 351.524(b)(2). Under this test, we divide the amount of subsidies approved under a given program in a particular year by the relevant sales value (*e.g.*, total sales or export sales) for the same year. If the amount of the subsidies is less than 0.5 percent of the relevant sales value, then the benefits are allocated to the year of receipt rather than across the AUL.

¹⁰⁴ See IRS Pub 946.

B. Attribution of Subsidies

In accordance with 19 CFR 351.525(b)(6)(i), the Department normally attributes a subsidy to the products produced by the company that received the subsidy. However, 19 CFR 351.525(b)(6)(ii)-(v) provides additional rules for the attribution of subsidies received by respondents with cross-owned affiliates. Subsidies to the following types of cross-owned affiliates are covered in these additional attribution rules: (ii) producers of the subject merchandise; (iii) holding companies or parent companies; (iv) producers of an input that is primarily dedicated to the production of the downstream product; or (v) an affiliate producing non-subject merchandise that otherwise transfers a subsidy to a respondent. Further, 19 CFR 351.525(c) provides that benefits from subsidies provided to a trading company which exports subject merchandise shall be cumulated with benefits from subsidies provided to the firm producing the subject merchandise that is sold through the trading company, regardless of affiliation.

According to 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. This section of the Department's regulations states that this standard will normally be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. The *CVD Preamble* to the Department's regulations further clarifies the Department's cross-ownership standard.¹⁰⁵ According to the *CVD Preamble*, relationships captured by the cross-ownership definition include those where:

{T}he interests of two corporations have merged to such a degree that one corporation can use or direct the individual assets (or subsidy benefits) of the other corporation in essentially the same way it can use its own assets (or subsidy benefits) . . . Cross-ownership does not require one corporation to own 100 percent of the other corporation. Normally, cross-ownership will exist where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. In certain circumstances, a large minority voting interest (for example, 40 percent) or a "golden share" may also result in cross-ownership.¹⁰⁶

Thus, the Department's regulations make clear that the agency must look at the facts presented in each case in determining whether cross-ownership exists.

The Court of International Trade upheld the Department's authority to attribute subsidies based on whether a company could use or direct the subsidy benefits of another company in essentially the same way it could use its own subsidy benefits.¹⁰⁷

¹⁰⁵ See *CVD Preamble*, 63 FR at 65401-02.

¹⁰⁶ *Id.*, 63 FR at 65401.

¹⁰⁷ See *FFC*, 166 F. Supp. 2d at 600-04.

1. *Canfor*

Canfor Corporation identified the following companies as cross-owned and provided questionnaire responses on their behalf:¹⁰⁸

- Canfor Corporation;
- CFP;
- CWPM

Canfor Corporation reports the following roles for each of the companies:¹⁰⁹

- Canfor Corporation: A publicly-traded holding company based in Vancouver, BC involved in two primary businesses: lumber; and pulp and paper products. Canfor Corporation owns 100 percent of CFP.
- CFP: The operating entity of Canfor Corporation's lumber operations. CFP owns 100 percent of CWPM.
- CWPM: Markets and exports to the United States the softwood lumber that CFP produces.

Canfor Corporation, CFP, and CWPM have common ownership and, therefore, we preliminarily determine that all three companies are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi).

As a holding company, the Department would normally attribute the benefit from subsidies that Canfor Corporation received to its consolidated sales (net of intercompany sales), in accordance with 19 CFR 351.525(b)(6)(iii). As a trading company, benefits received by CWPM would normally be cumulated with subsidies to CFP, in accordance with 19 CFR 351.525(c). However, we preliminarily find no evidence that either Canfor Corporation or CWPM received assistance under any of the programs under investigation. With regard to CFP, the producer of subject merchandise, the Department is attributing the benefit from subsidies received to the sales value of the products that are produced by CFP, consistent with 19 CFR 351.525(b)(6)(i).¹¹⁰

In addition to the companies on behalf of which Canfor Corporation provided a questionnaire response, Canfor Corporation reported that the public entity for its pulp and paper production and sales is Canfor Pulp.¹¹¹ Canfor Corporation, via CFP, owns 51.9 percent of Canfor Pulp's shares.¹¹² Although Canfor Pulp meets the definition of cross-ownership provided in 19 CFR 351.525(b)(6)(vi), we preliminarily determine that it does not meet any of the criteria in 19 CFR 351.525(b)(6)(ii)-(v); thus, we have not included Canfor Pulp in our analysis. Further, Canfor Corporation also identified additional affiliated companies that may meet the definition of cross-

¹⁰⁸ See Canfor Affiliation Response at 1-2.

¹⁰⁹ *Id.*

¹¹⁰ The denominators we used to calculate the countervailable subsidy rate for the various subsidy programs described below are explained in further detail in Canfor's Preliminary Calculation Memorandum.

¹¹¹ See Canfor Affiliation Response at 1.

¹¹² *Id.*, at 2.

ownership provided in 19 CFR 351.525(b)(6)(vi).¹¹³ However, because these companies do not meet any of the criteria in 19 CFR 351.525(b)(6)(ii)-(v), we have not included them in our analysis.¹¹⁴ Finally, Canfor Corporation indicated that, during the POI, the company exported some subject merchandise produced by unaffiliated Canadian producers to the United States. Based on the information provided, the Department determined that full questionnaire responses for these unaffiliated producers were not required.¹¹⁵

2. *Resolute*

Resolute identified the following companies and their roles, and responded to the Department's questionnaires on their behalf:¹¹⁶

- Resolute
- Resolute Growth
- Resolute Sales
- Abitibi-Bowater
- Bowater
- Resolute Forest Products.

Resolute reports the following roles for each of the companies:¹¹⁷

- Resolute: Producer of softwood lumber and a wide range of other products. Resolute is a parent company of affiliates that make non-subject products in Canada. Resolute is a wholly-owned indirect subsidiary of Resolute Forest Products.
- Resolute Growth: Sister company of Resolute and a producer of softwood lumber. Resolute Growth is wholly owned by Resolute Forest Products.
- Resolute Sales: Sister company of Resolute and wholly owned by Resolute Forest Products.¹¹⁸
- Abitibi-Bowater: Non-operating holding company that owns 100 percent of the voting shares of Resolute.
- Bowater: Non-operating holding company that owns 100 percent of Abitibi-Bowater. Bowater is a wholly-owned indirect subsidiary of Resolute Forest Products.
- Resolute Forest Products: U.S. parent holding company.

We preliminarily determine that the Resolute, Resolute Growth, Resolute Sales, Abitibi-Bowater, Bowater, and Resolute Forest Products are cross-owned affiliated companies within the

¹¹³ *Id.*, at Exhibit 1.

¹¹⁴ *Id.*, at 15-18.

¹¹⁵ See Initial Questionnaire – Guidance V.

¹¹⁶ See RQR-NS at 1.

¹¹⁷ *Id.*, at 4-5.

¹¹⁸ Resolute Sales was formed in 2015, and dissolved in 2016. It had no company operations during its existence. See RS1QR-NS at Exhibit RESA-1S-1.

meaning of 19 CFR 351.525(b)(6)(vi).¹¹⁹ Because Resolute and Resolute Growth are both producers of softwood lumber, we are preliminarily attributing the benefit from subsidies that either Resolute or Resolute Growth, or both companies, received to the combined sales (net of intercompany sales) of Resolute and Resolute Growth, in accordance with 19 CFR 351.525(b)(6)(ii). Further, because Resolute is a parent company, we are using Resolute's consolidated sales (net of intercompany sales) to construct the denominator.¹²⁰

We preliminarily find no evidence that Resolute Sales, Abitibi-Bowater, Bowater, and Resolute Forest Products received assistance under any of the programs under investigation.

3. *Tolko*

Tolko identified the following cross-owned companies and provided questionnaire responses on their behalf:¹²¹

- TIL
- TMS
- Several holding companies¹²²
- Meadow Lake OSB Limited Partnership

Tolko reports the following roles for these companies:¹²³

- TIL: A privately-held, family-owned, company operating in British Columbia and Alberta that produced subject merchandise during the POI.
- TMS: Exporter of subject merchandise.
- Several holding companies: Various levels of ownership above TIL. Did not produce, export, sell, or report receiving subsidies during the AUL.¹²⁴
- Meadow Lake OSB Limited Partnership: Directly or indirectly majority-owned by TIL during the AUL. Producer of oriented strand board. Reported receiving benefits under certain programs through TIL, but all benefits are preliminarily determined not to be measurable.¹²⁵

TIL is the producer of softwood lumber, TIL wholly owns TMS and, therefore, we preliminarily determine that these two companies are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi). We are preliminarily attributing the benefit from subsidies that TIL received to TIL's consolidated sales pursuant to 19 CFR 351.525(b)(6)(iii).¹²⁶

¹¹⁹ We determine that Resolute is not cross-owned with Opitciwan and Petit-Paris. *See* Resolute Joint Ventures Memorandum.

¹²⁰ *See* 19 CFR 351.525(b)(6)(iii).

¹²¹ *See* TQR at Tolko CVD-3.

¹²² The names of these companies are business proprietary. *See id.*

¹²³ *Id.*

¹²⁴ One holding company reported receiving benefits under a program, but our preliminary calculations yield no measurable benefits in the POI. *See* Tolko Preliminary Determination Calculation Memorandum.

¹²⁵ *See* Tolko Preliminary Determination Calculation Memorandum.

¹²⁶ *See Coated Paper* and accompanying Issues and Decision Memorandum at comment 35.

For the purposes of the preliminary determination, we also find that the various holding companies and Meadow Lake OSB Limited Partnership are cross-owned with Tolko within the meaning of 19 CFR 351.525(b)(6)(vi). However, we find no record information indicating that the various holding companies received any measurable subsidies or served as a conduit for the transfer of a subsidy from the government to Tolko that would be attributable to Tolko under 19 CFR 351.525(b)(6)(iii) or 19 CFR 351.525(b)(6)(v). We also find that, because subsidies reported by Meadow Lakes OSB Limited Partnership do not yield any measurable benefits in the POI using TIL's consolidated sales, we do not need to reach a conclusion at this time regarding whether and which of the attribution rules in 19 CFR 351.525 (b)(6)(ii)-(v) apply for purposes of attributing these subsidies to Tolko.

4. *West Fraser*

West Fraser identified the following companies and their roles, and responded to the Department's questionnaires on their behalf:¹²⁷

- WF Timber
- West Fraser
- Blue Ridge
- Sunpine
- Sundre

West Fraser reports the following roles for each of the companies:¹²⁸

- WF Timber: West Fraser's corporate parent and owns 100 percent of West Fraser.
- West Fraser: Produces softwood lumber and a wide range of other products. Holding company for ownership in affiliates making either softwood lumber or other products in Canada.
- Blue Ridge: wholly-owned subsidiary of West Fraser, produces softwood lumber.
- Sunpine: wholly-owned subsidiary of West Fraser, parent holding company of Sundre Forest Products Inc.
- Sundre: Produces softwood lumber.

We preliminarily determine WF Timber, West Fraser, Blue Ridge, Sunpine, and Sundre are cross-owned companies within the meaning of 19 CFR 351.525(b)(6)(vi).

Blue Ridge, Sundre, and West Fraser are producers of softwood lumber; therefore, we are preliminarily attributing the benefit from subsidies that Blue Ridge and Sundre received to the combined unconsolidated sales (net of intercompany sales) of Blue Ridge, Sundre, and West Fraser pursuant to 19 CFR 351.525(b)(6)(ii). Further, because West Fraser is a parent company, we are using West Fraser's consolidated sales (net of intercompany sales) to construct the denominator pursuant to 19 CFR 351.525(b)(6)(iii).¹²⁹

¹²⁷ See West Fraser Affiliation Response I at 5; see also, West Fraser Affiliation – Guidance (instructing West Fraser not to include in its reporting certain cross-owned companies).

¹²⁸ *Id.*

¹²⁹ See *Coated Paper*, and accompanying Issues and Decision Memorandum at comment 35.

Regarding WF Timber and Sunpine, we preliminarily find no evidence that WF Timber and Sundre received assistance under any of the programs under investigation.

5. JDIL

JDIL identified more than 200 companies with which it is cross-owned or affiliated.¹³⁰ Of these companies, JDIL is the sole producer of subject merchandise. In addition to providing its own response, JDIL also provided full questionnaire responses on behalf of four holding companies that have direct or indirect ownership of JDIL.¹³¹ Additionally, JDIL identified the following cross-owned companies as having supplied timber inputs to JDIL during the POI, and responded to the Department's questionnaires on their behalf:¹³²

- Miramichi Timber Holdings Limited
- The New Brunswick Railway Company
- Rothesay Paper Holdings Ltd.
- St. George Pulp & Paper Limited

As JDIL is the sole producer of the subject merchandise, we are preliminarily attributing the benefit from subsidies that JDIL received to its total sales,¹³³ in accordance with 19 CFR 351.525(b)(6)(i). In the questionnaire responses JDIL provided for the four holding companies and the four input suppliers, each company reported receiving no subsidies. As such, regardless of whether cross-ownership under 19 CFR 351.525(b)(vi) exists between JDIL and these companies, we preliminarily find no evidence that these companies received assistance under any of the investigated programs that would warrant attribution to JDIL under 19 CFR 351.525(b)(iii) or (iv), respectively.

Finally, JDIL reported receiving transferred subsidies from IPL under the LIREPP Program. We preliminarily determine that JDIL and IPL are cross-owned within the meaning of 19 CFR 351.525(b)(6)(vi). We are attributing subsidies received by IPL to JDIL pursuant to 19 CFR 351.525(b)(6)(v).¹³⁴

B. Denominators

In accordance with 19 CFR 351.525(b)(1)-(5), the Department considers the basis for the respondents' receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondents' export or total sales. We have identified the denominator we used to calculate the

¹³⁰ See JDIL Affiliation Response at Exhibit 1.

¹³¹ The identity of these holding companies is business proprietary information.

¹³² See JDIL Affiliation Response.

¹³³ JDIL consists of 10 operating divisions. The company's total sales have been adjusted to account for interdivisional sales. See JDIL Preliminary Calculation Memorandum.

¹³⁴ See the "New Brunswick Large Industrial Renewable Energy Purchase Program" section, below.

countervailable subsidy rate for each program, as discussed below and in the calculation memoranda prepared for this preliminary determination.¹³⁵

C. Loan Interest Rate Benchmarks and Discount Rates

The Department is examining loans provided to JDIL that were outstanding during the POI. The loans are denominated in Canadian dollars. We are also investigating non-recurring, allocable subsidies that the respondents received.¹³⁶ In the section below, we discuss the derivation of the benchmarks and discount rates for the POI and previous years.

1. Long-Term Loan Interest Rate Benchmark

Section 771(5)(E)(ii) of the Act explains that the benefit for loans is the “difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market,” indicating that a benchmark must be a market-based rate. Normally, the Department uses comparable commercial loans reported by the company for benchmarking purposes.¹³⁷ If the firm did not receive any comparable commercial loans during the relevant periods, the Department’s regulations provide that we “may use a national average interest rate for comparable commercial loans.”¹³⁸ When loans are denominated in a foreign currency, 19 CFR 351.505(a)(2)(i) directs us to use a benchmark denominated in the same foreign currency as the loan.

JDIL reported having long-term loans under various programs that were outstanding during the POI. Pursuant to 19 CFR 351.505(a)(1)-(2), we use as a benchmark comparable commercial loans that the firm could actually obtain on the market, with an emphasis on similarities in the structure of the loans (*i.e.*, fixed vs. variable interest rate, short- vs. long-term, and currency). Under 19 CFR 351.505(a)(3), we prefer to use commercial loans that reflect a firm’s actual experience benchmark, when available. In addition to the loans provided by the GOC and the GNB under various programs, JDIL also reported several comparable commercial loans that satisfy the preferences expressed in the Department’s regulations. Accordingly, we have used JDIL’s comparable commercial loans as a benchmark to analyze the long-term government-provided loans that were outstanding during the POI.

2. Discount Rates

Consistent with 19 CFR 351.524(d)(3)(i)(A), we have used, as our discount rate, the long-term interest rate described above for the year in which the government approved non-recurring subsidies.

¹³⁵ See Canfor Preliminary Calculation Memorandum; Resolute Preliminary Calculation Memorandum; Tolko Preliminary Calculation Memorandum; West Fraser Preliminary Calculation Memorandum; and, JDIL Preliminary Calculation Memorandum.

¹³⁶ See 19 CFR 351.524(b)(1).

¹³⁷ See 19 CFR 351.505(a)(3)(i).

¹³⁸ See 19 CFR 351.505(a)(3)(ii).

VI. ANALYSIS OF PROGRAMS

Based upon our analysis of the record and the responses to our questionnaires, we preliminarily determine the following:

A. Programs Preliminarily Determined To Be Countervailable

1. Provision of Stumpage for LTAR¹³⁹

The term stumpage refers to the sales price of standing timber. In this investigation, we are investigating whether the stumpage charged for Crown-origin standing timber by the provincial governments in Alberta, British Columbia, New Brunswick, Ontario, and Québec constitute the provision of a good for LTAR.

Alberta's Stumpage System

The harvest of public standing timber from provincial Crown-land in Alberta is primarily regulated under the *Alberta Forests Act*, the *Timber Management Regulation* – AR 404/1992, the *Scaling Regulation* – AR 195/2002, and the *Forests Resources Improvement Regulation* – AR 38/2013.¹⁴⁰ On June 29, 2015, the AMAF became responsible for the administration and management of provincial standing timber including all matters of tenure allocation (*i.e.*, the amount of Crown-origin standing timber that a mill with a permit to harvest Crown-origin standing timber is permitted to harvest), establishment of timber dues rates, and the collection of revenue.¹⁴¹ The AMAF was created by combining the forestry program from the Ministry of Environment and Sustainable Resource Development and the Ministry of Agriculture and Rural Development.¹⁴²

The right to harvest Crown-origin standing timber from the province is provided by the GOA under six types of tenures. There are three commercial tenure arrangements in Alberta: (1) FMAs, (2) Quotas, and (3) CTPs.¹⁴³ FMAs are area-based tenure agreements which grant the rights to establish, grow, harvest, and remove standing timber, as well as contain obligations to manage, on a sustained yield basis, the standing timber within an agreement area.¹⁴⁴ These 20-year agreements are renewable after eight years. The term of a FMA is generally divided into four, five year-long cut control periods, each with a set AAC.¹⁴⁵

¹³⁹ In this section, we discuss our preliminary findings with regard to the provision of stumpage for LTAR. We preliminarily determine that none of the mandatory respondents or the voluntary respondent purchased saw logs in Manitoba or Saskatchewan during the POI. Therefore, we have not included these provinces in our LTAR subsidy benefit analysis.

¹⁴⁰ See GQRGOA, Volume IV at 9-10; see also, GQRGOA at Exhibit AB-S-14 (AForA); at Exhibit AB-S-15 (ATMR); at Exhibit AB-S-9 (ASR); at Exhibit AB-S-63 (AFRIR).

¹⁴¹ See GQRGOA, Volume IV at 19.

¹⁴² *Id.*

¹⁴³ See GQRGOA, Volume IV at 38. Additionally, the GOA offers smaller scale tenures arrangements for community based operators and individuals, these tenures include: FRIAA, Local Timber Permit, and Forest Product Tags. *Id.*

¹⁴⁴ See GQRGOA, Volume IV at 39.

¹⁴⁵ See TQR at 41.

Timber Quotas provide the right to harvest a share of the AAC in a FMU. Timber Quotas are long-term arrangements of up to 20 years and are renewable.¹⁴⁶ Although Timber Quotas can be area-based, no area-based Timber Quotas existed in Alberta during the POI.¹⁴⁷

Harvest is authorized under a Timber Quota by the AMAF's issuance of a Coniferous Timber License, which is, in turn, acquired upon AMAF approval of an AOP, any pertinent GDPs, and a FHP including road layout, fire control plans, and reforestation plans.¹⁴⁸ The Quota certificate specifies the applicable species and utilization standards for harvest.¹⁴⁹

CTPs are generally short-term arrangements (averaging two to three years) that authorize the harvest of relatively small volumes of softwood standing timber. According to the GOA, CTPs are sold by auction, or are issued by direct award.¹⁵⁰ CTPs sold by direct award are subject to applicable standing timber dues assessed under the ATMR or by lump sum amount.¹⁵¹ The GOA did not place CTP auction prices for the POI on the record.

Monthly standing timber dues for normal coniferous timber used to make lumber, pulp or roundwood products are calculated as described in the ATMR.¹⁵² Normal standing timber dues are based on a moving average of certain prices published by Random Lengths Publications Inc. Exceptions to normal standing timber dues include non-merchantable trees and several species, including balsam fir and larch and small stem logs.¹⁵³

British Columbia's Stumpage System

In the province, the harvest of public standing timber from provincial Crown land is regulated under the *Forest Act*. Of the 95 million hectares of land in the province, the GBC owns over 94 percent of the land.¹⁵⁴ Over 90 percent of the total standing timber harvest in the province during the POI was harvested from provincial Crown land.¹⁵⁵

The right to harvest Crown-origin standing timber from the province is provided by the GBC under twelve types of agreements – nine in the form of licenses, and three in the form of stand-alone permits.¹⁵⁶ Generally, before harvesting standing timber from the license area, license holders are required to apply for cutting permits, which provide specific details regarding the amounts to be harvested within the license area, whereas stand-alone permits allow the permit-holder to harvest without further authorization.¹⁵⁷ According to the GBC, there are three main

¹⁴⁶ See GQRGOA, Volume IV at 41.

¹⁴⁷ *Id.*

¹⁴⁸ See GQRGOA, Volume IV at 41.

¹⁴⁹ *Id.*

¹⁵⁰ See GQRGOA, Volume IV at 42.

¹⁵¹ See GQRGOA, Volume IV at 43.

¹⁵² See GARGOA, Volume IV at sections 80, 81, and Schedule 3.

¹⁵³ *Id.*

¹⁵⁴ See GQRGBC at BC I-34.

¹⁵⁵ *Id.*, at Exhibit BC-S-2.

¹⁵⁶ *Id.*, at BC I-65-67.

¹⁵⁷ *Id.*, at BC I-65.

types of harvesting licenses in the province that account for the majority of standing timber harvested on Crown lands: TFL, Forest Licenses, and TSLs.¹⁵⁸

TFLs are area-based tenures, which allow tenure holders to occupy and manage forests within a specific area for a 25-year period.¹⁵⁹ Forest Licenses are volume-based tenures, which provide the right to harvest a specified amount of standing timber annually within a particular area for up-to a 20-year period.¹⁶⁰ In order to harvest under either of these licenses, the licensees must first apply for, and be issued, a cutting permit.¹⁶¹ Similarly, under both license agreements, the holder is responsible for costs associated with forest development planning, road-building, harvesting, silviculture and payment of stumpage fees and annual rent.¹⁶²

TSLs grant the right to harvest standing timber within a specific forest area for no more than four years.¹⁶³ TSLs are awarded based on competitive auctions in which a license is awarded to the applicant that submits the highest eligible bid offer.¹⁶⁴ The license specifies the area within which standing timber may be harvested and the fees that must be paid. Upon receipt of a license, a TSL holder is not required to apply for an additional cutting permit to begin harvesting operations.¹⁶⁵

All Crown-origin standing timber harvested in British Columbia is subject to stumpage fees. The GBC determines the appropriate stumpage fees based on either the results of government-run auctions or through the MPS.¹⁶⁶ Approximately 20 percent of the Crown harvest is sold via auctions that the GBC administers under the BCTS program.¹⁶⁷ For this harvest sold through auction, the GBC develops an area of land that is ready to harvest, incurring all of the costs related to preparing the land to be harvested, as well as the costs associated with silviculture and development for future harvest. The harvest will then be auctioned and awarded to the highest bidder.¹⁶⁸ The prices paid for the right to harvest from these auctions provide the basis for the MPS system, which determines the stumpage rates for the remaining Crown stands not sold through auction.¹⁶⁹ Using these winning bid prices from the auctions, the MPS will incorporate several other factors, including standing timber/log data, market conditions, species composition of the tracts, and distance from market, to calculate cutting permit-specific stumpage rates.¹⁷⁰

New Brunswick's Stumpage System

In the province of New Brunswick, there are three primary methods to acquire logs from Crown

¹⁵⁸ *Id.*, at BC I-69-77.

¹⁵⁹ *Id.*, at BC I-69.

¹⁶⁰ *Id.*, at BC I-72-75.

¹⁶¹ *Id.*, at BC I-71 and 75.

¹⁶² *Id.*, at BC I-71 and 74.

¹⁶³ *Id.*, at BC I-75-77.

¹⁶⁴ *Id.*, at BC I-76.

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*, at BC I-137.

¹⁶⁷ *Id.*, at BC I-138.

¹⁶⁸ *Id.*

¹⁶⁹ *Id.*, at BC I-139.

¹⁷⁰ *Id.*

land: (1) harvest as a licensee; (2) harvest as a sub-licensee; and (3) under a permit.¹⁷¹ JDIL, the sole respondent with softwood harvesting operations in New Brunswick, harvests logs as a licensee and as a sub-licensee.¹⁷² All logs harvested on Crown land are subject to Crown stumpage fees, regardless of how the logs were obtained.¹⁷³

Licensees may harvest directly from Crown land as provided in their license agreements with the GNB, and sub-licensees may receive permission to harvest from Crown land under license to another party. Each year, the GNB sets the allowable harvest allocations for each licensee and sub-licensee on each of the licenses. Licensees enter into a 25-year FMA with the GNB, under which the licensees are responsible for managing the land and ensuring that the FMA is followed. Further, licensees are responsible for performing certain license management duties, including silviculture, for which they are reimbursed by the GNB.¹⁷⁴ During the POI, there were four licensees and 32 approved Crown timber sub-licensees operating within the province.¹⁷⁵

All logs harvested on New Brunswick Crown land are subject to stumpage fees. These rates established by the GNB, and reflected in Schedule A of Regulation 86-160,¹⁷⁶ are based on the results of private market surveys (that included private stumpage prices from New Brunswick, Nova Scotia, and Prince Edward Island) that provide product- and species-specific stumpage rates. The surveys used to establish these stumpage rates are not conducted every year; for example, the survey used to establish rates during the POI covered prices between November 2011 and October 2012, and was issued in December 2013.¹⁷⁷ As such, the GNB indexes stumpage rates each year, and these new rates are reflected in updated schedules for the relevant fiscal year.

Stumpage rates can be adjusted by the GNB through e-scale adjustments and post-payment adjustments, which are based on both operating conditions and the GNB's year-end reconciliation process. For instance, an e-scale adjustment may be made if the standing timber to be harvested is on a severe slope.¹⁷⁸

Ontario's Stumpage System

The components of Ontario's Crown-origin standing timber price are: (1) a minimum charge, (2) a residual value charge, (3) a forest renewal charge, and (4) a forestry futures charge.

¹⁷¹ See e.g., GNBQR at NBII-23.

¹⁷² See e.g., GNBQR at STUMP-1 at 24.

¹⁷³ See e.g., GNBQR at NBII-16.

¹⁷⁴ See e.g., GNBQR at NBI-7. For a further discussion of the reimbursements and license management fees, see "New Brunswick Provision of Silviculture Grants" and "New Brunswick Provision of License Management Fees" under "New Brunswick Grant Programs".

¹⁷⁵ See GNBQR at NBII-20.

¹⁷⁶ *Id.*, at NBII-5 and 11, and NB-STUMP-2.

¹⁷⁷ *Id.*, at NBII-6 and 12, and NB-STUMP-3.

¹⁷⁸ *Id.*, at NBII-11.

The minimum charge is set by the MNRF each year on April 1.¹⁷⁹ The minimum charge depends on the species and the location of the standing timber sold. Seventy-five percent of Crown-origin standing timber receives the higher minimum rate (C\$4.38/m³ for January to March 2015 and C\$4.43/m³ for April to December 2015) and the remaining 25 percent of standing timber—which is comprised of species that are in over-supply, have a lower quality and market value, and/or are harvested primarily for forest improvement purposes—carries a minimum rate of C\$0.59/m³.¹⁸⁰ Only 1.4 percent of the actual harvest of softwood lumber was assessed at the C\$0.59/m³ rate.¹⁸¹

The residual value charge is assessed when the price of the forest product produced with the standing timber exceeds a certain threshold (*e.g.*, if the price that softwood lumber mills received for softwood lumber products exceeded the 2015 threshold of C\$513.99 per MFMB, the residual value would have been charged on softwood standing timber sold by the Crown to sawmills).

The forestry renewal charge is paid into either the Forest Renewal Trust or the Special Purpose Account pursuant to Section 48 of the CFSA, and is used to reimburse silviculture expenses.¹⁸² The forestry renewal charge is determined based on tree species group, the forecasted harvest volume, and existing funds.¹⁸³ During the POI, the weighted average forestry renewal charge for SPF species was C\$4.06/m³.

The forestry futures charge is paid pursuant to Section 51 of the CFSA and is used to fund forest renewal and protection for situations outside those covered by the forest renewal charge.¹⁸⁴ The forestry futures charge is set by the MNRF each year on April 1, and is indexed annually using Statistics Canada's Implicit Price Index.¹⁸⁵ During the POI the forestry futures charge was assessed at C\$0.50 per m³.¹⁸⁶

Québec's Stumpage System

The GOQ reformed its stumpage system in 2010 with the passage of the SFDA.¹⁸⁷ Prior to enactment of the SFDA, Québec's stumpage system relied on a comparative pricing system based on annual surveys and a tri-annual census of standing timber sales in private forests to determine the MVST on Crown land.¹⁸⁸ The prices collected in the surveys and censuses were used to price standing timber on Crown lands, after making adjustments to account for the species and quality of the standing timber, operating costs, and harvesting costs (*e.g.*, slope and

¹⁷⁹ See GQRGOO at 75-76

¹⁸⁰ See GQRGOO at 77.

¹⁸¹ See GQRGOO at 77.

¹⁸² See GQRGOO at 80.

¹⁸³ See GQRGOO at 79.

¹⁸⁴ See GQRGOO at 80.

¹⁸⁵ See GQRGOO at 81.

¹⁸⁶ See GQRGOO at 80.

¹⁸⁷ See GQRGOO at QC-S-1.

¹⁸⁸ See GQRGOO QC-S-1.

soil conditions).¹⁸⁹ Tenure-holding mills paid stumpage fees for the standing timber they harvested and were responsible for forest planning and silviculture work.¹⁹⁰

When the SFDA was enacted, tenure-holding mills were given until January 1, 2012, to apply for a TSG, through which they could secure up to 75 percent of the standing timber volume granted under their old tenure.¹⁹¹ In return for a guarantee of up to 75 percent of their prior standing timber volume, under the SFDA, TSG-holders must pay an annual royalty to the GOQ equal to 18 percent of their prior year's total stumpage fees. In addition, TSG-holders must contribute to two funds: a fire prevention fund and a bug infestation prevention fund. The remaining 25 percent of the volume of standing timber that was held back from TSGs was used to establish the volume of standing timber sold via public auction in Québec.¹⁹² The public auctions are run by Québec's Timber Marketing Bureau BMMB, which is part of the Ministry of Forest, Wildlife and Parks MFFP. The BMMB selects the timber blocks to be sold at auction, publishes information on the blocks, holds the auction, and publishes the winning bid.¹⁹³ The BMMB applies economic regressions to the auction prices to determine prices for the rest of the standing timber sold from Crown lands.¹⁹⁴ The economic regressions, which are publicly disclosed, predict the selling price for Crown-origin standing timber sold via TSGs by using pricing data from blocks of standing timber sold via auctions while making adjustments for factors such as operating conditions, standing timber quality, and distance to mills. Each year, the BMMB updates the stumpage value per cubic meter for each species and quality after a 20-day period for public comment.

Financial Contribution and Specificity

In Canada, the majority of standing timber that is sold originates from lands owned by the Crown. Each of the Canadian provinces for which the petitioner has alleged the provision of stumpage for LTAR and for which we are preliminarily finding use by a mandatory respondent, *i.e.*, Alberta, British Columbia, New Brunswick, Ontario, and Québec, has established programs through which it charges stumpage, as described above. During the POI, each of the four mandatory respondents and JDIL, the voluntary respondent, purchased Crown-origin standing timber from one or more Canadian provinces. Below we discuss our preliminary findings concerning whether the sale of Crown-origin standing timber by the various provincial governments at issue constitutes the provision of a good for LTAR in a manner that constitutes a financial contribution, confers a benefit, and is specific under sections 771(5)(D)(iii), 771(5)(E)(iv), and 771(5A) of the Act, respectively.

In the most recent lumber CVD proceeding (hereinafter referred to collectively as *Lumber IV*), the Department determined, consistent with section 771(5)(D)(iii) of the Act, that the Canadian provincial stumpage programs provided a financial contribution, because the provincial

¹⁸⁹ See GQRGOQ QC-S-2.

¹⁹⁰ See GQRGOQ at QC-S-30.

¹⁹¹ See GQRGOQ at QC-S-30.

¹⁹² See GQRGOQ at QC-S-30.

¹⁹³ See GQRGOQ at QC-S-3-4.

¹⁹⁴ See GQRGOQ at QC-S-2.

governments provided a good to lumber producers, and that good was standing timber. The Department noted in *Lumber IV* that the ordinary meaning of “goods” is broad, encompassing all “property or possessions” and “saleable commodities.”¹⁹⁵ In *Lumber IV*, the Department found that “nothing in the definition of the term ‘goods’ indicates that things that occur naturally on land, such as standing timber, do not constitute ‘goods.’”¹⁹⁶ The Department further found that, to the contrary, the term specifically includes “. . . growing crops and other identified things to be severed from real property.”¹⁹⁷ In *Lumber IV*, the Department also determined that an examination of the provincial stumpage systems demonstrated that the primary purpose of the tenures was to provide lumber producers with standing timber. Thus, the Department determined that, regardless of whether the provinces were supplying standing timber or making it available through a right of access, they were providing standing timber.¹⁹⁸

In the current investigation, we find that no information on the record of this investigation justifying a different conclusion. Therefore, we find that the provincial stumpage programs constitute a financial contribution in the form of a good, and that the provinces are providing the good, *i.e.*, standing timber, to lumber producers. Therefore, consistent with our findings in *Lumber IV*, we continue to find that the provision of standing timber constitutes a financial contribution provided to lumber producers within the meaning of section 771(5)(D)(iii) of the Act.

With respect to whether the provision of stumpage is specific, the SAA provides explicit instructions with respect to the analysis of specificity under section 771(5A)(D) of the Act. As stated in the SAA, the specificity test is to function as an initial screening mechanism to winnow out only those foreign subsidies which are truly broadly available and widely used throughout an economy.¹⁹⁹ The SAA also states that in determining whether the number of industries using a subsidy is large or small, the Department can take into account the number of industries in the economy in question.²⁰⁰ Therefore, under the specificity test as set forth by the SAA, a subsidy program would be found to be specific under section 771(5A)(D) of the Act unless the program was widely used throughout the economy.

In *Lumber IV*, the Department also determined that provincial stumpage subsidy programs were used by a “limited number of certain enterprises” and, thus, were specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. More particularly, the Department found that stumpage subsidy programs were used by a single group of industries, comprised of pulp and paper mills, and the sawmills and remanufacturers that produce the subject merchandise in each of the Canadian provinces under examination (*i.e.*, Alberta, British Columbia, New Brunswick, Ontario, and Québec).²⁰¹ Consistent with *Lumber IV*, and based on the evidence on the record of

¹⁹⁵ See, e.g., *Preliminary Results of 1st AR* at 69 FR 33204, 33213 (June 14, 2004), unchanged in *Final Results of 1st AR* and accompanying IDMat 8-9.

¹⁹⁶ See *Preliminary Results of 1st AR*, 69 FR at 33213; unchanged in *Final Results of 1st AR*.

¹⁹⁷ *Id.*

¹⁹⁸ *Id.*

¹⁹⁹ See SAA at 929.

²⁰⁰ *Id.*, at 931.

²⁰¹ See *Preliminary Results of 1st AR*, 69 FR at 33213, unchanged in *Final Results of 1st AR*, and accompanying IDM at 8-9.

this investigation, we preliminarily determine that the stumpage programs at issue are specific within the meaning of section 771(5A)(D)(iii)(I) of the Act.²⁰²

Benefit

The provision of stumpage provides a benefit within the meaning of section 771(5)(E)(iv) of the Act to the extent that the provincial government received less than adequate remuneration from the sale of standing timber when measured against an appropriate benchmark for stumpage. Under 19 CFR 351.511(a)(2), the Department sets forth the basis for identifying benchmarks to determine whether a government good or service is provided for LTAR. These potential benchmarks are listed in hierarchical order by preference: (1) a market-determined price from actual transactions within the country under investigation (tier-one); (2) world market prices that would be available to purchasers in the country under investigation (tier-two); or (3) assessment of whether the government price is consistent with market principles (tier-three). This hierarchy reflects a logical preference for achieving the objectives of the statute. In addition, as provided in 19 CFR 351.511(a)(2)(i), we take into consideration product similarity, quantity sold, imported or auctioned, and other factors affecting comparability.

The most direct means of determining whether the government received adequate remuneration is a comparison with private transactions for a comparable good or service in the investigated country (*i.e.*, using a tier-one benchmark). We base this on an observed market price for a good, in the country under investigation, from a private supplier (or, in some cases, from a competitive government auction) located either within the country or outside the country (the latter transaction would be in the form of an import). As provided in our regulations, the preferred benchmark in the hierarchy is an observed market price from actual transactions within the country under investigation. This is because such prices generally would be expected to reflect more closely the commercial environment of the purchaser under investigation.²⁰³

Based on the hierarchy, we must first determine whether there are market-determined prices from actual sales transactions that can be used to determine whether the provincial governments sold stumpage to the respondents for LTAR. Notwithstanding the regulatory preference for the use of prices stemming from actual transactions in the country, where the Department finds that the government provides the majority or, in certain circumstances, a substantial portion of the market for a good or service, it may consider prices for such goods and services in the country to be significantly distorted and not an appropriate basis of comparison for determining whether there is a benefit. This is because, where the government's role as provider of the good or service is so predominant, it, in effect, determines the prices for private sellers of the same or similar goods or services such that comparing the government prices to private prices would amount to comparing the financial contribution to itself.²⁰⁴

In the current investigation, various provincial governments have proposed the use of actual private or auction-based prices from within their respective province for use as a market-based,

²⁰² See GNBQR at NBII-18 and 19, and NB-STUMP-1; *see also*, GQRGBC at Exhibit BC-S-10; GQRGOA, Volume IV, Exhibit AB-S-11 at 1, GOO-SQA Stumpage at 14, GOQGQR at QC-S-11.

²⁰³ See *CVD Preamble*, 63 FR at 65377.

²⁰⁴ *Id.*; *see also*, *Lumber IV Final Determination*, and accompanying IDM at 38-39.

tier-one benchmark price, as described under 19 CFR 351.511(a)(2)(i). Concerning 19 CFR 351.511(a)(2)(i), the *CVD Preamble* states that the Department may use actual private or government-run competitive auction prices provided they are comparable and represent a significant portion of the good sold. In the case of government-run auctions, the Department will further consider whether they are open to all prospective buyers, protect confidentiality, and are based solely on price.²⁰⁵ The *CVD Preamble* also states that the Department will not use tier-one benchmark prices, such as prices from private parties or government-run auctions, in instances in which it is reasonable to conclude that tier-one prices are significantly distorted as a result of the government's involvement in the market. The *CVD Preamble* indicates that we will normally assume that government distortion is minimal unless the government's sale of the good accounts for a majority or, in certain circumstances, a substantial portion of the market.²⁰⁶

As part of our preliminary analysis, we have also identified certain policies and practices that inhibit the operation of market forces for both government-run auctions as well as tenure systems that rely on private prices to serve as the basis for pricing Crown-origin standing timber. Further, in our preliminary analysis, we have evaluated whether the pricing of standing timber is set by reference to prices established in an open, competitive, independently functioning market.

Below we discuss our findings regarding whether distortion is present in the stumpage market of each of the Canadian provinces under examination in this investigation.

Analysis of Proposed First-Tier Benchmarks

In this investigation, the GOM and GOS did not report prices for private stumpage sales. The GOO argues that survey data containing stumpage prices from private lands may serve as a tier-one benchmark prices to measure whether the GOO sells Crown-origin standing timber for LTAR. The GOA argues that pricing data from the TDA survey may serve as tier-one benchmark prices to measure whether the GOA sells Crown-origin standing timber for LTAR. The GNB and GNS provided a study containing prices paid for private stumpage in their respective provinces for use as tier-one benchmarks. The GBC and GOQ provided stumpage prices stemming from the sale of Crown-origin standing timber in government-run auctions in their respective provinces for purposes of a tier-one benchmark. Below we evaluate whether market conditions in each of the provinces permit the use of the proposed tier-one prices.

Manitoba and Saskatchewan

There are no province-specific data upon which to base a tier-one benchmark for the provinces of Manitoba and Saskatchewan. Therefore, the use of tier-one prices from these two provinces is moot.

²⁰⁵ See *CVD Preamble*, 63 FR at 65377.

²⁰⁶ *Id.*

Alberta

We preliminarily determine that the GOA continues to grant multi-year,²⁰⁷ non-transferable tenure rights,²⁰⁸ and that the GOA continues to administratively-set prices to companies that have been granted multi-year tenure rights by the GOA.²⁰⁹ Further, as discussed below, there are additional aspects of the stumpage systems in Alberta that lead us to conclude that there are no useable tier-one prices within the province.

In response to the Department's Initial Questionnaire, the GOA provided data on the volumes harvested on Crown, private, and other non-Crown lands as well as company-specific Crown allocation and harvest information.²¹⁰ Aggregate harvest data from the GOA indicate that Crown lands account for 98.48 percent of the harvest while the private forest accounts for approximately 1.52 percent.²¹¹ Thus, as a starting point, we find that the volume of the Crown-origin harvest accounts for nearly all of the standing timber harvest. As we found in the final determination in *Lumber IV*, where the market for a particular good or service is so dominated by the presence of the government, the remaining private prices in the country in question cannot be considered to be independent of the government price. In this sense, the analysis would become circular because the benchmark price would reflect the very market distortion which the comparison is designed to detect.²¹²

Furthermore, record evidence indicates that a small number of tenure holding companies dominate both the Crown-origin and private-origin standing timber harvests, which further ensures that the prices of private-origin standing timber track the prices of Crown-origin timber prices. In particular, the volume of Crown-origin standing timber allocated to individual tenure-holding companies and their corresponding consumption volumes indicate that a small number of tenure-holding companies dominate the allocation and consumption of Crown-origin standing timber. The GOA provided allocation and harvest volumes of Crown-origin standing timber, on a company-specific basis, for FY 2015-2016. Sorting the allocation data in descending order by volume indicates that the ten largest corporations accounted for approximately 79.11 percent of the allocated Crown-origin standing timber volume in FY 2015-2016, while sorting the harvest data in descending order by volume indicates that the ten largest corporations accounted for 80.42 percent of the Crown-origin standing timber harvest.²¹³ Data from the GOA also indicates that an "overhang" exists between the volume of Crown-origin standing timber allocated and the volume harvested. For example, aggregate data from the GOA indicates that in FY 2015-2016, firms harvested 83.58 percent of their Crown-origin standing timber allocations.²¹⁴

²⁰⁷ See GQRGOA at Volume IV at 39 (FMA); at 41 (Quota).

²⁰⁸ See GQRGOA at Volume IV at 61; for FMA, Exhibit AB-S-14 (AFoA at section 16(3)); and for Quota, Exhibit AB-S-15 (TMR at section 15).

²⁰⁹ See GQRGOA at Exhibit AB-S-15 (ATMR at sections 80, 81, and Schedule 3).

²¹⁰ See GQRGOA at Exhibits AB-S-1 through AB-S-3.

²¹¹ See GQRGOA at Exhibit AB-S-3; see also, Market Memorandum, Alberta Attachment, Table 3.

²¹² See *Lumber IV Final Determination*, and accompanying IDM at 38-39.

²¹³ See GQRGOA at Exhibit AB-S-1; see also, Market Memorandum, Alberta Attachment, Table 1.2.1.

²¹⁴ See GQRGOA at Exhibit AB-S-1; see also, Market Memorandum; Alberta Attachment, Table 1.2.2.

Additionally, information from the GOA indicates that the tenure-holding corporations that dominate the consumption of Crown-origin standing timber also dominate the relatively small volumes of standing timber harvested from private land. In other words, the market for private-origin standing timber in Alberta is both concentrated among a small number of corporations, and those same corporations are active in the market for Crown-origin standing timber. The GOA provided a table listing, on a company-specific basis, the volume of private-origin standing timber that was harvested by companies that also consume Crown-origin standing timber during FY 2015-2016.²¹⁵ The total volume of private-origin standing timber harvested by the tenure-holding companies was 87 percent of private-origin harvest in FY 2015-2016.²¹⁶ Thus, the vast majority of private-origin standing timber was harvested by companies that also have access to Crown-origin standing timber. Further, the consumption of private-origin standing timber is dominated by a small number of tenure-holding companies. For example, five tenure-holding companies account for approximately 71 percent of the harvest of private-origin standing timber.²¹⁷

While tenure-holding companies account for the vast majority of the harvest of private-origin standing timber, such timber from the private forest is a minor source of supply for these firms. Specifically, the data indicate that for companies that source from both Crown and private lands, the private forest accounts, in the aggregate, for only 2.51 percent of their total harvest.²¹⁸ Thus, based on the data from the GOA we find that for these companies, private-origin standing timber is a minor, residual source of supply, and therefore, that sellers of private-origin standing timber would not be in a position to exert market power in their dealings with these companies. Furthermore, the supply “overhang” in Alberta indicates that the willingness of tenure-holding sawmills to pay for private-origin standing timber will be limited by their costs for obtaining standing timber for their own tenures. Based on the foregoing, we find that that prices for standing timber from non-Crown sources would mirror the administratively-set prices charged by the GOA on Crown lands.

The GOA did not place private stumpage prices on the record of the investigation. Instead, the GOA advocates for the use of TDA prices as tier-one benchmark prices.²¹⁹ In Alberta, energy companies may operate on Crown lands. In instances in which energy companies damage stands containing Crown-origin standing timber that is assigned to tenure-holders, the energy companies negotiate with the tenure-holding firms to compensate the tenure-holders for the damaged standing timber. Private negotiations for compensation for standing timber damage are facilitated by a committee that collects information on standing timber and log transactions on

²¹⁵ See GQRGOA at Exhibit AB-S-2.

²¹⁶ See GQRGOA at Exhibits AB-S-2 and AB-S-3; *see also*, Market Memorandum, Alberta Attachment, Table 3.a

²¹⁷ See GQRGOA at Exhibits AB-S-1 and AB-S-2; *see also*, Market Memorandum, Alberta Attachment, Table 2.2.1.

²¹⁸ See GQRGOA at Exhibits AB-S-1 and AB-S-2; *see also*, Market Memorandum, Alberta Attachment, Table 2.2.1.

²¹⁹ See GQRGOA at ABIV-125.

Crown and private lands within the province.²²⁰ The GOA argues that the TDA prices that result from these negotiations may serve as a viable tier-one benchmark in the province.²²¹

In *Lumber IV*, the Department determined that TDA prices did not represent actual market-determined prices, in part because the underlying data from which the TDA prices were derived included Crown stumpage transactions that were not the result of a competitive bidding process.²²² Although we continue to evaluate the TDA data in this investigation, even if the TDA prices, in fact, represent stumpage prices between private parties, we nonetheless find that TDA prices do not constitute a viable tier-one price. In our preliminary analysis, when analyzing whether the conditions exist for the use of a tier-one benchmark in a particular jurisdiction, the Department examined the direction of the causal link (*i.e.*, whether the reference market, in fact, sets stumpage prices in the Crown market, rather than the reverse). The GOA argues that TDA prices constitute viable, tier-one benchmarks. However, as discussed above, data from the GOA indicate that the harvest of standing timber from private lands is miniscule compared to the volume of standing timber harvested from Crown lands. Further, the relatively small volumes of standing timber harvested from private lands is mostly consumed by tenure-holding sawmills such that non-Crown origin standing timber would “benchmark” off the prices the GOA sets for standing timber in the Crown forest. Thus, given the disparities that exist between the private and Crown harvest volumes, we conclude that the direction of the causal link is such that TDA prices established between energy companies and tenure-holding companies would largely mirror the prices the GOA charges for stumpage on Crown lands rather than the other way around. For this reason, we preliminarily determine that TDA prices are not market-determined and do not constitute a viable, tier-one benchmark.

Ontario

We preliminarily determine that the GOO continues to grant multi-year, non-transferable tenure rights and that the GOO continues to administratively-set its stumpage fees. Thus, the market is comprised of the provision of a good at government-set prices to companies that have been granted multi-year tenure rights by the GOO. Further, as discussed below, there are additional aspects of the stumpage system in Ontario that lead us to conclude that there are no useable tier-one prices within the province.

According to information from the GOO, for FY 2015-2016, the Crown forest accounted for 96.5 percent of the harvest volume in the province, while the harvest volume from non-Crown lands (which the GOO defines as standing timber sourced from lands other than provincial Crown lands) accounted for the remaining 3.5 percent.²²³ Thus, we find that the volume of

²²⁰ See GQRGOA at ABIV-50, ABIV-117 to ABIV-132 and Exhibits AB-S-41, AB-S-42, and AB-S-89 to AB-S-100.

²²¹ See, *e.g.*, West Fraser Comments – Pre-Prelim at 18.

²²² See, *e.g.*, *Preliminary Results of 2nd AR*, 70 FR at 33099, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comment 12.

²²³ See GQRGOO at Exhibit ON-STATS-2. The GOO does not collect harvest volumes from federal and private sources separate in the ordinary course of business, and thus was only able to provide an aggregate harvest volume that combines harvests from these two sources; see also, Market Memorandum, Ontario Attachment, Table ON-STATS-2.

Crown-origin standing timber in the Ontario harvest constitutes a “significant portion of the good sold” as discussed in the *CVD Preamble*.²²⁴ Information from the GOO also indicates that the allocation and consumption of Crown-origin standing timber is heavily concentrated among a small number of tenure-holding companies. Fifteen companies were allocated Crown-origin standing timber during FY 2015-2016.²²⁵ Sorting the allocation data in descending order by volume indicates that the five largest tenure-holding corporations accounted for approximately 92.6 percent of the allocated Crown-origin standing timber volume in FY 2015-2016, while sorting the harvest data in descending order by volume indicates that the five largest tenure-holding corporations accounted for 86.11 percent of the Crown-origin standing timber harvested during FY 2015-2016.²²⁶ The concentration of the Crown harvest among a small number of companies gives these companies substantial market power over sellers of non-Crown-origin standing timber.

In addition, of the 15 companies that were allocated Crown-origin standing timber during FY 2015-2016, eight companies were permitted to purchase Crown-origin standing timber in excess of their allocated volume.²²⁷ Further, the volume of Crown-origin standing timber purchased in excess of allocation volume was 28.4 percent of the total Crown harvest.²²⁸ The ability of the majority of tenure-holders in Ontario to purchase significant amounts of standing timber in excess of their allocated volume reduces the need of those tenure-holders to source from non-Crown sources, such as the private market. Furthermore, because those tenure-holders could rely on Crown-origin standing timber for their supply, private woodlot owners would be forced to price their standing timber at or below the Crown stumpage price, or risk not selling their standing timber.

The GOO submitted survey prices for standing timber purchased on private lands, along with a study suggesting that these prices may serve as a tier-one benchmark price. However, given that the volume of private-origin standing timber is extremely small relative to the volume of standing timber harvested from Crown lands, the fact that the market for standing timber in Ontario is dominated by a small number of Crown tenure-holding companies, and evidence indicating that tenure-holding companies may harvest Crown-origin standing timber in excess of their allocated volumes, we preliminarily determine that the direction of the causal link is such that private prices in Ontario would largely track the prices the GOO charges for stumpage on Crown lands. For these reasons, we preliminarily determine that private stumpage prices are not market-determined, and therefore we will not use them as a tier-one benchmark.

New Brunswick

We preliminarily determine that the GNB grants multi-year, non-transferable tenure rights, and

²²⁴ See *CVD Preamble*, 63 FR 65377-65378.

²²⁵ See GQRGOO at Tables 2 and Table 4; see also, Market Memorandum, Ontario Attachment, Table 2.1.

²²⁶ See GQRGOO at Table 2 and Table 12; see also, Market Memorandum, Ontario Attachment, Table 2.1 and Table 12.1.

²²⁷ See GQRGOO at Tables 2, 4, and 12; see also, Market Memorandum, Ontario Attachment, Table 2.1, Table 4.1, and Table 12.1.

²²⁸ See GQRGOO at Tables 2, 4, and 12; see also, Market Memorandum, Ontario Attachment, Table 2.1, Table 4.1, and Table 12.1.

that it administratively sets its stumpage fees. Further, as discussed below, there are additional aspects of the stumpage systems in New Brunswick that lead us to conclude that there are no useable tier-one prices within the province.

During the POI, JDIL made purchases of stumpage from private land in New Brunswick.²²⁹ We have therefore considered whether prices from New Brunswick satisfy the criteria to be used as tier-one benchmarks as provided under 19 CFR 351.511(a)(2)(i).

In the *SC Paper from Canada – Expedited Review*, a proceeding in which the POR covered calendar year 2014, the Department found that thousands of private woodlot owners accounted for less than one-fourth of the volume of harvested standing timber in New Brunswick, and that, according to the private Woodlot Owners Association, its members cannot compete with the low prices set on Crown land.²³⁰ In addition, the Department credited statements in the *Report of the Auditor General – 2008*, that the leverage of private mills as dominant consumers suppresses prices from private woodlots, and that those suppressed private prices lead to an artificially low “market-based” price for Crown stumpage. Specifically, the Department noted the following passage from the *Report of the Auditor General – 2008*.

The fact that the mills directly or indirectly control so much of the source of the timber supply in New Brunswick means that the market is not truly an open market. In such a situation it is not possible to be confident that the prices paid in the market are in fact fair market value...the royalty system provides an incentive for processing facilities to keep prices paid to private land owners low...²³¹

The Department further determined in that review that the market situation described above had not changed between the release of the *Report of the Auditor General – 2008* and the POR in that review (2014). In particular, the Department credited the *2012 PFTF Report*, published by the GNB in 2012, which evaluated the concerns cited in the *Report of the Auditor General – 2008* and concurred with the Auditor’s findings.²³² As the Department determined in the *SC Paper from Canada – Expedited Review*:

New Brunswick’s forest products market combines aspects of a bilateral monopoly (a single dominant seller, the Crown; and a single dominant buyer, JDIL) and an oligopsony (many small sellers, the private woodlot owners; and a few buyers, the mills, which purchase from both private woodlot owners and the Crown.) Two parties dominate the

²²⁹ See JDILQR at 4-5.

²³⁰ See *SC Paper from Canada – Expedited Review – Preliminary Results* and accompanying Preliminary Decision Memorandum at 25; unchanged in *SC Paper from Canada – Expedited Review* and accompanying IDM at Comment 23.

²³¹ See *SC Paper from Canada – Expedited Review – Preliminary Results* and accompanying PDM at 25, citing to *Report of the Auditor General – 2008*; unchanged in *SC Paper from Canada – Expedited Review* and accompanying IDM at Comment 23.

²³² See *SC Paper from Canada – Expedited Review – Preliminary Results* and accompanying PDM at 25, citing to *2012 PFTF Report*; unchanged in *SC Paper from Canada – Expedited Review* and accompanying Decision Memorandum at Comment 23.

transactions, and prices for a large proportion of the total harvest are set administratively. Thus it is difficult to establish fair market value.²³³

Further, in the *SC Paper from Canada – Expedited Review*, the Department considered the *Report of the Auditor General – 2015*, which reported that the GNB has contributed to the ongoing divergence between private woodlot sales and Crown harvest. The Department highlighted that the *Report of the Auditor General – 2015* indicated that the GNB has “potentially conflicting interests” and that “since the most significant source of departmental revenue is Crown-origin standing timber royalties, any increase in Crown-origin standing timber supports the {GNB} Department’s efforts to balance budgets.”²³⁴ The Department also credited the conclusion in the *Report of the Auditor General – 2015* that the GNB has not complied with its responsibilities under the *Crown Lands and Forests Act*, because it has not enforced that Act’s requirement that private woodlots maintain their proportional supply of the market over time (*i.e.*, that private woodlot owners had not sold a sufficient volume of standing timber relative to Crown-origin standing timber).²³⁵ The report further stated that the GNB has mechanisms available to it to address shortfalls in purchases of wood from private woodlots, but that the GNB has “never taken action under these sections of the *Crown Lands and Forests Act*.”²³⁶

Based on this information, in the *SC Paper from Canada – Expedited Review*, the Department concluded that the evidence on the record of that review established that the GNB held a majority share of the market for stumpage in New Brunswick, and that it restricted eligibility for Crown stumpage rights to companies that operate pulp and paper or lumber mills. Moreover, the Department found that the evidence established that private woodlot owners accounted for a much smaller share of the New Brunswick stumpage market than the government and that the private mills’ status as the dominant consumers of stumpage creates an oligopsony effect, such that both private woodlot owners and the Crown are responsive to price-setting behavior by the dominant private mills.²³⁷

In the *SC Paper from Canada – Expedited Review*, the Department also found that private woodlots were a supplemental source of supply for the tenure-holding mills in New Brunswick because an “overhang” existed with regard to the volume of Crown-origin standing timber allocated to tenure holders.²³⁸ Specifically, the Department found that the Crown tenure holders harvested less than their allocated volume of Crown-origin standing timber during calendar year 2014. Based on this information, the Department concluded that tenure holding mills could harvest additional standing timber if needed and, since the mills had access to additional Crown-origin standing timber, private woodlot owners could not expect to charge more than Crown stumpage prices because the private woodlot owners were only a supplemental source of supply

²³³ *Id.*

²³⁴ See *SC Paper from Canada – Expedited Review – Preliminary Results* and accompanying PDM at 25, citing to *Report of the Auditor General – 2015*; unchanged in *SC Paper from Canada – Expedited Review* and accompanying Decision Memorandum at Comment 23.

²³⁵ *Id.*

²³⁶ *Id.*

²³⁷ See *SC Paper from Canada – Expedited Review – Preliminary Results* and accompanying PDM at 25; unchanged in *SC Paper from Canada – Expedited Review* and accompanying IDM at Comment 23.

²³⁸ See *SC Paper from Canada – Expedited Review* and accompanying IDM at Comment 23.

to the large mills.²³⁹ Thus, in the *SC Paper from Canada – Expedited Review*, the Department determined that private New Brunswick stumpage prices were not “market-determined” and therefore did not qualify as tier-one benchmark prices.²⁴⁰

We find that information on the record of the instant investigation supports the findings made by the Department in the *SC Paper from Canada – Expedited Review*. First, the sources discussed above and relied upon by the Department in the *SC Paper from Canada – Expedited Review*—namely, the *Report of the Auditor General – 2008*, the *2012 PFTF Report*, and the *Report of the Auditor General – 2015*—are also on the record in this investigation.²⁴¹ Moreover, data from the GNB for FY 2015-2016 indicate that that softwood harvest volume breaks down as follows: 49.9 percent from Crown lands, 38.1 percent from the private forest, 3.25 percent from First Nations sources, and 8.7 percent of logs imported into the province from the United States and other Canadian provinces.²⁴² Thus, as in the *SC Paper from Canada – Expedited Review*, Crown lands continue to account for the plurality of logs harvested in New Brunswick during our POI.

Data from the GNB regarding sawmills’ sourcing patterns also support the conclusions made by the Department in the *SC Paper from Canada – Expedited Review*. The GNB provided the volume of standing timber harvested by individual sawmills from the Crown forest, private lands, and First Nation sources, as well as the volume of logs imported from the United States and other Canadian provinces.²⁴³ Data in the GNB’s response allow us to aggregate the sawmill data based on the sawmills’ corporate addresses. We preliminarily find that aggregating the sawmill data by corporation is most useful to our analysis, because sawmills act as members of corporate families rather than as stand-alone entities.²⁴⁴ An analysis of the data indicates that consumption of Crown-origin standing timber by sawmills is concentrated among a small number of corporations. The data further indicate that the corporations that dominate the consumption of Crown-origin standing timber also dominate the consumption of standing timber harvested from private lands.

For example, sorting the log processing data for FY 2015-2016 in descending order by volume of Crown-origin standing timber consumed reveals that a small number of corporations accounted for the predominant percentage of Crown-origin standing timber consumption, and that these same three corporations accounted for a predominant percentage of private-origin standing timber consumption.²⁴⁵ In the Initial Questionnaire, the Department requested that the GNB provide any survey data it had concerning the prices for standing timber in private forests. In response, the GNB provided a study commissioned by the NBDNR that contained the volume

²³⁹ *Id.*

²⁴⁰ *Id.*

²⁴¹ See Petition at Exhibits 224, 228 and 234.

²⁴² See GNBQR, NB-Stump-1 at Table 3. The Crown-origin standing timber’s share of the harvest volume increases to 54.7 percent when examining standing timber that originated in the province.

²⁴³ *Id.*, NB-Stump-1 at Table 2.

²⁴⁴ For example, the Sawmills Division of JDIL (one of JDIL’s ten operating divisions) owns and operates nine saw mills in NB. See e.g., JDILQR at 1 to 3.

²⁴⁵ See GNBQR, NB-Stump-1 at Table 2; see also, Market Memorandum, New Brunswick Attachment, Table 2.1. The exact percentages are proprietary.

and value that companies paid for stumpage in New Brunswick's private forest.²⁴⁶ Aggregating the private forest survey data by volume and by corporation yields the same patterns present as when Crown-origin log processing data is sorted by volume: private forest consumption volumes are dominated by a very limited number of corporations. For example, sorting the data in the NBDNR survey in descending order by volume indicates that a small number of firms (the same small number of firms referenced above) accounted for a predominant percentage of private-origin standing timber consumption.²⁴⁷

In addition, we find, consistent with the Department's conclusion in the *SC Paper from Canada – Expedited Review*, that tenure holding corporations are not consuming all their respective allocated Crown timber volumes. The GNB provided data on the volume of Crown-origin standing timber allocated and consumed by softwood sawmills during FY 2015-2016. Aggregating by corporation indicates that only a single corporation harvested all its allocated Crown volume during this period. The data further indicate that the total "overhang" of Crown volume was approximately 47 percent of the softwood Crown harvest in FY 2015-2106.²⁴⁸

Therefore, based on the Department's findings in the *SC Paper from Canada – Expedited Review* and on information submitted by the GNB in the instant investigation, we preliminarily determine that private prices for standing timber in New Brunswick are not market-based, and accordingly we will not use them as a tier-one benchmark.

British Columbia

The GBC proposes using BC Crown stumpage prices generated by BCTS auctions and the MPS for purposes of a tier-one benchmark. Specifically, the GBC argues that the MPS produces valid market prices for stumpage, and that the MPS prices may serve as a tier-one benchmark. The MPS uses prices from government-run BCTS auctions to set the prices for the non-auction harvest on Crown land. The GBC attempts to auction twenty percent of the total Crown harvest through unrestricted (*i.e.*, Category 1) BCTS auctions each year.²⁴⁹ Each auction winner is decided by the highest total price offered by eligible bidders. The GBC uses these Category 1 BCTS auction prices as the basis for determining stumpage rates for the remaining Crown harvest.²⁵⁰

The Department examined this auction system, managed by BCTS, in *Lumber IV*. During the period of review in the second review of *Lumber IV*, section 20 and 21 auctions under the BCTS accounted for 7.1 of the total Crown harvest while Category 1 sales (unrestricted sales) accounted for 1.1 percent.²⁵¹ Among other findings, in *Lumber IV*, the Department determined

²⁴⁶ See GNBQR, NB-Stump-7 at Table 7; *see also*, Market Memorandum, New Brunswick Attachment, Table 7.1. The exact percentages are proprietary.

²⁴⁷ See GNBQR, NB-Stump1 at Table 7; *see also*, Market Memorandum, New Brunswick Attachment, Table 7.1. The exact percentages are proprietary.

²⁴⁸ See GNBQR, NB-Stump-1 at Table 1; *see also*, Market Memorandum, New Brunswick Attachment, Table 1.1.

²⁴⁹ See GQRGBC at BC I-138.

²⁵⁰ *Id.*, at BC I-137.

²⁵¹ See, e.g., *Preliminary Results of 2nd AR*, 70 FR at 33100, unchanged in *Final Results of 2nd AR* and the accompanying IDM at 48.

that the prices for Crown-origin standing timber auctioned under section 20 did not constitute viable tier-one benchmarks because they were effectively determined by the prices charged for administratively set Crown stumpage.²⁵² The Department based its decision on several factors: (1) that the auctions included sawmills but primarily consisted of loggers who then sold the standing timber to Crown-holding sawmills; (2) the price that Crown-holding sawmills were willing to pay at auction or, more frequently, to loggers was determined by the price they pay for Crown stumpage because the volume of allocated Crown-origin standing timber exceeded the volume of the Crown-origin standing timber harvest; and (3) the price loggers bid at the auctions was limited by the price they received from their customers, the largest of whom were tenure-holding sawmills. Concerning the last point, the Department found in the second review of *Lumber IV* that the 10 largest tenure-holders accounted for 59 percent of the Crown harvest and 52 percent all standing timber harvested in British Columbia.²⁵³ Additionally, the Department cited a study from the BCLTC indicating that logging firms base their auction bids on what the tenure-holding companies are willing to pay for auction-origin logs:

... The BCTS auctions during this time period restricted bidders to hold no more than three BCTS timber licenses simultaneously . . . In addition, if a sawmill is unable to bid on a tract due to the restriction, the market loggers participation in the BCTS auctions will still take into account the mill's valuation for the logs, since the loggers anticipate being able to sell the harvested logs directly to the mill or through the log market (where log market prices will reflect the valuations of all local mills). Thus, a mill's valuation for the logs is still reflected in the auction prices, even if it does not bid directly.²⁵⁴

Notwithstanding the regulatory preference for the use of prices stemming from actual transactions in the country (such as prices from government-run auctions), where the Department has found that the government provides the majority or, in certain circumstance, a substantial portion of the market for a good or service, it has considered prices for such goods and services in the country to be significantly distorted and not an appropriate basis of comparison for determining whether there is a benefit.²⁵⁵ This is because where the government's role as provider of the good or service is so predominant, it in effect determines the prices for private sales of the same or similar goods or services such that comparing the government prices to private prices would amount to comparing the financial contribution to itself. As noted above, in our preliminary analysis, we have not presumed that reference prices (such as the results of a government-run auction) must represent a specific percentage of a province's harvest before it could be used as a point of reference for setting prices on the administered portion of the harvest, but have examined whether the market used as a point of reference established fair market prices that would then apply to the administered portion of the standing timber sales system. Thus, when evaluating the reference market, we have examined whether the reference price actually functions as a market price, and functions independently of the government-set price.

²⁵² See Final Results of 2nd AR IDM at 10.

²⁵³ See Preliminary Results of 2nd AR, 70 FR at 33101, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comment 13.

²⁵⁴ See Preliminary Results of 2nd AR, 70 FR at 33101, unchanged in *Final Results of 2nd AR* and the accompanying IDM at 10 and Comment 13.

²⁵⁵ See *CVD Preamble*, 63 FR at 65377.

Under 19 CFR 351.511, first tier benchmark prices could include, in certain circumstances, actual sales from competitively run government auctions. The circumstances where such prices would be appropriate are where the government sells a significant portion of the good through competitive bid procedures that are open to everyone, that protect confidentiality, and that are based solely on price.²⁵⁶ In terms of the operation of the BCTS auctions, we preliminarily determine that there is no information on the record indicating that the GBC operates the auctions in a manner that is not transparent, and there is no evidence indicating that the auctions are not based solely on price, are closed to certain potential bidders, or do not protect the confidentiality of the bidders. Further, information on the record of the instant investigation indicates that the harvest volume attributable to BCTS harvest volumes has increased since the prior lumber proceeding. In the second review of *Lumber IV*, the Department found that section 20 and 21 auction sales accounted for 7.1 percent of the total Crown harvest while unrestricted sales (e.g., standing timber auction sales involving individuals or corporations that own a timber processing facility) accounted for 1.1 percent of the total Crown harvest.²⁵⁷ Information from the GBC indicates that in FY 2015-2016 BCTS auction volumes accounted for approximately 20 percent of the Crown-origin harvest volumes.²⁵⁸

However, several distortive characteristics relied upon by the Department in *Lumber IV* to find price distortion continued to exist during the POI of this investigation. The data from the GBC for FY 2015-2016 indicate that a handful of companies continue to dominate the direct allocation and harvest of standing timber from Crown lands. For example, ranking tenure-holding companies by allocated tenure volumes for FY 2015-2016 indicates that the five largest companies account for 58.7 percent of standing timber allocations on Crown lands, while the ten largest companies account for 72.45 percent.²⁵⁹ Information from the GBC indicates that the harvest of Crown-origin standing timber is also concentrated among a handful of companies. Data from the GBC indicate that the same five aforementioned companies are the largest harvesters of Crown-origin standing timber, accounting for 65.23 percent of the Crown harvest, while the ten largest companies account for 71.55 percent.²⁶⁰

Second, concerning the BCTS auctions themselves, the record evidence supports a conclusion that the auction markets are likewise concentrated among a small number of companies. In particular, data from the GBC indicate that independent loggers (and not the Crown tenure-holding sawmills) continue to account for the majority of BCTS auction purchases. In its initial questionnaire, the GBC provided a table listing the 10 largest BCTS auction participants. The table also identified whether each participant operated a sawmill.²⁶¹ The data in the table make clear that in each region, non-sawmill operators are the largest participants in the BCTS auctions,

²⁵⁶ *Id.*

²⁵⁷ See *Preliminary Results of 2nd AR*, 70 FR at 33100, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comment 14.

²⁵⁸ See WFQR at 117.

²⁵⁹ See GQRGBC at Exhibit BC-S-6; see also, Market Memorandum, British Columbia Attachment, Table 6.1.1.

²⁶⁰ See GQRGBC at Exhibit BC-S-9, which contains FY 2015-2016 survey data from the GBC that provides the combined Crown harvest and BCTS auction volumes on a company-specific basis; see also, Market Memorandum, British Columbia Attachment, Table 8.1.

²⁶¹ See GQRGBC at Exhibit BC-S-150.

which is consistent with the Department’s findings in *Lumber IV*.²⁶² Data from the GBC also continue to indicate that while non-sawmill operators (*e.g.*, independent loggers) account for most of the BCTS auction purchases, tenure-holding sawmills continue to be the largest source of BCTS consumption volume. In its response, the GBC provided the volume of cruise-based and scale-based BCTS auction volumes that was delivered to company-owned scaling sites during calendar year 2015.²⁶³ Though the GBC states that the volumes delivered to scaling sites do not necessarily indicate the final destination of auction-origin logs, we have, for purposes of the preliminary determination, used the data in the tables as a proxy for the volume of auction-origin logs delivered to each company. The data in the two tables indicate that, consistent with *Lumber IV*, a handful of tenure-holding sawmills account for the majority of Crown-origin standing timber acquired via the BCTS auctions. For example, the five companies referenced above as dominating the direct allocation and harvest of standing timber from Crown lands account for 64.8 percent of cruise-based auction volume and 43.6 percent of the scale-based auction volume.²⁶⁴ Therefore, consistent with *Lumber IV*, we continue to conclude that the prices paid for logs in the BCTS auctions, prices that are primarily paid by loggers, key off the price that tenure-holding sawmill companies are willing to pay.

Additionally, as in *Lumber IV*, we find that the volume of Crown-origin standing timber allocated to tenure-holding sawmills exceeds the volume of Crown-origin standing timber harvested by tenure-holding sawmills and that this supply “overhang” effectively limits the amount that tenure-holding sawmills are willing to pay for volumes sold via the BCTS auction or pay to loggers who win bids at the auctions. The GBC did not separately report the volume of Crown-origin standing timber each company harvested under its tenure.²⁶⁵ Rather, the GBC provided survey data for each survey respondent, which combined the volume of Crown-origin standing timber acquired under tenure along with the volume of Crown-origin standing timber from the BCTS auction.²⁶⁶ In other words, the survey data did not differentiate or separately report the volume of Crown-origin standing timber the survey respondents harvested under a tenure and the volume of Crown-origin standing timber the survey respondents as a result of the BCTS auction. As a result, we are unable to compare, on a company-specific basis, the volume of Crown-origin standing timber allocated to the volume of Crown-origin standing timber actually harvested during FY 2015-2016. However, the GBC did provide aggregate allocation and harvest information on a regional and province-wide basis for each type of tenure agreement that was in effect during FY 2015-2016.²⁶⁷ The aggregate data indicate that Forest Licenses and TFLs account for the majority of Crown-origin standing timber allocations and the majority of the Crown-origin standing timber harvest and, moreover, that a significant “overhang” existed for these two types of tenure licenses during FY 2015-2016. Specifically, the data from the GBC indicates that Forest License holders harvested 72.7 percent of the Crown tenure allocations while Tree Farm License holders harvested 75.1 percent of their allocations.²⁶⁸ Based on this information, we preliminarily determine that tenure-holding sawmills, including the largest

²⁶² See *Preliminary Results of 2nd AR*, 70 FR at 33100; unchanged in *Final Results of 2nd AR*.

²⁶³ See GQRGBC at Exhibits BC-S-14 and BC-S-15.

²⁶⁴ See Market Memorandum, British Columbia Attachment, Scale Based Auction Table 1.2 and Cruise Based Auction Table at 1.1.

²⁶⁵ See GQRGBC at Exhibit BC-S-9.

²⁶⁶ See GQRGBC at Exhibit BC-S-9; *see also*, Market Memorandum, British Columbia Attachment, Table 8.1.

²⁶⁷ See GQRGBC at Exhibit BC-S-5.

²⁶⁸ See GQRGBC at Exhibit BC-S-5; *see also*, Market Memorandum, British Columbia Attachment, Table 4.1.

tenure-holding sawmills, did not exhaust the amount of standing timber they could harvest from their tenures during the POI and, as such, their need to source standing timber from other sources, such as the BCTS auction, was lessened. This lack of scarcity suggests that the willingness of the large tenure-holding sawmills to pay for standing timber from other sources, such as auctions, will be limited by their costs for obtaining standing timber from their own tenures. And this, in turn, increased the leverage these tenure-holders had over the price they paid for auction-origin standing timber.

Furthermore, as discussed in this memorandum, we have preliminarily determined that the GBC and the GOC impose restraints on the exportation of BC-origin logs and that these restraints contribute to an overabundance of log supply that, in turn, depresses the prices that auction participants are willing to pay, as well as the log prices that loggers can charge tenure-holding companies in the province. This further supports a finding that auction prices under the BCTS are distorted.

In sum, we preliminarily find that the prices for standing timber auctioned under the BCTS are effectively limited by Crown stumpage prices paid by tenure-holding companies. The largest tenure-holding companies purchase the predominant amount of standing timber bought in the auctions by logging companies. The prices that loggers bid at auctions are limited by the price they receive from tenure-holding companies. The volume of Crown-origin standing timber allocated to tenure-holding companies exceeds the actual volume of Crown-origin standing timber harvested by tenure-holding companies, which supports a finding that the willingness of tenure-holding sawmills to pay for standing timber from the BCTS auction will be limited by their costs for obtaining standing timber from their own tenures. This information leads us to preliminarily conclude that BCTS standing timber prices are effectively limited by the prices that large tenure-holders paid for Crown stumpage under their own tenures. Therefore, these prices cannot serve as benchmarks to measure the adequacy of remuneration for Crown-origin standing timber, because they do not reflect market-determined prices from competitively run government auctions. Further, export restraints imposed by the GBC create downward pressure on the prices of logs sold in the provinces and on the prices paid in the BCTS auctions, which further supports a finding that BCTS prices within British Columbia are distorted.²⁶⁹ For these reasons, we preliminarily determine that the prices of Crown-origin standing timber auctioned under the BCTS cannot serve as a tier-one benchmark.

Furthermore, in light of this finding, we have preliminarily determined to include Crown-origin standing timber sold via auction into our benefit calculation.

Québec

In Québec, 73 percent of the stumpage harvest during FY 2015-2016 came from Crown land.²⁷⁰ In addition, we continue to find that appurtenancy requirements exist for holders of TSGs, in that

²⁶⁹ See discussion below regarding British Columbia Log Export Restraints.

²⁷⁰ See GQRGOQ at Table 7; see also, Market Memorandum, Québec Attachment, Table 7.1. This percentage underestimates the actual harvest from Crown land since this percentage was calculated from a figure that in

the Crown volumes allocated under a TSG are tied to particular sawmills.²⁷¹ However, both sawmill and non-sawmill operators may participate in Crown-origin standing timber auctions.²⁷² Thus, appurtenancy requirements exist with regard to volumes of Crown-origin standing timber directly allocated to TSG-holders, but we preliminarily determine that they do not exist with regard to firms that participate in the auctions of Crown-origin standing timber.

Under 19 CFR 351.511, tier-one benchmark prices could include, in certain circumstances, actual sales from competitively run government auctions. The circumstances where such prices would be appropriate are where the government sells a significant portion of the good through competitive bid procedures that are open to everyone, that protect confidentiality, and that are based solely on price.²⁷³ With regard to the auction system in place in Québec, we preliminarily determine that the GOQ makes information on proposed sales and winning auction bids publicly available, allows sawmills and non-sawmills (in and out of Québec) to participate in the auction, and has implemented auction procedures that are designed to prevent collusive behavior (*e.g.*, selecting winners based on the first bid rather than permitting bids to be conducted in rounds, and not disclosing information on the identities and bids of unsuccessful bidders).²⁷⁴

However, for the reasons discussed below we preliminarily determine that auction prices for Crown-origin standing timber in Québec track the prices charged for Crown-origin standing timber that is allocated to TSG-holding sawmills and, thus, the auction prices for Crown-origin standing timber are not viable tier-one benchmarks. In FY 2015-2016, the breakdown of the stumpage harvest was as follows: 51 percent direct sales of Crown-origin standing timber via TSGs, 22 percent sales via auction of Crown-origin standing timber, 15 percent sales of private-origin standing timber, and 11 percent log imports from the United States and other Canadian Provinces.²⁷⁵

The GOQ reported TSG-allocated Crown volume and standing timber consumption volumes on a sawmill-specific basis.²⁷⁶ The GOQ also provided auction data that identify the quantity and value that each winning bid paid during the POI. Data in the GOQ's response allow us to aggregate the sawmill data based on the sawmills' corporate addresses.²⁷⁷ We find that aggregating the sawmill data by corporation is most useful to our analysis, because sawmills act as members of corporate families rather than as stand-alone entities.²⁷⁸ An analysis of the aggregated data indicates that the consumption of TSG-allocated Crown-origin standing timber

addition to harvest from land within Québec also included imports of logs from the United States and other Canadian Provinces.

²⁷¹ See GQRGOQ at QC-S-33, which states that TSGs are granted "to any person or body that operates or plans to operate a wood processing plant."

²⁷² See GQRGOQ at QC-S-4 and QC-S-87.

²⁷³ See *CVD Preamble*, 63 FR at 65377.

²⁷⁴ See GQRGOQ at QC-S-4 and QC-S-87.

²⁷⁵ See GQRGOQ at Table 7; *see also*, Market Memorandum, Québec Attachment, Table 7.1.

²⁷⁶ See GQRGOQ at Table 18.

²⁷⁷ See GQRGOQ at Table 20.

²⁷⁸ We determine our finding in this regard is warranted given that the GOQ tracks the corporate addresses of TSG holding sawmills (*e.g.*, *see* GQRGOQ at Table 20) and sections 92 and 93 of the SFDA permits transfers of Crown-origin standing timber between affiliated sawmills. As noted below, we find that such transfers of Crown-origin standing timber between affiliated sawmills was significant during the POI.

is concentrated among a small number of corporations. The data further indicate that the same corporations dominate both the consumption of TSG-allocated Crown-origin standing timber and the purchase of auctioned Crown-origin standing timber. For example, sorting the GOQ's reported log processing data in descending order by volume reveals that, for FY 2015-2016, the 10 largest TSG-holding corporations accounted for 74.9 percent of logs acquired via tenure.²⁷⁹ These same 10 corporations accounted for 62.4 percent of the softwood sawlog auction volume acquired during 2015.²⁸⁰

Not only do TSG-holding corporations dominate the auction system, but also, auction volumes, in the aggregate, account for a relatively small percentage of these corporations' softwood log supply. In our preliminary analysis, we have evaluated whether the auction system operates independently of the Crown-origin standing timber allocation system by examining the extent to which TSG-holding producers are *not* also active in the auction system. The information discussed above indicates that the largest TSG-holding corporations are not only active in the auction system, but are the dominant buyers of auctioned Crown-origin standing timber. Québec's goal is to ensure that 25 percent of TSG-holding sawmills' annual Crown consumption comes from the Crown auction. According to the GOQ, the 25 percent threshold is sufficient to establish a robust and representative auction market that may serve as a reference market for purposes of setting stumpage prices for Crown-origin standing timber directly allocated to TSG-holders.²⁸¹ However, actual consumption data for TSG-holding sawmills indicate that for FY 2015-2016, the GOQ's goal was achieved in only four out of 15 administrative regions, and those four regions accounted for less than half of Crown volume consumed by TSG-holding corporations.²⁸² Similarly, in aggregate, TSG-holding sawmills access only 20.7 percent of their Crown supply from the auction.²⁸³ Thus, Québec is not meeting its own consumption goals with regard to auction-origin standing timber acquired by tenure-holding corporations. Further, 32.3 percent of the softwood sawlog volume that is put up for auction in 2015 did not sell.²⁸⁴

Additionally, pursuant to sections 92 and 93 of the SFDA, TSG-holders in Quebec are permitted to shift allocated Crown standing timber volumes among affiliated sawmills and between corporations. Combining FY 2014-2015 and 2015-2016 data from the GOQ reveals that sawmills transferred approximately 640,000 cubic meters of TSG-allocated Crown-origin standing timber under sections 92 and 93 during 2015, which amounted to 15.3 percent of the volume of softwood saw logs sold via auctions.²⁸⁵ Accordingly, we preliminarily find that the ability of corporations to shift tenure allocations among sawmills reduces the need of TSG-holding corporations to source from non-Crown sources such as the auction and private market.

As discussed above, we find that the GOQ's auction system reflects several competitive aspects. However, we also preliminarily find that: (1) the overall consumption of non-auction Crown-origin standing timber continues to be large relative to other sources; (2) the GOQ is not hitting

²⁷⁹ See GQRGOQ at Table 20; *see also*, Market Memorandum, Québec Attachment, Table 20.2.

²⁸⁰ See GQRGOQ at Table 12 and Table 20; *see also*, Market Memorandum, Québec Attachment, Table 12.1 and Table 20.2.

²⁸¹ See GQRGOQ at 2-5.

²⁸² See GQRGOQ at Tables 4 and 20; *see also* Market Memorandum, Québec Attachment, Table 20.3.

²⁸³ See GQRGOQ at Tables 4 and 20; *see also*, Market Memorandum, Québec Attachment, Table 20.3.

²⁸⁴ See GQRGOQ at Table 12; *see also*, Market Memorandum, Québec Attachment, Table 12.2.

²⁸⁵ See GQRGOQ at 62 and 65 and Table 12; *see also*, Market Memorandum, Québec Attachment, Table 12.1.

its own consumption goals for timber sold via auction; (3) a significant volume of standing timber offered at auction did not sell during the POI; (4) a small number of TSG-holding corporations dominate the consumption of Crown-origin standing timber (both directly allocated via TSGs, and sold via auction); and (5) the SFDA enables TSG-holding corporations to shift their allocations of Crown-origin standing timber between affiliated and unaffiliated sawmills which, in turn, reduces their need to acquire standing timber in the auction or from non-Crown sources. These findings lead us to preliminarily determine that the prices paid for Crown-origin standing timber allocated directly to TSG-holding corporations affects the prices paid in the auction system, such that the auction. As a result, we preliminarily determine that the GOQ's auction prices are not market-based, and therefore, are not suitable as a tier-one benchmark.

Furthermore, in light of this finding, we have preliminarily determined to include Crown-origin standing timber sold via auction into our benefit calculation.²⁸⁶

Private Stumpage Prices in Nova Scotia May Serve as a First-Tier Benchmark in New Brunswick, Québec, Alberta, and Ontario

In *Lumber IV*, the Department found that the stumpage market in Nova Scotia was not distorted and, as a result, used stumpage prices from private-origin standing timber in its calculation of a tier-one benchmark price to measure whether various provincial governments sold stumpage for LTAR.²⁸⁷ In the *SC Paper from Canada – Expedited Review*, the Department again determined that stumpage prices for private-origin standing timber in Nova Scotia may serve as a tier-one benchmark.²⁸⁸ In the current investigation, the petitioner did not allege that the GNS sells Crown-origin stumpage for LTAR. To the contrary, the petitioner advocated for the Department to use the prices paid for private stumpage in Nova Scotia as a tier-one benchmark for the Canadian provinces east of British Columbia that are under investigation.²⁸⁹

In response to questionnaires issued by the Department, the GNS provided data indicating that private-origin standing timber accounts for the majority of the softwood harvest volume and that Crown-origin standing timber accounts for less than a quarter of the softwood harvest volume.²⁹⁰ Based on information supplied by the GNS in this investigation, and the fact that that information aligns with our conclusions of non-distortion in *Lumber IV* and in the *SC Paper from Canada – Expedited Review*, we preliminarily determine that the sale of Crown-origin standing timber in Nova Scotia does not have a distortive impact on the province's private stumpage market. Accordingly, we preliminarily determine that stumpage prices for private-origin standing timber in Nova Scotia may serve as a tier-one benchmark, provided that such data are

²⁸⁶ Because the GOQ did not provide pricing information for sales of private forest for use as a possible benchmark in this investigation, we are not addressing whether those sales could serve as a possible benchmark for sales of Crown-origin standing timber in the province.

²⁸⁷ See, e.g., *Preliminary Results of 2nd AR*, 70 FR at 33103, unchanged in *Final Results of 2nd AR* and accompanying IDM at 10.

²⁸⁸ See SC Paper Final Expedited IDM at Comment 23.

²⁸⁹ See, e.g., Petition at Exhibit 133, where the petitioner relied on stumpage prices of private-origin standing timber in Nova Scotia as the basis of their allegation that the provision of Crown-origin stumpage in provinces east of British Columbia confers countervailable benefits.

²⁹⁰ See GNSQR at Table 1. The volume of softwood logs imported into Nova Scotia is proprietary. Therefore, we are unable to divulge the exact share of the softwood harvest accounted for by all sources in this memorandum.

available and that the standing timber in Nova Scotia are comparable with standing timber in the Canadian province at issue.

Private-Origin Stumpage Prices Contained in the Report on Prices for Standing Timber Sales from Nova Scotia Private Woodlots Are Suitable for Use as a Tier-One Benchmark Source

In its initial and supplemental questionnaire responses, the GNS submitted on the record of this investigation private-origin stumpage prices for Nova Scotia that the NSDNR collects in the ordinary course of business, and uses as the basis for setting Crown stumpage rates in the province.²⁹¹ These private stumpage prices are contained in the *GNS Private Stumpage Survey*, a document that was commissioned by the GNS and prepared by Deloitte.²⁹² In preparing the *GNS Private Stumpage Survey*, Deloitte collected detailed information pertaining to purchases by Registered Buyers (e.g., forestry companies, businesses and individuals, who own or operate facilities that process primary forest products, or import/export primary forest products from Nova Scotia) of private stumpage from independent private woodlot owners in Nova Scotia during the period April 1, 2015, through March 31, 2016. With respect to the data collection and validation, the *GNS Private Stumpage Survey* states:

After testing, validating, and formatting the raw survey data, the final sample volume reported by Deloitte was 407,773 m³ of softwood sawable stumpage purchased across all three regions of the Province.

This volume of stumpage was purchased through over 5,544 individual transactions during the specified time period. Expressed on a volume basis, NSDNR calculates that the survey covered more than 36 percent of the total volume of private stumpage transactions in Nova Scotia for softwood sawable products during the period from April 1, 2015 through March 31, 2016.²⁹³

The *GNS Private Stumpage Survey* contains unit prices for private-origin standing timber for following log-type and species combinations:²⁹⁴

Log Type	Species
Softwood Sawlog	SPF
Softwood Sawlog	Eastern White Pine
Softwood Sawlog	Hemlock
Softwood Sawlog	Red Pine
Softwood Sawlog	Hemlock/Red Pine/Other
Softwood Studwood & Lathwood	SPF
Softwood Sawables Combined ²⁹⁵	SPF
Softwood Sawables Combined	Eastern White Pine

²⁹¹ See GNSQRat 1 and Exhibit NS-5 and GNSS1QRat 7 and Exhibit NS-Supp-2.

²⁹² See GNSQR at 1.

²⁹³ See Petition, Volume III at Exhibit 133.

²⁹⁴ See GNSQR at Exhibit NS-5.

²⁹⁵ The log-type category reflects softwood sawlogs and softwood studwood/lathwood.

Softwood Sawables Combined	Hemlock
Softwood Sawables Combined	Red Pine
Softwood Sawables Combined	Hemlock/Red Pine/Other

We find that the private stumpage prices in the *GNS Private Stumpage Survey Report*, which was conducted by the GNS in the ordinary course of business, and the disaggregated unit prices on which the report was based, contain a sizable number of observations, reflect prices throughout the province, and reflect private stumpage prices for a variety of species and log types. In particular, the *GNS Private Stumpage Survey Report* includes the prices paid for private-origin saw logs as well as studwood/lathwood logs in the SPF category, which, as described below, is the primary and most commercially significant species reported in the SPF groupings for New Brunswick, Québec, Ontario, and Alberta. Therefore, we preliminarily determine that the *GNS Private Stumpage Survey Report* constitutes a reliable data source that is sufficiently representative of the private stumpage market in Nova Scotia to serve as a tier-one benchmark.

Standing Timber in Nova Scotia is Comparable to Standing Timber in New Brunswick, Québec, Ontario, and Alberta

Next, we must determine whether the standing timber that grows in Nova Scotia is sufficiently comparable to the standing timber that grows on Crown lands in New Brunswick, Québec, Ontario, and Alberta. As discussed in the next section, we preliminarily determine that the standing timber that grows in Nova Scotia is not sufficiently comparable to the standing timber that grows on Crown lands in British Columbia.

In the second administrative review of *Lumber IV*, the Department determined that the Nova Scotia and New Brunswick prices upon which it relied for benchmarking purposes contained prices for the general standing timber species category of eastern SPF. We found that the species included in eastern SPF were also the primary and most commercially significant species reported in the species groupings for Québec, Ontario, Manitoba, Saskatchewan and a portion of Alberta.²⁹⁶ We also found in *Lumber IV* that although there is some minor variation of the relative concentration of individual species across provinces, this does not affect comparability for benchmark purposes.²⁹⁷ We further found that the provinces themselves do not generally differentiate between the SPF species; rather, the provincial governments tend to group all eastern SPF species into one category for data collection and pricing.²⁹⁸ And, in *Lumber IV* we found that SPF species east of British Columbia were interchangeable and that the average DBH

²⁹⁶ SPF species are the primary and most commercially significant species reported in the species groupings for Québec, Ontario, Manitoba, Saskatchewan and Alberta, accounting for over 90 percent of the entire standing timber harvest across these provinces. See, e.g., *Preliminary Results of 2nd AR*, 70 FR at 33103-04, unchanged in *Final Results of 2nd AR*, 70 FR at 73448 and the accompanying IDM at Comments 21 and 25.

²⁹⁷ See, e.g., *Preliminary Results of 2nd AR*, 70 FR at 33103-04, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comments 21 and 25.

²⁹⁸ See e.g., *Preliminary Results of 2nd AR*, 70 FR at 33104, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comment 25.

of SPF standing timber in the Maritimes was comparable to those in Alberta, Ontario, and Québec.²⁹⁹

In the current investigation, we find that SPF species continue to be the dominant species that grow in the provinces that are east of British Columbia. For example, SPF species' share of the Crown-origin standing timber harvest volume is as follows: 94.8 percent for New Brunswick, 81.76 percent for Québec,³⁰⁰ 67.85 percent for Ontario,³⁰¹ and 99.98 percent for Alberta.³⁰² Data supplied by the four mandatory respondents and the sole voluntary respondent also indicate that SPF species represent the majority of the companies' respective Crown timber harvest.³⁰³

Concerning DBH, the GNS reports that the DBH for all softwood species on private land is 17.29 cm and 15.9 cm for SPF standing timber.³⁰⁴ In the Initial Questionnaire, the Department instructed the provincial governments to provide DBH information for the standing timber that grows on Crown lands in each respective province.³⁰⁵ The GOA reported that the DBH of SPF standing timber species in Alberta ranges from 18.2 cm for black spruce to 24.6 cm for white spruce.³⁰⁶ Information on the record indicates that in Québec the DBH of SPFL standing timber species ranges from 16 cm to 24 cm.³⁰⁷ Despite our requests, the GOO did not provide information on the average DBH of the standing timber in Ontario. We also lack information concerning the DBH of standing timber in New Brunswick. However, given that New Brunswick is contiguous with Nova Scotia, the Department found in *Lumber IV* that standing timber from Nova Scotia and New Brunswick were sufficiently similar to combine their respective prices into a single stumpage benchmark, and information on the record of the current investigation indicates that JDIL incorporates standing timber from both provinces into its sawmill operations, we find that standing timber in Nova Scotia is comparable, in terms of size, to standing timber in New Brunswick.³⁰⁸

Based on the Department's findings in the second administrative review of *Lumber IV* and on the updated DBH and species information on the record of the current investigation, we find that SPF species are the primary species that are harvested on private lands in Nova Scotia and on Crown lands in New Brunswick, Québec, Ontario, and Alberta. We also find that the average

²⁹⁹ See *Preliminary Results of 2nd AR*, 70 FR at 33104, see also, unchanged in *Final Results of 2nd AR* and the accompanying IDM at Comment 21, where, in the context of the comparability issue, the Department stated that Eastern SPF trees, by which the Department meant SPF trees that grow from the Maritimes to Alberta, "... are comparable across their entire growing range as demonstrated by tree diameter, which is one of the most important characteristics in terms of lumber use."

³⁰⁰ We note that in Québec the GOQ also includes Larch into its SPF species category.

³⁰¹ We note that in Ontario the GOO also includes Larch/Tamarack in its SPF species category.

³⁰² See GNBQR at Exhibit NB-STUMP-1 at Table 4, GQRGOQ at Exhibit QC-STUMP-12, GQRGOO at 4, 19, and Exhibit ON-STATS-1, and GQRGOA at AB-S-11.

³⁰³ See Preliminary Calculation Memoranda for the four mandatory respondent companies and voluntary respondent, which identify the species of Crown-origin standing timber acquired during the POI.

³⁰⁴ See GONS Initial QR at 8.

³⁰⁵ See DOC's Addendum to CVD Initial Questionnaire, dated January 31, 2017 at 3, 6, and 12.

³⁰⁶ See GQRGOA Volume IV, Exhibit AB-S-23 at 20.

³⁰⁷ See GQRGOQ, Volume I-I, at 471.

³⁰⁸ See *Final Results of 2nd AR* and the accompanying IDM at Comment 20; see also, JDIL Preliminary Calculation Memorandum.

DBH of SPF standing timber in the provinces east of British Columbia are comparable to the average DBH of SPF standing timber that grows in Nova Scotia.³⁰⁹ Further, information available on the record of the current investigation indicates that, although comparable, the DBH of SPF standing timber in Nova Scotia is equal to or smaller than the DBH of Crown-origin standing timber in New Brunswick, Québec, Ontario, and Alberta and, therefore, the use of private-origin stumpage prices from Nova Scotia represents a conservative benchmark.³¹⁰

On this basis, we preliminarily determine that prices for standing timber in Nova Scotia reflected in the *GNS Private Stumpage Survey* are comparable to the Crown-origin standing timber in New Brunswick, Québec, Ontario, and Alberta. Accordingly, consistent with 19 CFR 351.511(a)(2)(i), we have compared the prices charged for private-origin standing timber in Nova Scotia to the prices charged for Crown-origin standing timber in New Brunswick, Québec, Ontario, and Alberta, as described in greater detail below, in order to determine whether the Crown-origin standing timber was sold for LTAR.

Private Stumpage Prices in Nova Scotia Are Not An Appropriate Tier-One Benchmark for British Columbia

In *Lumber IV*, the Department determined that private stumpage prices from the Maritimes were not suitable as tier-one benchmarks to determine whether the GBC sold standing timber to lumber mills for LTAR. As part of this determination, the Department found that available information on the record, as well as information from the United States Forestry Department, indicated that species in British Columbia were generally larger and produced more valuable lumber than timber species harvested in the Maritimes.³¹¹

In the current investigation, we preliminarily determine that the standing timber in British Columbia is not comparable to the standing timber in Nova Scotia and is also distinct, in terms of size, to standing timber in Alberta, the western-most province for which Nova Scotia standing timber is being used as a benchmark. The GBC did not provide information on the average DBH of standing timber in the interior of British Columbia.³¹² Rather, the GBC provided in-bark, top diameter and butt diameter for softwood sawlog standing timber in the coast and interior of the province.³¹³ Trees have a natural taper such that the DBH is generally greater than the in-bark top diameter and less than the butt diameter.³¹⁴

³⁰⁹ We find that the GOO did not provide the average DBH information solicited in the Department's Initial Questionnaire. Therefore, in accordance with section 776(a) of the Act, we are relying on the facts otherwise available to preliminarily determine that the average DBH of softwood timber is comparable to the DBH of trees that grow in Québec, a contiguous province for which DBH information is available.

³¹⁰ As noted in the prior footnote, because the GOO did not provide the average DBH information solicited in the Department's Initial Questionnaire, we are relying on the facts otherwise available for this finding, in accordance with section 776(a) of the Act.

³¹¹ See *Final Results of 1st AR* and the accompanying IDM at 12-14; citing to U.S. Forestry Service report, "Profile 2001 Softwood Sawmills in the United States and Canada;" see also, *Final Results of 2nd AR* and the accompanying IDM at 12.

³¹² All mandatory respondents with harvesting operations in British Columbia operate in the interior of the province. Therefore, we focused our comparability analysis on the interior of British Columbia.

³¹³ See GQRGBC at BC-S-164.

³¹⁴ See GQRGBC at BC-S-164 at 4, which provides a diagram of where foresters measure top diameter.

Weighting the top diameter information from the GBC, which reflects all species, by net volume indicates that average in-bark, top diameter of softwood sawlogs in interior British Columbia is 24.33 cm. In comparison, the DBH for softwood species on private land in Nova Scotia is between 15.9 cm (for SPF standing timber) and 17.2 cm (for all softwood species). The average top diameter of standing timber in British Columbia is also larger than Alberta's overall average DBH of 21.7 cm and only slightly less than the 24.33 cm DBH for White Spruce, which is Alberta's largest species in terms of DBH.³¹⁵ Thus, despite the fact that top diameter measurements are recorded inside the bark and on a relatively narrower portion of the tree, the average top diameter for saw logs in interior British Columbia is greater than the overall average DBH of SPF species in Nova Scotia and greater than the overall average DBH for softwood sawlogs in Alberta. Comparing the average butt diameter for softwood sawlogs in the interior of British Columbia to the average DBH of all softwood species in Nova Scotia and Alberta indicates similar size differences. Weighting the butt diameter information from the GBC indicates that the average butt diameter of sawlogs in interior British Columbia is 30.20 cm, which is 82.5 percent and 39.1 percent larger than the overall average DBH in Nova Scotia and Alberta, respectively.³¹⁶ While butt diameter measurements are recorded on a relatively wider portion of the tree, we find the average butt diameter of softwood sawlogs in interior British Columbia is, nonetheless, substantially larger than the average DBH in Nova Scotia and Alberta.

While the in-bark top and butt diameter data from GBC do not exactly align with the DBH information from the GNS and GOA, we find that the size comparisons between the various measurements indicate that softwood standing timber in the interior of British Columbia is distinctively larger than the standing timber that grows to the east of the province. Our conclusion in this regard is supported by information from the U.S. Forestry Service, which found in a 2009 report that tree sizes in the interior of British Columbia "are bigger than the trees in the boreal forest, making this a more favorable region for sawmilling."³¹⁷ Therefore, based on the Department's findings in *Lumber IV* and based on information on the record of the current investigation, we preliminarily determine that prices for private-origin standing timber in Nova Scotia may not serve as a tier-one benchmark when determining whether the GBC sells standing timber to our mandatory respondents for LTAR.

Log Prices in British Columbia are Not An Appropriate Benchmark

In *Lumber IV*, the Department found that standing timber and log markets in British Columbia are closely intertwined and, therefore, Crown-origin standing timber prices affected both stumpage and log prices.³¹⁸ Namely, the Department found that large tenure-holding corporations accounted for the majority of the Crown-origin allocated standing timber harvest as well as the majority of Crown-origin log consumption purchased in the British Columbia log market. Thus, in *Lumber IV*, we found that because these companies simultaneously purchased and used both forms of wood, they must in principle view the cost of harvested and delivered log

³¹⁵ See British Columbia Diameter Analysis.

³¹⁶ See British Columbia Diameter Memorandum.

³¹⁷ See USFS 2009 Sawmill Profile Memorandum.

³¹⁸ See, e.g., *Final Results of 1st AR* and the accompanying IDMat 14; see also, *Final Results of 2nd AR* and the accompanying IDM at 12.

via tenure, and purchased logs, as equivalent (*i.e.*, the stumpage price plus the cost of harvesting should equate to the cost of a log). We further concluded in *Lumber IV* that subsidized prices in the Crown-origin standing timber market would result in price suppression in the sales of logs. Accordingly, in *Lumber IV*, we found that log prices in British Columbia were not market-determined prices independent from the effects of the underlying Crown-origin standing timber prices and, therefore, cannot be used to assess the adequacy of remuneration.³¹⁹

As noted above, we continue to find that a small number of tenure-holding corporations dominate the harvest and consumption of Crown-origin standing timber as well as the consumption of Crown-origin standing timber sold in the BCTS auction. As a result, we preliminarily determine that the prices paid for logs in the BCTS auctions, prices that are primarily paid by loggers, ultimately key off the price that tenure-holding sawmill companies are willing to pay. Further, as discussed elsewhere in this memorandum, we find that the export restraints imposed by the GBC further distort the log market in British Columbia. Therefore, based on the Department's findings in *Lumber IV*, and on information on the record of the current investigation, we find that the log prices in British Columbia are not market-determined prices independent from the effects of the underlying Crown stumpage prices and, therefore, cannot be used to assess the adequacy of remuneration of the GBC's stumpage system.

U.S. Stumpage Prices Are Not An Appropriate Benchmark for British Columbia

In the first and second reviews of *Lumber IV*, we explained that in considering the tier-two regulatory hierarchy under 19 CFR 351.511(a)(2), we were cognizant of the fact that a NAFTA Panel, considering the benchmark in British Columbia employed in the underlying investigation, found that standing timber is not a good that is commonly traded across borders.³²⁰ In *Lumber IV*, we also explained, in considering U.S. standing timber prices as a benchmark under our regulatory hierarchy, that using those prices would require complex adjustments to the available data. We, therefore, turned our analysis to U.S. log prices.³²¹ In this investigation, there are no U.S. stumpage prices on the record. Furthermore, for purposes of our preliminary findings, we find that the record of the investigation does not contain any new evidence that would warrant a reconsidering our approach on this matter from *Lumber IV*. Therefore, we preliminarily determine that U.S. standing timber prices are neither an available nor appropriate tier-two benchmark to measure whether the GBC sells Crown-origin standing timber for LTAR.

³¹⁹ See, e.g., *Final Results of 1st AR* and the accompanying IDM at 14-16; *Preliminary Results of 2nd AR*, 70 FR at 33106; *Final Results of 2nd AR* and the accompanying IDM at 12.

³²⁰ See, e.g., *Final Results of 1st AR* and *Preliminary Results of 2nd AR*, 70 FR at 33106; see also, *Final Results of 2nd AR* and the accompanying IDM at 12.

³²¹ See, e.g., *Preliminary Results of 2nd AR*, 70 FR at 33106; see also, *Final Results of 2nd AR* and the accompanying IDM at 12.

U.S. Log Prices Are The Most Appropriate Benchmark

In *Lumber IV*, we found that U.S. log prices may constitute tier-three benchmarks when determining the adequacy of remuneration of the GBC's administered stumpage program (*i.e.*, a benchmark that is consistent with market principles under 19 CFR 351.511(a)(2)(iii)).³²² In *Lumber IV*, we stated that a market principles analysis by its very nature depends on the available information concerning the market sector at issue, and must, therefore, be developed on a case-by-case basis. In *Lumber IV*, we found that using U.S. log prices is consistent with a market principles analysis, because: (1) standing timber values are largely derived from the demand for logs produced from a given tree; (2) the timber species in the U.S. Pacific Northwest (U.S. PNW) and British Columbia are very similar and, therefore, U.S. log prices, properly adjusted for market conditions in British Columbia, are representative of prices for standing timber in British Columbia; and (3) U.S. log prices are market-determined.³²³

In *Lumber IV*, we explained that a key factor in finding that standing timber in the U.S. PNW was comparable to standing timber in British Columbia was the fact that the same timber species grow in both regions. We also found that there is a vast forest region that encompasses the U.S. PNW and British Columbia and that the U.S.-Canada border in no way alters this fact. We also found that growing conditions in the U.S. PNW and in British Columbia are also largely the same.³²⁴ In *Lumber IV*, we further found that species and growing conditions are both key factors in determining the market value of standing timber, and thus were also key in determining that standing timber from the U.S. PNW and British Columbia were comparable. Therefore, in *Lumber IV*, we concluded the log prices in the U.S. PNW are comparable to logs in British Columbia.³²⁵

In the current investigation, we continue to find that the species that grow in British Columbia, and more particularly the species harvested by the B.C.-based respondent firms, continue to match the species that grow in the U.S. PNW.³²⁶ Further, we preliminarily determine that the forestry conditions in the area that encompasses the U.S. PNW and British Columbia have not changed since *Lumber IV* such that log prices in the U.S. PNW and British Columbia are no longer comparable. Furthermore, we find that the log prices that comprise the U.S. benchmark are market determined and, therefore, are suitable for benchmark purposes. Specifically, information on the record demonstrates that U.S. log prices that comprise the benchmark are from private transactions between log sellers and buyers for logs harvested from private lands.³²⁷

³²² See *Final Results of 1st AR* and accompanying IDM at 16; see also, *Final Results of 2nd AR* and the accompanying IDM at 12-13.

³²³ See *Final Results of 1st AR* and accompanying IDM at 16; see also, *Final Results of 2nd AR* and the accompanying IDM at 12-13.

³²⁴ See *Final Results of 1st AR* and accompanying IDM; see also, *Final Results of 2nd AR* and the accompanying IDM at Comment 28.

³²⁵ See *Final Results of 2nd AR* and the accompanying IDM at Comment 28.

³²⁶ See the Preliminary Calculation Memoranda for Canfor, Tolko, and West Fraser, which identify the species of Crown-origin timber the respondents purchased in British Columbia, as well as the species that comprise the U.S. log benchmark.

³²⁷ See U.S. Log Price Memorandum. The data in the Petition covered the period April 2015, to December 2015. Therefore, the Department placed WDNR log price data for January to March 2015 on the record. See U.S. Log Price Memorandum.

As such, we find the U.S. log prices are market-determined prices and, therefore, may serve as a benchmark under 19 CFR 351.511(a)(2)(iii).

Selection of Data Source Used to Calculate the U.S. Log Price Benchmark

The Petition contains monthly, per-unit prices, for logs sold in Washington, as maintained by the WDNR in the ordinary course of business.³²⁸ The data from the WDNR reflect a variety of species that correspond to the species purchased by the B.C.-based mandatory respondents.³²⁹

In a subsequent factual submission, the petitioner also provided a study containing additional U.S. log prices, specifically annual, grade-specific, log prices for the U.S. PNW.³³⁰ As indicated in the submission, the annual U.S. log prices are based on proprietary data collected by Mason, Bruce & Girard, Inc. The petitioner used the proprietary data to compile the annual, U.S. log prices, by grade, that are contained in the new factual submission.³³¹

For purposes of our preliminary determination, we have evaluated the available sources and have determined to rely solely on the log prices from the WDNR. These prices are maintained by the WDNR in the ordinary course of business, and the species reflected in the dataset correspond to the Crown-origin species purchased by the B.C.-based respondents. Further, we find the data from the WDNR reflect log prices paid for private-origin logs and, therefore, reflect a market-based price.³³² By contrast, the underlying data on which the log prices contained in the petitioner's new factual submission are based are not currently on the record.

Tenure Adjustments

Below, we provide descriptions of how we calculated the Nova Scotia and U.S.-based benchmarks used to determine whether the GOA, GBC, GNB, GOO, and GOQ sold Crown-origin standing timber to the mandatory respondents for LTAR. We also discuss how we conducted the benefit calculation in each province at issue.

Concerning the provision of standing timber for LTAR benefit calculation, the Department has analyzed whether to add certain "adjustments," or costs, that the respondent firms argue are associated with or required under their various tenure arrangements. On this point, we note that

³²⁸ See Petition Exhibit 106.

³²⁹ See the Preliminary Calculation Memoranda for Canfor, Tolko, and West Fraser, which identify the species of Crown-origin timber the respondents purchased in British Columbia as well as the species that comprise the U.S. log benchmark.

³³⁰ See Petitioner Benchmark Submission.

³³¹ *Id.*

³³² See U.S. Log Price Memorandum. We note that the BCTLC also submitted quarterly log prices, by species and grade, as published by the ODNR, as part of its rebuttal new factual submission. See BCLTC Factual Information – Rebuttal. BCTLC timely submitted the data as rebuttal information pursuant to 19 CFR 351.301(c)(3)(iv), but the data were not submitted by the deadline for consideration as a source to measure the adequacy of remuneration under 19 CFR 351.301(c)(3)(i). See 19 CFR 351.301(c)(3)(i) (providing that all submissions of factual information to measures the adequacy of remuneration in a CVD investigation "are due no later than 30 days before the scheduled date of the preliminary determination"). Therefore, we have considered this information solely in the context of evaluating the new factual information provided by the petitioner, and we have not relied upon the ODNR log price data for purposes of a potential source for the U.S. log benchmark.

unlike in *Lumber IV*, we are examining the stumpage price paid on a company-specific basis in this investigation. The current record allows us to examine accurately each individual respondent's arrangement under its tenure agreement and assess the relationship between the tenure arrangement and the stumpage price paid. We preliminarily determine that the stumpage prices reported by the respondents do not include various costs or "adjustments," and that, rather, these costs are related to their long-term tenure rights under various tenure arrangements.

In *SC Paper from Canada – Expedited Review*, the Department stated the following regarding whether to add such adjustments to the stumpage prices paid:

. . . an adjustment to the administratively-set stumpage price for these silviculture and LMF activities, ***whether obligated or non-obligated under the Irving tenure licenses***, is not appropriate because these prices are related to Irving's long-term tenure rights granted to it by the {GNB}.³³³

As in *SC Paper from Canada – Expedited Review*, we are examining the stumpage price paid by our respondent company in Canada. And, thus, consistent with the Department's findings in the *SC Paper from Canada – Expedited Review*, in our preliminary calculations we have not added tenure adjustments (e.g., silviculture expenses, annual fees, etc.), regardless of whether they are obligated or legally-required, to the effective stumpage price paid for Crown-origin standing timber because these fees are related to the mandatory respondents' long-term tenure rights. Similarly, we have also not added to the Nova Scotia benchmark the C\$3.00/m³ fee that is charged by the GNS to Registered Buyers who purchase more than 5,000 m³ of primary forest products in a year.³³⁴ We will consider these adjustments further for purposes of the final determination.

Net Subsidy Rate Methodology

In the information-collection phase of this investigation, the Department requested that the respondents only report stumpage purchases by their sawmills. Therefore, in our calculation of the respondents' net subsidy rates for this program, we have examined—and, thus, limited—the numerator to the respondents' softwood *sawmill* purchases of Crown-origin standing timber during the POI.³³⁵ Accordingly, in order to ensure that the numerator and denominator used in our calculation are on the same basis, the denominator used in our calculation is the respondents' total softwood lumber sales and total softwood co-product sales (i.e., products produced by sawmills) during the POI.

³³³ See SC Paper Expedited Final IDM at Comment 24, emphasis added.

³³⁴ See, e.g., Petition, Volume III at Exhibit 133, which contains a copy of the *GONS Private Stumpage Survey*.

³³⁵ See, e.g., the Initial Questionnaire issued to Resolute at Table 1 where it instructed Resolute to report its sawmills' purchase of Crown-origin timber.

Calculation of Nova Scotia Benchmark

As indicated above, we are using data from the *GONS Private Stumpage Survey* for purposes of calculating a benchmark against which to compare the respondents' purchases of Crown-origin standing timber. Specifically, we have applied this benchmark to the respondent firms' respective purchases of Crown-origin standing timber in Québec, Ontario, and Alberta. Because JDIL reported company-specific purchases of private-origin standing timber in Nova Scotia, as discussed further below, we have used its company-specific purchases of standing timber from private lands in Nova Scotia as a benchmark for its purchases of Crown-origin standing timber in New Brunswick.

The *GNS Private Stumpage Survey* solicited species-specific unit prices for private-origin standing timber in Nova Scotia. The private stumpage prices contained in the published version of the *GNS Private Stumpage Survey* were limited to annual unit prices, per species/species group.³³⁶ In its supplemental questionnaire, the GNS provided monthly unit prices for private stumpage per species and species group.³³⁷ As explained below, due to the manner in which the GOA and GOQ invoice Crown-origin standing timber, we have annualized the respondents' purchases of Crown-origin standing timber in those provinces. Accordingly, we have relied upon the annual species-specific unit prices for private-origin standing timber in the *GNS Private Stumpage Survey* for purposes of the standing timber benchmark for Alberta and Québec.

Concerning Ontario, we find that the GOO invoices for stumpage of Crown-origin standing timber in a manner that permits the use of a monthly standing timber benchmark. To calculate monthly benchmarks based on the data in the *GOS Private Stumpage Survey*, we first sorted the unit prices in the survey by month. The monthly unit prices in the *GNS Private Stumpage Survey* reflect the period of April 1, 2015, through December 31, 2015. Therefore, we relied on IMF price index formation, as contained in its publication *IFS*, to derive private stumpage prices for January 1, 2015, through March 31, 2015. Next, for each species, we calculated an average monthly unit price, which, as discussed further below, we compared to the respondents' purchases of Crown-origin standing timber of that species in Ontario during that month.³³⁸

Calculation of U.S. Log Benchmark

As explained above, we are using log prices published by the WDNR as the basis for the U.S log-based benchmark for British Columbia, specifically, monthly survey prices for delivered logs.³³⁹ The WDNR log prices in the Petition cover April through December 2015. Our POI covers calendar year 2015. Therefore, we placed WDNR log prices for January through March 2015 on the record of the investigation.³⁴⁰

³³⁶ See GONS Initial QR at Exhibit NS-5.

³³⁷ See GONS 1st Supplemental QR at Exhibit NS-Supp-3.

³³⁸ See Nova Scotia Benchmark Calculation Memorandum.

³³⁹ See Petition, Volume III at Exhibit 106.

³⁴⁰ See U.S. Log Price Preliminary Memorandum.

The WDNR survey contains species-specific U.S. log prices for the coast and interior of Washington. The harvesting operations of the B.C.-based mandatory respondents are located in the interior of British Columbia. Therefore, we have limited our U.S. log benchmark prices to those WDNR survey data corresponding to the interior of Washington, which, consistent with *Lumber IV*, we find is more comparable to the interior of British Columbia.³⁴¹

The log prices published by the WDNR are expressed in U.S. dollars per MBF. We converted these monthly prices into U.S. dollars per cubic meter using a conversion factor of 5.93, which is the same conversion factor for interior species used by the Department in *Lumber IV*.³⁴² We will continue to evaluate the appropriate conversion factor to be used when converting from MBF to cubic meters. Next, we converted the monthly U.S. log prices per cubic meter into Canadian dollars per cubic meter using monthly exchange rates during the POI, as published by the U.S. Federal Reserve. As explained below, due to the way in which the GBC bills and invoices tenure holders, we have preliminarily determined to annualize the respondents' purchases of Crown-origin standing timber in British Columbia. Accordingly, we have calculated an annual U.S. log price benchmark.

The log price data published by the WDNR reflect unit prices without corresponding volumes. Therefore, to calculate annual U.S. log prices, we simple-averaged the monthly unit prices by species. Lastly, the U.S. log data from the WDNR contain prices for various grades within each species category. We find that these grades do not correspond to the grades contained in the B.C. stumpage data provided by the mandatory respondents. Thus, due to the inability to match by grade and in order to calculate a benchmark that is representative of all grades, we have relied upon the overall unit price listed for each species, which we find is reflective of all grades of logs contained in the WDNR survey.

Benefit and Net Subsidy Rate Calculation for Purchases of Crown-Origin Standing Timber in New Brunswick

As discussed above, during the POI, JDIL harvested Crown-origin standing timber in New Brunswick as both a licensee and sub-licensee; moreover, the company reported purchases of private-origin standing timber in both New Brunswick and Nova Scotia.³⁴³ As discussed above, we have analyzed the standing timber markets in both New Brunswick and Nova Scotia during the POI. Since we have found that there are no suitable tier-one benchmarks for standing timber in New Brunswick, we find that it is not appropriate to rely on JDIL's purchases of private-origin standing timber in New Brunswick as the basis for a benchmark against which to compare its purchases of Crown-origin standing timber in that province. However, as previously discussed, we have determined that the prices for private-origin standing timber in Nova Scotia may serve as a tier-one benchmark under 19 CFR 351.511(a)(2)(i). Therefore, we conducted the LTAR benefit analysis for JDIL, the only respondent company to purchase Crown-origin stumpage in New Brunswick, by relying on JDIL's purchases of private-origin standing timber in Nova Scotia as the benchmark for determining the adequacy of remuneration.

³⁴¹ See *Final Results of 2nd AR* and the accompanying IDM at 13.

³⁴² See *Final Results of 2nd AR* and the accompanying IDM at 14.

³⁴³ See JDILQR at STUMP-02.

To calculate the unit benefit, the Department compared, on a species-specific basis, the transaction prices that JDIL paid for Crown-origin standing timber in New Brunswick during the POI to the weighted-average monthly prices JDIL paid for its private-origin standing timber in Nova Scotia during the same period. We then multiplied the unit benefit by the corresponding volume of Crown-origin standing timber purchased during the POI. Next, we summed the benefits resulting from all Crown-origin standing timber purchases to calculate the total benefit for the program. We divided the total stumpage benefit for all species by JDIL's total softwood lumber and total softwood co-product sales during the POI. In this manner, we preliminarily calculated a net subsidy rate of 1.62 percent *ad valorem* for JDIL.³⁴⁴

Benefit and Net Subsidy Rate Calculation for Purchases of Crown-Origin Standing Timber in British Columbia

To calculate a benefit under this program, we compared each respondent's purchases of Crown-origin standing timber to the Washington state benchmark prices for logs discussed above.

The BC Crown stumpage scale-based invoicing system features monthly adjustments that apply retroactively and cumulatively to previous invoices. As a result, the species-specific volumes and values reported on the invoices do not represent the actual volume and value purchased in the month.³⁴⁵ Therefore, the Department has determined that aggregating the respondents' POI purchases of Crown-origin standing timber by cutting authority (*i.e.*, timbermark) and species is a reasonable approach to addressing the inaccuracies that would result from relying on the volume and value as reported on the monthly invoices.³⁴⁶ We find this approach properly addresses the retroactive adjustments while also permitting a price comparison on as specific a basis as possible. We will continue to examine British Columbia's scale-based invoicing system and how best to incorporate aspects of that system in our benefit analysis for the final determination.

Because we have aggregated the respondents' Crown-origin standing timber purchases to an annual basis, we have similarly aggregated the benchmark price data to an annual average basis. The benchmark pricing data do not allow for construction of a benchmark on a grade-specific basis. Therefore, for purposes of this preliminary determination, we have calculated species-specific benchmarks and matched to the Crown-origin species of standing timber purchased by the respondent firms. Where there were no exact species matches, we sought to compare the stumpage purchases to the most similar species represented in the benchmark data.³⁴⁷

As described above, the benchmark prices are delivered log prices. To construct an accurate comparison in accordance with 19 CFR 351.511(a)(2)(iv), we adjusted the respondents' purchases of Crown-origin standing timber to include the costs associated with harvesting and hauling these timber purchases to the sawmill. The respondents reported costs associated with

³⁴⁴ See JDIL Preliminary Calculation Memorandum.

³⁴⁵ See GQRGBC at BC I-163-167.

³⁴⁶ Due to the limitations of the benchmark data (*i.e.*, broad grade delineation that does not allow for construction of a useable species/grade benchmark), we were unable to use an aggregation at a Timbermark/Species/Grade level.

³⁴⁷ See the individual calculation memoranda for each B.C.-based respondent for further detail.

gaining access to timber stand sites, harvesting the timber purchased as Crown stumpage and hauling it to their mills. We have added these costs to the stumpage values reported in the respondents' purchase files.³⁴⁸

In addition to adding these costs to the stumpage values, we also find that it is warranted to make a cost adjustment to the respondents' purchases of BC Crown stumpage to account for profit. Record information shows that there is a non-contract profit rate for the BC logging industry of 11.8 percent.³⁴⁹ As described above, the record indicates that contractors harvest most of the timber in Canada. However, we find that stumpage data provided by the BC-based respondents do not identify the specific proportion of the harvest conducted by contractors (which would incorporate a profit component) and the proportion of the harvest conducted "in-house" (which would not include a profit component). Therefore, for the preliminary determination, we are following the methodology used in *Lumber IV*,³⁵⁰ and we are assuming that the BC respondents conducted 25 percent of their harvesting operations "in-house" and, thus, we applied 25 percent of the 11.8 percent non-contract logging profit margin³⁵¹ to the respondents' total costs to construct a profit component for "in-house" logging operations. In this way, the cost value reflects the profit realized by non-contract logging companies. We will continue to examine this issue after the preliminary determination.

To calculate the unit benefit, we compared to the U.S. log benchmark value to each timbermark/species-specific, profit-adjusted cost for the respondents' POI purchases of BC Crown stumpage. We then multiplied the unit benefit by the corresponding volume of Crown-origin standing timber purchased. Next, we summed the timbermark/species-specific benefits to calculate the total benefit for the program. We divided the total stumpage benefit by the respondents' respective total softwood lumber and total softwood co-product sales during the POI. In this manner, we calculated a net subsidy rate of 7.16 percent *ad valorem* for West Fraser, 10.32 percent *ad valorem* for Tolko, and 10.91 percent *ad valorem* for Canfor.

Benefit and Net Subsidy Rate Calculation for Purchases of Crown-Origin Standing Timber in Québec

As explained above, we conducted the LTAR benefit analysis for Resolute, the only respondent company to purchase Crown-origin stumpage in Québec, using Nova Scotia prices from the *GNS Private Stumpage Survey*. We find that the GOQ's standing timber billing system features monthly adjustments that apply retroactively to previous invoices.³⁵² As a result, the species-specific volumes and values reported on the monthly invoices do not represent the actual volume and value purchased in the month. Therefore, the Department has determined that aggregating Resolute's POI purchases by species is a reasonable approach to addressing the inaccuracies that would result from relying on the volume and value as reported on a transaction-specific or

³⁴⁸ See the individual calculation memoranda for each respondent for further detail.

³⁴⁹ See GBC Benchmark Submission at Exhibit 3.

³⁵⁰ See Lumber IV Profit Data, placing Lumber IV AR2 Calculations on the record of this investigation.

³⁵¹ 25 percent * 11.8 percent = 2.95 percent.

³⁵² See Resolute's Preliminary Calculation Memorandum, which contains transactions for the company's purchases of Crown-origin standing timber during the POI.

monthly basis. We will continue to examine the GOQ's invoicing system and how to best incorporate aspects of that system in our benefit analysis for the final determination.

Thus, utilizing annualized data for each of Resolute's sawmills, we matched: (1) Resolute's Crown-origin purchases of SPFL with Nova Scotia's prices for SPF softwood sawlog and studwood from the *GNS Private Stumpage Survey*; (2) Resolute's Crown-origin purchases of red pine with Nova Scotia's red pine studwood and lathwood prices from the *GNS Private Stumpage Survey*; (3) Resolute's Crown-origin white pine purchases with Nova Scotia's eastern white pine studwood and lathwood prices from the *GNS Private Stumpage Survey*; and (4) Resolute's Crown-origin cedar purchases with Nova Scotia Hemlock sawlog prices from the *GNS Private Stumpage Survey*.³⁵³ We then multiplied the unit benefit by the corresponding volume of Crown-origin standing timber purchased. Next, we summed the benefits for each of Resolute's sawmills to arrive at the total stumpage benefit. We then divided the total stumpage benefit by Resolute's total softwood lumber and total softwood co-product sales during the POI. In this manner, we preliminarily calculated a net subsidy rate of 8.11 percent *ad valorem* for Resolute.

Benefit and Net Subsidy Rate Calculation for Purchases of Crown-Origin Standing Timber in Ontario

As explained above, we conducted the LTAR benefit analysis for Resolute, the only respondent company to purchase Crown-origin stumpage in Ontario, using Nova Scotia prices from the *GNS Private Stumpage Survey*. We find that the GOO's standing timber billing system does not incorporate rolling monthly adjustments that apply retroactively to previous invoices.³⁵⁴ Therefore, we compared Resolute's individual purchases of Crown-origin standing timber to monthly prices derived from the *GNS Private Stumpage Survey*. We also conducted our comparison on a species-specific basis. Namely, for each purchase of Crown-origin standing timber, we calculated a weighted-average SPF price and compared it to the corresponding monthly SPF price as derived from the *GNS Private Stumpage Survey*. Next, we multiplied the resulting unit benefit by the corresponding volume of Crown-origin standing timber purchased. We then summed each transaction-specific benefit to arrive at the total stumpage benefit. We then divided the total stumpage benefit by Resolute's total softwood lumber and total softwood co-product sales during the POI. In this manner, we preliminarily calculated a net subsidy rate of 3.45 percent *ad valorem* for Resolute.

Benefit and Net Subsidy Rate Calculation for Purchases of Crown-Origin Standing Timber in Alberta

As explained above, we conducted the LTAR benefit analysis for respondent firms with Alberta-based operations using Nova Scotia prices from the *GNS Private Stumpage Survey*. We find that the GOA's standing timber billing system features quarterly adjustments that apply retroactively

³⁵³ Based on the evidence available on the record, we find that cedar and hemlock are used to make appearance-grade lumber products (*e.g.*, window and door frames) and are also valued for their ability to withstand exposure to the elements (*e.g.*, they are used in the construction of wharfs and shingles).

³⁵⁴ See Resolute Preliminary Calculation Memorandum, which contains the company's stumpage transactions for Crown-origin standing timber during the POI.

to previous invoices.³⁵⁵ As a result, the species-specific volumes and values reported on the invoices do not represent the actual volume and value purchased in the month. Therefore, the Department has determined that aggregating the respondents' POI purchases by species is a reasonable approach to addressing the inaccuracies that would result from relying on the volume and value as reported on a transaction-specific or monthly basis. We will continue to examine the GOA's invoicing system and how best to incorporate aspects of that system in our benefit analysis for the final determination.

Thus, utilizing annualized data for each of the mandatory respondents with Alberta-based operations, we matched respondents' purchases of softwood sawlog SPF species to Nova Scotia's prices for SPF softwood sawlogs, and respondents' purchases of stem length SPF species with Nova Scotia's prices of SPF softwood studwood/lathwood. We then multiplied the unit benefit by the corresponding volume of Crown-origin standing timber purchased. Next, we summed the mandatory respondents' benefits for each log/species type to arrive at the total stumpage benefit. Where we lacked a specific species match, we conducted our comparison on what we determined to be the most comparable species. We then divided the total stumpage benefit by total softwood lumber and total softwood co-product sales during the POI. In this manner, we calculated a net subsidy rate of 7.79 percent *ad valorem* for West Fraser, 3.43 percent *ad valorem* for Tolko, and 1.80 percent *ad valorem* for Canfor.³⁵⁶

2. British Columbia Log Export Restraints

The petitioner contends that both the GBC and the GOC impose restraints on exports of logs from British Columbia, and that such prohibitions on log exports provide a countervailable subsidy. Logs harvested in British Columbia fall under either federal or provincial jurisdiction. Exports of logs under provincial jurisdiction are regulated under the Forest Act.³⁵⁷ Exports of logs under federal jurisdiction are regulated under Federal Notice to Exporters No. 102.³⁵⁸

As an initial matter, certain respondents have indicated that the process for exporting logs from the province is irrelevant to the mandatory respondents in this investigation. Specifically, they argue first that none of the mandatory respondents made offers for logs destined for export markets. Moreover, they argue that the majority of the respondents' sawmills are located in the interior of British Columbia and, therefore, the sawmills are far from areas in the province from which it would not be economically feasible for logs to be exported, and, thus, any restraints on exports would not impact the log markets from which the sawmills source their logs.³⁵⁹ However, for purposes of this preliminary determination, we find that the log exporting process impacts the entire BC province and, in turn, impacts the prices interior log suppliers can offer to their customers, including the mandatory respondents in this investigation that purchased logs in British Columbia.

³⁵⁵ See Preliminary Calculation Memoranda for Tolko, Canfor, and West Fraser, which contain the companies' transactions for Crown-origin standing timber during the POI.

³⁵⁶ See the individual calculation memoranda for each Alberta-based respondent for further detail.

³⁵⁷ See GQRGBC at Exhibit LEP-8.

³⁵⁸ *Id.*, at Exhibit LEP-4.

³⁵⁹ See, e.g., *id.* at LEP-1 to -2.

First, as discussed below, the laws and regulations pertaining to exporting logs from British Columbia (whether under federal or provincial jurisdiction) are applied throughout the entire province, and thus impact all of British Columbia. Second, even if the log process only directly impacted logs from coastal regions, the restrictions on exports of those logs would influence the overall supply of logs available to domestic users, which would have a ripple effect on the volume and prices of logs throughout the entire province, including the interior of British Columbia. Next, record information shows that logs from the interior can be exported economically.³⁶⁰ Further, record evidence indicates that logs from the interior are in fact exported to the United States.³⁶¹ Finally, the GBC provided a map of the province featuring the locations of the mandatory respondents' lumber mills.³⁶² A review of this map shows that, while technically located within the provincial interior, many of these mills are located near the BC border³⁶³ or near where logs are exported.³⁶⁴ For these reasons, the Department preliminarily determines that the BC log export process impacts all buyers and sellers of logs within the province, including the relevant mandatory respondents.

In *SC Paper from Canada – Expedited Review*, the Department found that export restrictions on logs harvested in British Columbia began in 1891, and they have remained in place since that time.³⁶⁵ As stipulated in the Forest Act, timber harvested in British Columbia from land under provincial jurisdiction must either be used in British Columbia or manufactured within the province into a wood product.³⁶⁶ However, the Forest Act allows for limited exemptions in certain instances for logs to be exported. Generally, there are three exemptions:

- (1) logs that are “surplus to requirements of timber processing facilities in British Columbia” (surplus criterion);
- (2) timber that “cannot be processed economically in the vicinity of the land on which it is cut or produced, and cannot be transported economically to a processing facility located elsewhere in British Columbia” (economic criterion); and
- (3) where an exemption “would prevent the waste of or improve the utilization of timber cut from Crown land” (utilization criterion).³⁶⁷

During the POI, all but two of the applications for export were made under the surplus test.³⁶⁸ Under the surplus test, the GBC requires all log suppliers to first offer logs to BC mill operators

³⁶⁰ Specifically, studies developed by the GBC government analyzing the impact of the mountain pine beetle demonstrate that even logs impacted by the mountain pine beetle (*i.e.*, low quality logs) can be economically exported from interior regions. *See e.g.*, Petitioner Comments – Initial QRs at Exhibit 21 (“The above table illustrates that only two markets outside of BC, the U.S. Pacific Northwest and China, have a realistic market potential for MPB grey attacked timber”).

³⁶¹ “The main destinations for British Columbian logs are the United States and Japan.... Exports of hardwoods are almost entirely to the United States and mainly originate from the Interior.” *See* Petition at Exhibit 254 (“Are Log Export Restrictions on Private Forestland Good Public Policy?”).

³⁶² *See* GQRGBC at LEP-6.

³⁶³ For example, CFP has a sawmill south of Fernie, BC, close to the US/Canadian border.

³⁶⁴ For example, West Fraser has a sawmill close to Smithers, which is close to areas with high export permit volume.

³⁶⁵ *See SC Paper from Canada – Expedited Review* and accompanying IDM at 41.

³⁶⁶ *See* GQRGBC at Exhibit LEP-8, Part 10.

³⁶⁷ *Id.*, at LEP-16.

³⁶⁸ In fact, the GBC received only one application for both the economic and utilization criteria during the POI. *Id.*, at LEP-20-21.

before they can be exported. In *SC Paper from Canada – Expedited Review*, the Department found that the purpose of the surplus test is to ensure that there is an adequate domestic supply of logs to satisfy the needs of domestic lumber before an export exemption is granted.³⁶⁹ Further, the Department found that this requirement ensures that the timber processing and value-added wood product industry in British Columbia is assured of an abundant, low-cost source of supply.³⁷⁰

Exemptions under the surplus test are generally approved through Ministerial Orders or through an individual OIC or a blanket OIC.³⁷¹ Under a Ministerial Order, a company submits an application, and the logs covered by the application are listed in a bi-weekly advertising list,³⁷² notifying British Columbia mill operators the availability of the logs. If no bid is received for that listing, then the listing is considered surplus, and a Ministerial Order is granted.³⁷³ If an application receives an offer, the bid will then be evaluated by the TEAC to determine whether the offer represents a fair market value.³⁷⁴ TEAC members include government officials and log market experts, some of whom are active buyers and sellers of logs.³⁷⁵ For the coastal region, the TEAC relies on pricing data from the VLM to evaluate whether an offer represents fair market value. The TEAC makes a recommendation to the GBC regarding whether the price offered is fair. If the offer is determined not to be fair, *i.e.*, below “market prices” as considered by the Committee, then the listing is determined to be surplus to the needs of BC manufacturers, and a Ministerial Order is granted. If an offer is deemed to be fair, the application for an export exemption is rejected. The company that applied for an export exemption is not allowed to resubmit an application to export the same logs if it decides to not sell the logs to the company that made a fair offer. In *SC Paper from Canada – Expedited Review*, the Department found that the process to apply for and receive an export permit under a Ministerial Order can take between seven and thirteen weeks.³⁷⁶ There is no indication on the record of this investigation that the timing of the approval process for Ministerial Orders has changed between the POR of the *SC Paper from Canada – Expedited Review* (2014) and this POI.

In certain scenarios, exporters of logs can also apply for an exemption through either an individual OIC or a blanket OIC. Individual OICs allow applicants to receive exemptions for timber that is still standing, and are also used for applicants with large export volumes (15,000 cubic meters).³⁷⁷ The GBC did not issue any individual OICs during the POI. Under a blanket OIC, the GBC permits a certain volume of logs from a given area to be exported without the application of the surplus test for each individual volume of logs exported. A blanket OIC applies to a specific region. During the POI, there were five blanket OICs in effect, covering specific areas in the Coastal region. In *SC Paper from Canada – Expedited Review*, the Department found that while the exports under blanket OICs are not subject to individual surplus

³⁶⁹ See *SC Paper from Canada – Expedited Review* and accompanying IDM at 42.

³⁷⁰ *Id.*

³⁷¹ See GQRGBC at LEP-16 to 18.

³⁷² *Id.*, at LEP-17.

³⁷³ *Id.*

³⁷⁴ *Id.*

³⁷⁵ *Id.*, at LEP-46.

³⁷⁶ See *SC Paper from Canada – Expedited Review* and accompanying IDM at 46.

³⁷⁷ See GQRGBC at LEP-17.

tests, the approval of a blanket OIC itself is subject to the stipulation that logs exported under the OIC are surplus to the requirements of processing facilities in British Columbia.³⁷⁸ Further, in *SC Paper from Canada – Expedited Review*, we found that the approval process for obtaining a blanket OIC takes longer than the approval process for an exemption under a Ministerial Order.³⁷⁹ There is no indication on the record of this investigation that the timing of the approval process for blanket OICs has changed between the POR of *SC Paper from Canada – Expedited Review* (2014) and this POI.

Further, exports of logs under provincial jurisdiction in British Columbia are subject to fees “in lieu of manufacturing.”³⁸⁰ These fees range between C\$1 per cubic meter to approximately 15 percent of the value of the specific log. The fees vary based on the location, species, and grade of the log. Further, in certain coastal areas, exports of logs are subject to an additional multiplication factor between 1.1 and 1.3 of the fee.³⁸¹

Exports of logs under federal jurisdiction are subject to an almost identical process to the Ministerial Order surplus test described above for logs under provincial jurisdiction. Logs harvested under the provincial and federal jurisdiction in British Columbia, and all exports of logs throughout Canada, require an export permit under the EIPA because logs of all species are included on the Export Control List.³⁸² Companies submit an application to the Export Controls Division of the DFATD, which then has the GBC list these logs on the same bi-weekly advertising list discussed above.³⁸³ If an offer is received, the offer is reviewed by the FTEAC. The FTEAC makes a recommendation to DFATD regarding whether the logs are surplus and should be granted an export permit. Violations of EIPA are punishable by the penalties described in section 19 of the EIPA.³⁸⁴

Based on the record evidence, we preliminarily find that the BC log export restraints result in a financial contribution by means of entrustment or direction of private entities, pursuant to section 771(5)(B)(iii) of the Act, in that official governmental action compels suppliers of BC logs to supply to BC consumers, including mill operators. In determining whether there is entrustment or direction of a private party to provide a financial contribution, section 771(5)(B)(iii) of the Act requires that the provision of the financial contribution would normally be vested in the government and that the practice does not differ in substance from practices normally followed by the government. The provision of a good or service is defined as a financial contribution under section 771(5)(D)(iii) of the Act.

As discussed above, the Forest Act explicitly states that all timber harvested in British Columbia is required to be used in British Columbia or manufactured in British Columbia into wood products. These logs cannot be exported unless they meet certain criteria, the most common of which is that they are surplus to the needs of the timber processing industry in British Columbia. Therefore, the GBC requires private log suppliers to offer logs to mill operators in British

³⁷⁸ See *SC Paper from Canada – Expedited Review* and accompanying IDM at 43.

³⁷⁹ *Id.*, at 46.

³⁸⁰ See GQRGBC at LEP-34-35

³⁸¹ *Id.*

³⁸² *Id.*, at LEP-8.

³⁸³ *Id.*, at LEP-11-12.

³⁸⁴ *Id.*, at Exhibit LEP-5.

Columbia, and may export the logs only if there are no customers in British Columbia that want to purchase the logs. Thus, the nature of the actions undertaken by the GBC require private suppliers of BC logs to sell to, and satisfy the demands of, BC consumers, including mill operators.

Further, in *SC Paper from Canada – Expedited Review*, the Department found that the government has had the right to manage the forest in the province since 1867.³⁸⁵ Additionally, we found that the GBC has managed the majority of the land in the province for over 100 years.³⁸⁶ Moreover, export restrictions have been in place for logs under provincial jurisdiction since 1891, and for logs under federal jurisdiction since 1940.³⁸⁷ Thus, there is a long history of the government managing the forest in British Columbia, as well as restricting log exports. In light of this history, we preliminarily find that the provision of logs, which satisfies the definition of financial contribution under section 771(5)(D)(iii) of the Act, would normally be vested in the government, and that the provision does not differ substantively from the normal practices of the government.

With respect to the GBC, we preliminarily determine that the requirements enumerated above, combined with both the lengthy process for obtaining an exception, and the fees charged by the GBC upon export, result in a policy where the GBC has entrusted or directed private log suppliers to provide logs to mill operators within the meaning of section 771(5)(B)(iii) of the Act, and to provide a financial contribution in the form of the provision of logs, in accordance with section 771(5)(D)(iii) of the Act.

With respect to the GOC, the surplus test process for seeking an export permit for logs under federal jurisdiction is identical in that it requires a demonstration that the logs are surplus to the requirements of BC mill operators using the same listing required for provincial-jurisdiction logs to obtain an export permit. Further, violations of EIPA are punishable by the penalties described in section 19 of the EIPA. Thus, we preliminarily determine that the GOC has also entrusted and directed private log suppliers to provide logs to mill operators insofar as the surplus test and the legal penalties for exporting logs without an export permit compel such suppliers to divert to mill operators some volume of logs that could otherwise be exported. Therefore, we find that the GOC has entrusted or directed private log suppliers to provide logs to mill operators within the meaning of 771(5)(B)(iii) of the Act, and to provide a financial contribution in the form of the provision of logs, in accordance with section 771(5)(D)(iii) of the Act.

The GBC maintains that there is no ban on the export of logs from the province. Rather there is a process that potential exporters must follow to be authorized to export, and most applications to export logs from both federal and provincial jurisdiction were granted. As discussed above, the lengthy and burdensome export exemption process discourages log suppliers from considering the opportunities that may exist in the export market by significantly encumbering their ability to export, especially where there may be uncertainty as to whether their logs may be found to be surplus to the requirements of mills in BC. Moreover, this process restricts the ability of log

³⁸⁵ See *SC Paper from Canada – Expedited Review* and accompanying IDM at 47.

³⁸⁶ Specifically, all crown land that was held by the GBC in 1906 remains held by GBC to this day; and Crown land under provincial jurisdiction represents approximately 94 percent of land in British Columbia. *Id.*

³⁸⁷ *Id.*

suppliers to enter into long-term supply contracts with foreign purchasers. The cumulative impact of these legal restrictions on the export of timber has resulted in only a small volume of the logs in BC being exported during the POI.

We preliminarily find that the provincial log export restraints are *de jure* specific because the Forest Act expressly limits the program to an enterprise or industry or group thereof (*i.e.*, the timber processing industry), consistent with section 771(5A)(D)(i) of the Act. We preliminarily find that the Federal log export restraints are *de facto* specific because, through the permitting and listing process described above, it is limited to an enterprise or industry or group thereof (*i.e.*, the timber processing industry), consistent with section 771(5A)(D)(iii)(I) of the Act. Moreover, the provincial and Federal export restraints provide a benefit in accordance with section 771(5)(E)(iv) of the Act, to extent that the prices paid by respondents located within the province to unaffiliated logging companies for their purchases of logs represent less than adequate remuneration.

At 19 CFR 351.511(a)(2), the regulations set forth the basis for identifying benchmarks to determine whether a government good or service is provided for less than adequate remuneration. These potential benchmarks are listed in hierarchical order by preference: (1) market prices from actual transactions within the country under investigation; (2) world market prices that would be available to purchasers in the country under investigation; or (3) an assessment of whether the government price is consistent with market principles. This hierarchy reflects a logical preference for achieving the objectives of the statute. In addition, as provided in 19 CFR 351.511(a)(2)(i), we have considered product similarity; quantity sold, imported or auctioned; and other factors affecting comparability.

The most direct means of determining whether the logs provided to respondents conferred a benefit is a comparison with private transactions for a comparable good or service in the country, *i.e.*, using a tier-one benchmark. We base this on an observed market price for the good, in the country under investigation, from a private supplier (or, in some cases, from a competitive government auction) located either within the country or outside the country (with the latter transaction in the form of an import). Our preference for tier one is based on the expectation that such prices would generally reflect most closely the commercial environment of the purchaser under investigation.³⁸⁸ As detailed above in the Department's discussion regarding BC stumpage, we find that the stumpage market in BC is distorted; therefore, there are no prices for BC-sourced stumpage that satisfy the criteria for use as a tier-one benchmark, in part because the GBC and GOC have distorted the BC market by restricting log exports.³⁸⁹ The demand and value of logs in the BC market is linked with demand and value of stumpage in BC, as supply and value of the logs available in the market are derived from the stumpage market in the province. Further, evidence placed on the record by the petitioner indicates that the export process suppresses prices through British Columbia.³⁹⁰ For these reasons, we preliminarily

³⁸⁸ See *CVD Preamble*, 63 FR at 65377.

³⁸⁹ *Id.*

³⁹⁰ Specifically, the petitioner has provided an editorial by the former CEO of Timber West stating that the domestic log prices are artificially depressed. Further, the petitioner has provided log prices in BC are significantly lower than the US price of the same type of log. See Petition at 128-130, and Exhibits 108 and 252.

determine that prices of BC-sourced logs as well as the prices of imported logs cannot be used to measure the adequacy of as tier-one benchmarks. As such, we have resorted to the next alternative in the hierarchy under 19 CFR 351.511(a)(2) to determine a benchmark, which is a tier-two world market price.³⁹¹

To construct tier-two, or world market price, benchmarks that match the logs purchased by mandatory respondents in British Columbia,³⁹² we are relying on data provided by the petitioner for monthly delivered prices of logs in Washington. As mentioned earlier, lumber species in the U.S. PNW are sufficiently similar to those in British Columbia. Further, we find that logs from Washington would be available to purchasers in British Columbia. We have included international freight charges in these monthly benchmark prices to ensure that both the BC purchases³⁹³ and the benchmark prices are on a “delivered” basis, as required by 19 CFR 351.511(a)(2)(iv). To calculate the benefit, on a transaction-specific basis, we compared the price paid for the companies’ domestic purchases of logs in British Columbia to the relevant benchmark price. We then divided this total benefit by the respondent companies’ total softwood lumber and total softwood co-product sales during the POI to calculate a net countervailable subsidy rate of 6.36, 4.74 and 8.6 percent *ad valorem* for Canfor, Tolko and West Fraser, respectively.³⁹⁴

3. Grant Programs

The Department initiated on certain grant programs. Additionally, the respondents self-reported additional grants, for which their respective provincial governments also provided program information. Based on the record evidence, we preliminarily determine that the grants described below constitute financial contributions in the form of a direct transfer of funds from the government to a respondent, within the meaning of section 771(5)(D)(i) of the Act. We also preliminarily determine that the grants confer benefits under section 771(5)(E) of the Act and 19 CFR 351.504(a) in the amounts preliminarily determined within each program discussion below. We further find that the following programs are specific under section 771(5A) of the Act. To calculate the net countervailable subsidy rate for a program used by a respondent, we applied the attribution rules as discussed in the “Attribution of Subsidies” section above. Additionally, unless otherwise stated, we preliminarily determine that the following programs are not tied to sales made to a particular market or product, and, thus, we have calculated the net subsidy rate using a total sales denominator. Below we provide a description of each grant program by

³⁹¹ *Id.*

³⁹² In our initial questionnaire, the Department requested respondents report (in Table 6) purchases of logs not harvested directly by the company (*see* Initial Questionnaire at page 77). However, it appears that respondents have provided information beyond what was requested for this table. Due to the data limitations in Table 6, it is not possible for the Department to identify the log purchases harvested by the respondents. Therefore, for purposes of this preliminary determination, we are including all purchases reported in Table 6 in the calculation of this program. For a further discussion, *see* respondents’ Preliminary Calculation Memoranda.

³⁹³ In table 6 the Department only requested respondents provide the delivered value of log purchases, without a breakout of costs associated with the delivered value. For purposes of this preliminary determination we are using this reported price in our calculation of this program, however, we will be requesting additional information regarding these costs prior to the final determination.

³⁹⁴ *See* Canfor Preliminary Calculation Memorandum; Tolko Preliminary Calculation Memorandum; and, West Fraser Preliminary Calculation Memorandum.

province, the basis for specificity, and the preliminarily calculated subsidy rate for each respondent that used the program.

Federal Grant Programs

1. Canada-New Brunswick Job Grant Program

JDIL reported receiving funds under this grant program during the POI.³⁹⁵ This program is part of a joint effort between the GOC and its provinces and territories, under six-year agreements, in which the GOC provides federal funding to provincial or territorial governments for the purposes of increasing labor market participation of groups that are under-represented in Canada's labor force and enhancing the employability and skills of Canada's labor force.³⁹⁶ The New Brunswick aspect of the program was launched in January 2015 pursuant to the Canada-New Brunswick Job Fund Agreement, and is administered by the PETL.³⁹⁷ The GNB designed the program, and the GOC contributes two-thirds of the eligible training costs, up to a maximum amount of \$10,000 per participant, per fiscal year.³⁹⁸

We preliminarily determine that the Canada-New Brunswick Job Grant Program is specific under section 771(5A)(D)(iv) of the Act, because the funds provided by the GOC are limited to the province of New Brunswick pursuant to the terms of the Canada-New Brunswick Job Fund Agreement. We preliminarily determine that this program is recurring, in accordance with 19 CFR 351.524(c)(1). To calculate the benefit to JDIL, and in accordance with 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the grant received by JDIL by its total sales during the POI, to preliminarily determine that JDIL received a countervailable subsidy rate of 0.04 percent *ad valorem* under this program.³⁹⁹

Alberta Grant Programs

1. BPCP

The BPCP encourages investment in bioenergy production capacity in Alberta to reduce reliance on fossil fuels, support Alberta's Renewable Fuels Standard, and create value-added opportunities with economic benefits.⁴⁰⁰ The program provides funding for production of various types of biofuels, including electricity and heat produced from biomass, such as hog fuel. The 2011-2016 BPCP commenced on April 1, 2011, and was terminated on March 31, 2016, and a similar short-term replacement program, BPP, was established on October 25, 2016. The BPP builds upon the previous BPCP and provides transitional support to the bioenergy sector.⁴⁰¹

³⁹⁵ See JDILQR at Exhibit CNB Job-1.

³⁹⁶ See GNBQR at NBIII-4.

³⁹⁷ *Id.*

³⁹⁸ *Id.*

³⁹⁹ See JDIL Preliminary Calculation Memorandum.

⁴⁰⁰ See GQRGOA at ABI-36 to ABI-37.

⁴⁰¹ See GBC/GOASQR, Volume I at AB-30 – AB-43, and Exhibit AB-BPCP-6 (BPCP Approved Funding Summary for Mandatory Respondents); *see also*, West Fraser Preliminary Determination Calculation Memorandum.

Provided the applicant applied during an open call for applications and met the program eligibility criteria, an applicant would be approved under BPCP 2011-2016.⁴⁰² The payments under the BPCP were made on a quarterly basis and if a company initially met the guidelines to receive BPCP payments and continued to meet the guidelines going forward, then the company could continue to expect to receive payments under BPCP until the program ended in 2016.⁴⁰³ The GOA submitted a BPCP approved funding summary for West Fraser, Canfor, and Tolko.⁴⁰⁴

Based on record evidence, we find this recurring grant program is expressly limited to bioenergy producers, therefore, we preliminarily determine this program is *de jure* specific in accordance with 771(5A)(D)(i) of the Act.⁴⁰⁵

The BPCP grant conferred a benefit equal to the amount of the grant received pursuant to 19 CFR 351.504(a). Because we preliminarily find this to be a recurring program, to calculate the benefit, we divided the 2015 grant payments by the total sales of the respective respondent for the POI. On that basis, we preliminarily calculate a net countervailable subsidy of 0.28 percent *ad valorem* for West Fraser and 0.10 percent *ad valorem* for Canfor, and preliminarily determine that Tolko did not use this program.

British Columbia Grant Programs

1. BC Hydro Power Smart: Energy Manager

BC Hydro, a government-operated electricity company which services a large portion of British Columbia's population, operates the BC Hydro Power Smart program to comply with British Columbia's Clean Energy Act.⁴⁰⁶ Power Smart funds are disbursed among programs for each of its three categories of customers: residential, commercial, and industrial.⁴⁰⁷ Within the industrial category, there are subprograms under which industrial customers may qualify for a variety of grants as incentives for companies to lower their electricity usage.⁴⁰⁸ Under the Energy Manager subprogram, BC Hydro provides funding in the form of wage subsidies to industrial customers to fund an employee dedicated to identifying energy conservation opportunities for a two-year term.⁴⁰⁹

⁴⁰² See GBC/GOASQR, Volume I at Exhibit AB-BPCP-3 and AB-36.

⁴⁰³ See GBC/GOASQR, Volume I at AB-41.

⁴⁰⁴ See GBC/GOASQR, Volume I at AB-30 – AB-43, and Exhibit AB-BPCP-6 (BPCP Approved Funding Summary for Mandatory Respondents); see also, WFQR, and West Fraser Preliminary Determination Calculation Memorandum.

⁴⁰⁵ See GBC/GOASQR, Volume I at Exhibit AB-BPCP-3.

⁴⁰⁶ See GQRGBC at II-1, II-13, and Exhibits BCH-2 and BCH-14; GS2QRGBC at BC-141.

⁴⁰⁷ *Id.*, at II-2.

⁴⁰⁸ *Id.*, at II-1 and II-4. We note that the four subprograms for industrial customers are under "Power Smart Partners Industrial Programs."

⁴⁰⁹ *Id.*, at II-20 – II-21 and Exhibit BCH-11.

In *SC Paper from Canada – Expedited Review*, we found that eligibility for this program is restricted to industrial users that consume more than 10 gigawatt hours (GwH) of electricity.⁴¹⁰ Because this program expressly limits access to the wage subsidies to industrial customers that use more than 10 GwH of electricity per year, we preliminarily determine that the BC Hydro Power Smart Energy Manager subprogram is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act. Canfor received wage subsidies, which is a recurring subsidy, under the Energy Manager subprogram in the POI.⁴¹¹ To calculate Canfor’s benefit, we divided the payments received by the total sales of Canfor for the POI. On that basis, we preliminarily calculate a net countervailable subsidy of 0.01 percent *ad valorem* for Canfor.⁴¹²

2. BC Hydro Power Smart: Load Curtailment

BC Hydro operates the BC Hydro Power Smart program to comply with British Columbia’s Clean Energy Act.⁴¹³ As noted above, this program includes subprograms under which industrial customers may qualify for a variety of grants as incentives for companies to lower their electricity usage.⁴¹⁴ From November 2015 to March 2016, BC Hydro undertook a pilot program to determine whether large industrial customers could curtail their load during times when the demand on BC Hydro’s electricity system was at its peak.⁴¹⁵ Under the Load Curtailment Pilot subprogram, BC Hydro paid customers on a monthly basis based on the number of MWs bid into the program at a fixed dollar per MW price.⁴¹⁶ Because this program expressly limits access to this subsidy to industrial customers that are served at the transmission service rate with a minimum bid of 5 MW of load,⁴¹⁷ we preliminarily determine that the BC Hydro Power Smart Load Curtailment subprogram is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act. West Fraser reported receiving grants under this program during the POI. Because we preliminary find that this program provides recurring benefits, to calculate the benefit, we divided the payments received by the total consolidated sales of West Fraser, as described in the “Attribution of Subsidies” section of this memorandum, for the POI. On that basis, we preliminarily calculate a net countervailable subsidy of 0.02 percent *ad valorem* for West Fraser.⁴¹⁸

3. BC Hydro Power Smart: Incentives

BC Hydro operates the BC Hydro Power Smart program to comply with British Columbia’s Clean Energy Act.⁴¹⁹ As noted above, this program includes subprograms under which industrial customers may qualify for a variety of grants as incentives for companies to lower

⁴¹⁰ See *SC Paper from Canada – Expedited Review* and accompanying IDM at 30.

⁴¹¹ See CQR Exhibit C-4.

⁴¹² See Canfor Preliminary Determination Calculation Memorandum.

⁴¹³ See GQRGBC at II-1, II-13, and Exhibits BCH-2 and BCH-14; GS2QRGBC at BC-141.

⁴¹⁴ *Id.*, at II-1 and II-4. We note that the four subprograms for industrial customers are under “Power Smart Partners Industrial Programs.”

⁴¹⁵ *Id.*, at II-6.

⁴¹⁶ *Id.*

⁴¹⁷ See GQRGBC at Exhibit BC-BH-3.

⁴¹⁸ See West Fraser Preliminary Determination Calculation Memorandum.

⁴¹⁹ See GQRGBC at II-1, II-13, and Exhibits BCH-2 and BCH-14; GS2QRGBC at BC-141.

their electricity usage.⁴²⁰ Under the Incentives subprogram, BC Hydro provides funding to support capital projects that achieve greater energy efficiency or displace the electrical load purchased from BC Hydro.⁴²¹ Because the program expressly limits access to the subsidy to industrial customers who consume more than one Gwh of electricity annually,⁴²² we preliminarily determine that the BC Hydro Power Smart Incentives subprogram is *de jure* specific under 771(5A)(D)(i) of the Act.

Canfor, Tolko, and West Fraser each reported receiving grants under this program during the AUL. The grants they received were pursuant to one-time approvals for project funding; funds were disbursed at intervals when the company demonstrated spending for the approved project.⁴²³ Because Canfor, Tolko, and West Fraser did not receive these benefits on an on-going basis, we are treating this subsidy as a non-recurring grant. Therefore, we performed the “0.5 percent test,” for each of these respondents as described in 19 CFR 351.524(b)(2). Because the total approved amounts of funding for Tolko and West Fraser were each less than 0.5 percent of each companies’ total sales in the year the grants were approved, we allocated each disbursement of funding to the year of receipt, which was before the POI in these instances. For Canfor, the total amount of approved funding also was less than 0.5 percent of its sales in the year of approval; however, Canfor received funds during the POI. Pursuant 19 CFR 351.525(b)(6)(i), we divided the benefit received by Canfor in the POI by its total sales in the POI, for a net countervailable subsidy rate of 0.17 percent *ad valorem* for Canfor.

New Brunswick Grant Programs

1. New Brunswick Provision of Silviculture Grants

JDIL reported that it received payments in the form of reimbursements from the GNB for certain silviculture activities required as part of its FMA for License 7 during the POI.⁴²⁴ The *Crown Lands and Forest Act* specifies silviculture activities that qualify for reimbursement under a license’s applicable FMA, which, in this case, include site preparation, pre-commercial thinning, planting, and plantation cleaning.⁴²⁵ The GNB reimburses licensees at pre-established rates for the activities.⁴²⁶ When JDIL has completed eligible silviculture activities, it submits invoices to the GNB for reimbursement.⁴²⁷

We preliminarily determine that the silviculture grants that JDIL received from the GNB are specific, in accordance with section 771(5A)(D)(i) of the Act, because the funding is provided to a specific enterprise or industry, or group thereof: companies that manage licenses under a FMA.

⁴²⁰ *Id.*, at II-1 and II-4. We note that the four subprograms for industrial customers are under “Power Smart Partners Industrial Programs.”

⁴²¹ *Id.*, at II-4.

⁴²² See GQRGBC at Exhibit BC-BH-3.

⁴²³ *Id.*, at II-7.

⁴²⁴ See JDILQR at 16.

⁴²⁵ See GNBQR at page 3 of Exhibit NB-SVC-1.

⁴²⁶ *Id.*

⁴²⁷ See JIDLQR at page 2 of Exhibit SILV-1.

In accordance with 19 CFR 351.524(c)(2), we find that the funds provided under this program constitute recurring benefits. To calculate the subsidy rate applicable to JDIL, under 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the benefit received by JDIL during the POI under this program by JDIL's total sales during the POI. On this basis, we determine that JDIL received a countervailable subsidy of 0.38 percent *ad valorem* under this program.

2. New Brunswick License Management Fees

JDIL reported that, during the POI, it received payments in the form of LMFs from the GNB for non-silviculture activities required as part of its FMA for its license to harvest Crown-origin standing timber.⁴²⁸ Under the terms of its FMA, JDIL is obligated to perform certain management activities, and it is reimbursed for the costs associated with these activities. The reimbursements are provided on a flat fee basis per cubic meter of standing timber harvested from the Crown land for which it is a licensed tenure-holder.⁴²⁹ JDIL describes these payments as reimbursement for the responsibilities that it undertakes as the license holder. These responsibilities are outlined in the FMA, and they include road maintenance and construction costs, as well as the costs of administering all forestry-related activities, including submitting scale information (*i.e.*, reporting the volume harvested) to the GNB and conducting all invoicing of the sub-licensees on behalf of the GNB.⁴³⁰ The GNB establishes the rate at which it reimburses JDIL, and JDIL reported the amount of assistance that was provided to it in the form of LMFs during the POI.⁴³¹

We preliminarily determine that the LMFs that JDIL received from the GNB are specific, in accordance with section 771(5A)(D)(i) of the Act, because the funding is provided to a specific enterprise or industry, or group thereof: those who manage sublicenses under FMAs.

In accordance with 19 CFR 351.524(c)(2), we find that the funds provided under this program constitute recurring benefits. In *SC Paper from Canada – Expedited Review*, we recognized that a portion of the reimbursements that JDIL received was for the administrative costs associated with managing the sub-licensees, *i.e.*, are for services that JDIL is performing for the sub-licensees on behalf of the GNB, such as managing the sub-licensees' harvest volume and scaling information, and invoicing the sub-licensees for their stumpage fees, collecting payment and conveying it to the GNB. Therefore, we removed from the total LMF reimbursements that JDIL received an estimated amount for the portion of the reimbursement that covers the provision of administrative services, using information provided by JDIL to calculate a ratio of administrative costs to total costs.⁴³² However, in the absence of information on the record of this investigation that would permit us to identify such fees, we have included all of the funds provided to JDIL in the countervailable benefit. To calculate the subsidy rate applicable to JDIL, under 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the benefit under this program by JDIL's total sales during the POI. On this basis, we determine that JDIL received a net countervailable subsidy of 0.53 percent *ad valorem* under this program.

⁴²⁸ See JDILQR at 16.

⁴²⁹ See JDILQR at page 1 of Exhibit LMF-01.

⁴³⁰ See JDILQR at Exhibit LMF-03.

⁴³¹ See GNBQR at page 6 of Exhibit NB-LMF-1; *see also*, JDILQR at Exhibit LMF-07.

⁴³² See *SC Paper from Canada – Expedited Review* at Comment 31.

3. FAIP – Payroll Rebate Grant

The FAIP provides funding from the GNB for viable capital expenditures, working capital, and workforce expansion to enable the establishment, expansion, or maintenance of companies in eligible industries.⁴³³ Assistance may be provided in the form of a loan guarantee, direct loan, payroll rebate, or non-repayable contribution.⁴³⁴ JDIL reported receiving assistance under the FAIP in the form of payroll rebates during the POI.⁴³⁵ The payroll rebate program provides rebates on a percentage of salaries.⁴³⁶ The FAIP was previously administered by New Brunswick's Department of Economic Development. In April 2015, the former Invest NB and the Department of Economic Development were merged into Opportunities New Brunswick, a Crown corporation, pursuant to the Opportunities New Brunswick Act.⁴³⁷ Eligible industries include six priority sectors, although other industries may also receive assistance under the program. The priority sectors include value-added food, value-added wood, industrial fabrication, aerospace and defense, information & communications technology, and biosciences.⁴³⁸

We preliminarily determine that the FAIP is *de jure* specific, in accordance with section 771(5A)(D)(i) of the Act, because the program specifies six industrial sectors for priority eligibility under the program.

For this preliminary determination, we are treating the payroll rebate as a recurring benefit, because it is related to wages and, under 19 CFR 351.524(c)(1), wage subsidies are considered to be recurring. Therefore, in accordance with 19 CFR 351.524(a), to calculate the subsidy rate for JDIL, we measured the benefit from the payroll rebates received during the POI against the company's total sales during the POI, to calculate a countervailable subsidy rate for JDIL of 0.01 percent *ad valorem* for the FAIP.⁴³⁹

4. New Brunswick Workforce Expansion Program – One Job Pledge

JDIL reported it received wage subsidies through this program during the POI.⁴⁴⁰ The GNB reported that this program is administered under the Employment and Continuous Learning Services Branch of the GNB's Department of PETL.⁴⁴¹ The One Job Pledge aspect of the New Brunswick Workforce Expansion Program provides financial assistance to eligible New Brunswick businesses in the form of wage subsidy rebates for new hires that are recent post-

⁴³³ See GNBQR at NBIII-7.

⁴³⁴ See GNBQR at page 1 of Exhibit NB-FAIP-1.

⁴³⁵ See GNBQR at Exhibit Payroll-01.

⁴³⁶ See GNBQR at page 2 of Exhibit NB-FAIP-1.

⁴³⁷ *Id.*, at 2-3.

⁴³⁸ See GNBQR at NBIII-7.

⁴³⁹ See JDIL Preliminary Calculation Memorandum.

⁴⁴⁰ See JDILQR at Exhibit OJP-01.

⁴⁴¹ See GNBQR at page 2 of Exhibit NB-WEP-1.

secondary graduates.⁴⁴² The employer must create a new position for the new hire and must demonstrate that such a position would be sustainable after one year.⁴⁴³

The language of the implementing provisions for this program does not limit eligibility to a specific enterprise or industry or group thereof, in accordance with section 771(5A)(D)(i) of the Act. However, assistance under this program is limited in the number of recipients. The Government of Canada reported that there were nearly 33,000 corporations in New Brunswick.⁴⁴⁴ Information provided by the GNB demonstrates that, relative to the number of companies in New Brunswick, a limited number of companies used this program during the POI.⁴⁴⁵ We, therefore, preliminarily determine that this program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act, as the actual recipients are limited in number.

We preliminarily determine that this wage subsidy is a recurring grant pursuant to 19 CFR 351.524(c)(1). To calculate the benefit, and in accordance with 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the grant received by JDIL by its total sales during the POI, to preliminarily determine that JDIL received a countervailable subsidy rate of 0.01 percent *ad valorem* under this program.⁴⁴⁶

5. New Brunswick Workforce Expansion Program – Youth Employment Fund

JDIL reported receiving assistance in the form of wage subsidies under this program during the POI.⁴⁴⁷ The Youth Employment Fund was launched in April 2015 pursuant to the Employment Development Act and provides an entry point to long term employment for unemployed individuals between 18-29 years of age, who are then matched with eligible employers for a 26-week work experience.⁴⁴⁸ Under the program, which is administered by the PETL, 100 percent of the employee's minimum wage for 30 hours a week will be paid to employers participating in the program.⁴⁴⁹

The language of the implementing provisions for this program does not limit eligibility to a specific enterprise or industry or group thereof, in accordance with section 771(5A)(D)(i) of the Act. However, assistance under this program is limited in the number of recipients. The Government of Canada reported that there were nearly 33,000 companies in New Brunswick.⁴⁵⁰ Information provided by the GNB demonstrates that, relative to the number of companies in

⁴⁴² *Id.*, at 1.

⁴⁴³ *Id.*, at 13-14.

⁴⁴⁴ In *SC Paper from Canada – Expedited Review*, the Department found that there were approximately 33,000 corporate tax filers in New Brunswick. There is no indication on the record of this investigation that this number has changed materially from 2014 to 2015. See *SC Paper from Canada – Expedited Review* IDM at Comment 28.

⁴⁴⁵ See GNBQR at NBIII-5.

⁴⁴⁶ See JDIL Preliminary Calculation Memorandum.

⁴⁴⁷ See JDILQR at 20.

⁴⁴⁸ See GNBQR at pages 1-2 of Exhibit NB-YEF-1.

⁴⁴⁹ *Id.*, at 1.

⁴⁵⁰ In *SC Paper from Canada – Expedited Review*, the Department found that there were approximately 33,000 corporate tax filers in New Brunswick. There is no indication on the record of this investigation that this number has changed materially from 2014 to 2015. See *SC Paper from Canada – Expedited Review* IDM at Comment 28.

New Brunswick, a limited number of companies used this program during the POI.⁴⁵¹ We, therefore, preliminarily determine that this program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act, as the actual recipients are limited in number.

We preliminarily determine that this is a wage subsidy program and, therefore, is a recurring grant pursuant to 19 CFR 351.524(c)(1). To calculate the benefit, and in accordance with 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the grant received by JDIL by its total sales during the POI, to preliminarily determine that JDIL received a countervailable subsidy rate of 0.01 percent *ad valorem* under this program.⁴⁵²

Québec Grant Program

1. PCIP⁴⁵³

The PCIP reimburses harvesters for up to 90 percent of the increased costs associated with the MFFP mandate that certain areas be harvested applying a partial cut (*i.e.*, removing less than 50 percent of the volume of a stand). As indicated in the framework, the PCIP is intended for the forestry sector. Eligibility for the program is limited to TSG holders; buyers on the open market; local forest delegates; forestry companies; and holders of forestry permits stipulated in section 73 of the SFDA.⁴⁵⁴ Accordingly, we preliminarily determine that the PCIP is *de jure* specific under section 771(5A)(D)(i) of the Act because recipients are limited on an industry basis to the forestry sector. Resolute reported receiving a payment in the POI in the form of a reimbursement under the PCIP, which is a recurring subsidy.⁴⁵⁵ Based on the approach described in the “Attribution of Subsidies” section of this memorandum, we preliminarily calculate a net countervailable subsidy of 0.05 percent *ad valorem* for Resolute.⁴⁵⁶

4. *Tax and Other Revenue Foregone Programs*

The Department initiated on certain tax programs. Additionally, the respondents self-reported additional tax incentives, for which their respective provincial governments also provided program information. Based on the record evidence, we preliminarily determine that the tax programs discussed below constitute a financial contribution in the form of revenue foregone, within the meaning of section 771(5)(D)(ii) of the Act. We also preliminarily determine that the tax incentives confer benefits under section 771(5)(E) of the Act and 19 CFR 351.509 in the amounts preliminarily determined within each program discussion below. We further find that the following programs are specific under section 771(5A) of the Act. To calculate the net countervailable subsidy rate for a program used by a respondent, we applied the attribution rules as discussed in the “Attribution of Subsidies” section above. Additionally, unless otherwise stated, we preliminarily determine that the following programs are not tied to sales made to a particular market or product, and, thus, we have calculated the net subsidy rate using a total sales

⁴⁵¹ See GNBQR at page 16 of Exhibit NB-YEF-1.

⁴⁵² See JDIL Preliminary Calculation Memorandum.

⁴⁵³ In its response, Resolute titled this program “PICP (Investment Program for Treated Partial Forests), see RQR-NS at 63. See also, RS2QR-NS at 10-16.

⁴⁵⁴ See GQRGOQ, Volume V-a at Exhibit QC-OTHER-13.

⁴⁵⁵ See RQR-NS at 63.

⁴⁵⁶ See Resolute Preliminary Calculation Memorandum.

denominator. Below we provide a description of each tax program by province, the basis for specificity, and the preliminarily calculated subsidy rate for each respondent that used the program.

Federal Tax Programs

1. Accelerated Capital Cost Allowance for Class 29 Assets

Class 29 assets are machinery used in manufacturing and processing operations. Under this program, Class 29 assets can be fully depreciated at an accelerated rate, over three years, and the amount of depreciation can be claimed as a deduction to reduce the taxpayer's taxable income. Canada's ITA provides for deductions from taxable income for the capital cost of property.⁴⁵⁷ Canada's ITR further specifies that tax deductions for depreciation of Class 29 assets are permissible deductions under the ITA;⁴⁵⁸ however, the ITR's definition of manufacturing and processing explicitly excludes certain industries from benefitting from this deduction.⁴⁵⁹

Accordingly, we preliminarily determine that ACCA Class 29 assets program is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act, because, as a matter of law, eligibility for this tax program is expressly limited to certain industries, *i.e.*, those industries not specifically excluded by ITR's definition of manufacturing and processing. The tax credit provides a benefit in the amount of the difference between the tax the company paid and the tax the company would have paid absent the tax credit, as provided in 19 CFR 351.509(a)(1). In the absence of the Class 29 provision, the manufacturing or processing assets acquired would otherwise have been included in Class 43, which is subject to normal, *i.e.*, nonaccelerated, depreciation.⁴⁶⁰ Accordingly, the benefit conferred is the tax savings of the difference between the deduction calculated using the Class 29 accelerated rate of depreciation and the deduction calculated using the Class 43 standard rate of depreciation. In accordance with 19 CFR 351.524(c)(1), we are treating this subsidy as a recurring subsidy, and to calculate the tax savings on this difference, we multiplied the difference in the deductions by the corporate tax rate of 38 percent.⁴⁶¹ We then divided the calculated benefit by each company's respective total sales. On this basis, we preliminarily calculate a net countervailable subsidy of 0.78 percent *ad valorem* for Canfor and 0.10 percent *ad valorem* for JDIL.⁴⁶² Tolko received no benefit from this program during the POI. West Fraser also reported use of this program during the POI; however there is insufficient information on the record to make a preliminary determination with respect to the benefit (if any) conferred upon West Fraser by the program. Therefore, we intend to address whether West Fraser received a benefit under this program in a post-preliminary determination.

⁴⁵⁷ See GQRGOC, Volume III, at Exhibit GOC-CRA-ACCA-1.

⁴⁵⁸ *Id.*

⁴⁵⁹ *Id.*

⁴⁶⁰ *Id.*, at 45.

⁴⁶¹ *Id.*, at Exhibit GOC-SUPP1-GEN-1.

⁴⁶² See Canfor Preliminary Calculation Memorandum.

2. Apprenticeship Job Creation Tax Credit

The AJCTC allows employers to claim a tax credit of 10 percent of wages for qualifying apprentices in the first two years of employment, up to a maximum of C\$2,000 per apprentice per year.⁴⁶³ A qualifying apprentice is someone working in a prescribed trade in the first two years of their apprenticeship contract. This contract must be registered with the federal government or a provincial or territorial government under an apprenticeship program designed to certify or license individuals in the trade.⁴⁶⁴ To qualify for a tax credit under the program, the apprentice must be working in one of the 56 “Red Seal Trades.”⁴⁶⁵ Accordingly, we preliminarily determine that the AJCTC is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act, because as a matter of law, eligibility for this tax program is expressly limited to certain industries, *i.e.*, the “Red Seal Trades.” West Fraser and JDIL reported using this program during the POI. In accordance with 19 CFR 351.524(c)(1), we are treating this subsidy as a recurring subsidy, and, to calculate the benefit, we divided the reported tax credit by each company’s relevant denominator. On this basis, we preliminarily calculate a net countervailable subsidy of 0.01 percent *ad valorem* for West Fraser. For JDIL the subsidy rate is less than .005 percent, which is not measurable. Canfor, Tolko, and Resolute did not use this program.

3. Atlantic Investment Tax Credit

JDIL reported receiving assistance under the AITC program during the POI.⁴⁶⁶ This program is administered by the CRA and was implemented in 1977.⁴⁶⁷ It is a credit against federal income tax owed, and its purpose is to encourage investment in the Atlantic Region of Canada.⁴⁶⁸ It is available to businesses in the Atlantic Region of Canada, which encompasses the provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, and Québec’s Gaspé Peninsula.⁴⁶⁹

This tax credit is provided for in Section 127 of the ITA, and section 4600 of the ITR.⁴⁷⁰ The Income Tax Act and Regulations provide the definitions that identify the property and the locations that qualify for this tax credit.⁴⁷¹

Taxpaying companies in the Atlantic Region can earn ITCs equal to 10 percent of the value of investments that the company has made in qualified property located in the Atlantic Region that is to be used in certain sectors.⁴⁷² Qualified property includes machinery and equipment used for

⁴⁶³ See QRGOC, Volume III, GOC-CRA-31.

⁴⁶⁴ *Id.*, at 31.

⁴⁶⁵ *Id.*, at 31 and Exhibit GOC-CRA-AJCTC-1.

⁴⁶⁶ See JDILQR at 13.

⁴⁶⁷ See QRGPC at GOC-CRA-59.

⁴⁶⁸ *Id.*

⁴⁶⁹ *Id.*

⁴⁷⁰ See QRGOC at Exhibit GOC-CRA-AITC-2.

⁴⁷¹ *Id.*, at Exhibits GOC-CRA-AITC-1 and GOC-CRA-AITC-2.

⁴⁷² See JDILQR at Exhibit AITC-01.

manufacturing, and for farming, logging, and fishing.⁴⁷³ The ITCs can be earned in the year that the qualifying property is first put into use, regardless of the acquisition date.⁴⁷⁴ The ITCs are available to be applied against federal taxes payable three years back and 20 years forward.⁴⁷⁵

This federal tax credit is limited by geographic region to companies with projects in the Atlantic Region of Canada.⁴⁷⁶ Because this program is available only to companies or projects within a designated geographical region within the jurisdiction of the authority providing the subsidy, we preliminarily determine that this program is regionally specific, in accordance with section 771(5A)(D)(iv) of the Act.

We also preliminarily determine that a benefit is conferred to JDIL in the amount of the tax credit used to reduce taxes payable under 19 CFR 351.509(a)(1). In accordance with 19 CFR 351.524(c)(1), we are treating this subsidy as a recurring subsidy, and are measuring the benefit as the tax credit applied to the payment of income tax during the POI. In order to calculate the countervailable subsidy rate for JDIL, in accordance with 19 CFR 351.525(b)(6)(i), we divided the amount of the tax credit that JDIL received during the POI, as reflected on its tax return filed during the POI, by JDIL's total sales during the POI, to determine a countervailable subsidy rate for JDIL of 0.07 percent *ad valorem*.⁴⁷⁷

4. SR & ED Tax Credit

The GOC provides a tax credit on companies' eligible research and development expenditures, such as salary and wages, materials, overhead, and contracts.⁴⁷⁸ During the POI, the tax credit was available at a standard rate of 15 percent of the cost of these expenditures.⁴⁷⁹ An enhanced rate of 35 percent was offered to small Canadian businesses, though none of the respondent companies qualified for this rate.⁴⁸⁰ There was no application to receive this tax credit; rather it was claimed on Form T661 of the tax payer's federal tax return.⁴⁸¹ Canfor, West Fraser,⁴⁸² and JDIL each claimed a credit under this program in their respective 2014 tax year annual returns filed during the POI.⁴⁸³ In addition, Tolko accrued credits, but did not claim those credits on its tax return filed during the POI.⁴⁸⁴

The GOC reported that 19,490 firms claimed this tax credit in the POI, out of approximately 1,940,000 corporate tax filers.⁴⁸⁵ Because the actual recipients, relative to total corporate tax filers, are limited in number on an enterprise basis, we preliminarily determine that this program

⁴⁷³ *Id.*

⁴⁷⁴ *Id.*

⁴⁷⁵ See GOCQR at GOC-CRA-59.

⁴⁷⁶ *Id.*, at GOC-CRA-65.

⁴⁷⁷ See JDIL Preliminary Calculation Memorandum.

⁴⁷⁸ See GQRGOC at Volume III, GOC-CRA-1.

⁴⁷⁹ *Id.*

⁴⁸⁰ *Id.*

⁴⁸¹ *Id.*, at GOC-CRA-6.

⁴⁸² West Fraser's cross-owned affiliate, Sundre, also claimed the tax credit. See WFQR at 41.

⁴⁸³ See CQR at Exhibit 23. See also, CQR at Exhibits SRED-01, SRED-02, and SRED-05. See also, WQR at Appendix WF-SRED, and Exhibits WF-GEN-7 and WF-GEN-9.

⁴⁸⁴ See TQR at CVD-199.

⁴⁸⁵ See GQRGOC at Exhibit GOC-CRA-SRED-4. See also, GS2QR at GOC-SUPP2-1.

is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. The tax credit received by Canfor, West Fraser, and JDIL conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because this is a recurring subsidy under 19 CFR 351.524(c), for each company, we divided the amount of the tax credit received during the POI by the company's total sales during the POI, in accordance with 19 CFR 351.524(a). On this basis, we preliminarily calculate net countervailable subsidy rates of 0.04 percent *ad valorem* for Canfor, 0.11 percent *ad valorem* for West Fraser, and 0.04 percent *ad valorem* for JDIL.

Alberta Tax Programs

1. Alberta Tax-Exempt Fuel Program for Marked Fuel

The Marked Fuel Tax Exemption program, which is part of the GOA's larger TEFU program, provides a tax exemption of nine cents per liter to eligible companies and municipalities when fuel is used in unlicensed vehicles, machinery, and equipment for qualifying off-road activities.⁴⁸⁶ Eligibility for this program is limited in Alberta's *Fuel Tax Regulation* to those entities that have a valid fuel tax exemption certificate.⁴⁸⁷ Only consumers that intend to purchase marked fuel for specific purposes or uses set forth in section 8(3) of the *Fuel Tax Regulation* are eligible for a fuel tax exemption certificate to purchase marked fuel.⁴⁸⁸ Accordingly, we preliminarily determine that this program is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act because this program expressly limits access to this exemption to fuel tax exemption certificate holders. Because this is a recurring subsidy under 19 CFR 351.524(c)(1), to calculate the benefit for Canfor, Tolko and West Fraser, which all reported using the program, we divided the benefit reported by each company by each company's relevant denominator. We preliminarily calculate a net countervailable subsidy of 0.01 percent *ad valorem* for Tolko and 0.02 percent *ad valorem* for West Fraser. For Canfor, we preliminarily determine that this rate is non-measurable.

2. SR&ED- GOA

The SR&ED tax credit for expenditures on R&D was enacted by the GOA to encourage Alberta companies to conduct more R&D and to make Alberta a more attractive location for knowledge-intensive companies.⁴⁸⁹

The GOA reports that the SR&ED-GOA credit applies to eligible R&D expenditures. The credit is available for all expenditures incurred by corporations in Alberta after December 31, 2008,

⁴⁸⁶ See GQRGOA, Volume I, at ABI-1.

⁴⁸⁷ *Id.*, at Exhibit AB-TEFU-5, Fuel Tax 10(1).

⁴⁸⁸ *Id.*, at Fuel Tax 8(3).

⁴⁸⁹ See GQRGOA, Volume I at ABI-42 to ABI-52, and Exhibits AB-SRED-1 to AB-SRED-6.

that are also eligible for the SR&ED-GOC credit, which is a program addressed separately above. The SR&ED-GOA tax credit is calculated according to sections 26.6 through 26.91 of the Alberta Corporate Tax Act,⁴⁹⁰ equal to 10 percent of a company's eligible expenditures up to C\$4 million, for a maximum credit of C\$400,000 per tax year. Once corporations show that their expenditures were incurred in Alberta and are eligible for the federal SR&ED tax credit, such corporations can claim the provincial tax credit.⁴⁹¹

Because the actual recipients, relative to total corporate tax filers, are limited in number on an enterprise basis, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act.⁴⁹² The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1).

We preliminarily determine that this is a recurring program, under 19 CFR 351.524(c). Accordingly, to calculate the benefit, we divided the amount of the tax credit received during the POI by the company's total sales during the POI, in accordance with 19 CFR 351.524(a). On this basis, we preliminarily calculate net countervailable subsidy rates of 0.28 percent *ad valorem* for West Fraser and 0.02 percent *ad valorem* for Tolko, and preliminarily determine that Canfor did not use this program.⁴⁹³

British Columbia Tax Programs

1. Lower Tax Rates for Coloured Fuel/ BC Coloured Fuel Certification

The *Motor Fuel Act* of British Columbia permits the GBC to charge different tax rates for clear and colored fuel.⁴⁹⁴ Colored fuel is taxed at a lower rate than clear fuel; however, certain conditions must be met in order to purchase colored fuel.⁴⁹⁵ In particular, purchasers must complete a Coloured Fuel Certification (FIN-430) certifying that they are eligible to purchase colored fuel and selecting on the form the reasons why, as colored fuel may only be used for certain authorized purposes.⁴⁹⁶ The authorized uses for colored fuel are primarily limited to off-highway applications under BC's *Motor Fuel Tax Act*.⁴⁹⁷ The form FIN-430 must be provided to any suppliers of colored fuel before making a purchase. Companies may then purchase colored fuel at the reduced motor fuel tax rate.⁴⁹⁸ We preliminarily determine that this program is *de jure* specific under section 771(5A)(D)(i) of the Act, because access to the lower fuel tax rates are expressly limited to companies engaging in off-highway applications of motor fuel. Canfor, Tolko and West Fraser reported using this program during the POI. Because this is a recurring

⁴⁹⁰ *Id.*, at Exhibit AB-SRED-2

⁴⁹¹ *Id.*, at ABI-44.

⁴⁹² *Id.*, at Exhibit AB-SRED-5; *see also*, GS3QRGOC at GOC-SUPP2-1.

⁴⁹³ *See* Canfor Preliminary Calculation Memorandum; Tolko Preliminary Calculation Memorandum and West Fraser Preliminary Calculation Memorandum.

⁴⁹⁴ "'Clear' fuel refers to standard gasoline and diesel. 'Coloured fuel' is gasoline or diesel to which a specific dye has been added in order to distinguish it from standard fuel." *See* GBC/GOASQR at BC-66.

⁴⁹⁵ *See* GBC/GOASQR at BC-68.

⁴⁹⁶ *Id.*

⁴⁹⁷ *See* GBC/GOASQR at Exhibit BC-OA-SUPP-29, para. 15(1)

⁴⁹⁸ *Id.*, at BC-68.

subsidy under 19 CFR 351.524(c)(1) to calculate the benefit for Canfor, Tolko and West Fraser, we divided the benefit reported by each company, by each company's relevant denominator.⁴⁹⁹ On that basis, we preliminarily calculate a net countervailable subsidy of 0.09 percent *ad valorem* for Canfor; 0.05 percent *ad valorem* for Tolko and 0.04 percent *ad valorem* for West Fraser.

2. SR&ED-GBC

The SR&ED tax credit is administered by the CRA on behalf of the GBC. The program is designed to encourage research and development that will lead to new, improved, or technologically advanced products or processes.⁵⁰⁰ Corporations with permanent establishments in British Columbia that conduct qualifying SR&ED activities in British Columbia during a particular tax year may claim a B.C. tax credit on their qualifying expenditures.⁵⁰¹ West Fraser reported using this program during the POI.

Based on record evidence, we find that the number of recipients that received the SR&ED-GBC tax credit, compared to total corporate tax filers in the province,⁵⁰² is limited in number on an enterprise basis.⁵⁰³ Therefore, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because we preliminarily find that this is a recurring subsidy under 19 CFR 351.524(c), to calculate the benefit, we divided the sum of the tax savings by West Fraser's total consolidated sales for the POI, as described in the "Attribution of Subsidies" section of this memorandum. On that basis, we preliminarily calculate a net countervailable subsidy of 0.02 percent *ad valorem* for West Fraser.

3. Revitalization Property Tax Exemption – Quesnel

The city of Quesnel, in the province of British Columbia, passed a bylaw in September 2005 to establish the Revitalization Tax Exemption program. The bylaw established a revitalization area within the municipality providing tax exemptions for land, improvements, or both land and improvements.⁵⁰⁴ To be eligible under the bylaw, the land owner must own property classified as Class 4 "Major Industrial" or certain qualifying Class "Business and other" property or alter an existing Class 4 or Class 6 improvement.⁵⁰⁵ The construction or alteration must result in an increase in assessed value of the property of at least C\$16 million.⁵⁰⁶

⁴⁹⁹ See Canfor Preliminary Calculation Memorandum; Tolko Preliminary Calculation Memorandum; and, West Fraser Preliminary Calculation Memorandum.

⁵⁰⁰ See GBC/GOASQR at BC-42.

⁵⁰¹ *Id.*

⁵⁰² See GQRGBC at Exhibit BC-OA-6 and GS2QRGBC at GOC-Supp2-1.

⁵⁰³ See GQRGBC at Exhibit BC-OA-6 and GS2QRGBC at GOC-Supp2-1.

⁵⁰⁴ See GBC/GOASQR at BC-31.

⁵⁰⁵ *Id.*

⁵⁰⁶ *Id.*, at BC-35 and Exhibit BC-OA-SUPP-14.

The GBC reported that only West Fraser was approved for assistance under this program in 2015.⁵⁰⁷ We preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act, because the actual recipients of this subsidy are limited in number. In particular, West Fraser is the only enterprise that received benefits under the program for the years 2007 through the POI.⁵⁰⁸ The tax exemption conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy, we divided the sum of the tax savings by West Fraser's total consolidated sales for the POI, as described in the "Attribution of Subsidies" section of this memorandum. On that basis, we preliminarily calculate a net countervailable subsidy of 0.02 percent *ad valorem* for West Fraser.

Manitoba Tax Programs

1. SR&ED-GOM

SR&ED-GOM, also known as the RDTC is administered by the CRA. The GOM provides a tax credit of 20 percent of all eligible research and development expenditures to corporations with a permanent establishment in Manitoba. The Manitoba *Income Tax Act* defines eligible expenditures and provides the authority for the tax credit.⁵⁰⁹ Credits may be carried forward for 20 years and carried back for three years. Additionally, if the credit cannot be applied against taxes payable, 50 percent of the credit is refundable, with the remainder being eligible to be carried forward.⁵¹⁰ The GOM reported that, of approximately 54,900 corporate tax filers in the province, only a small number of companies claimed this tax credit in the POI.⁵¹¹ Because the actual recipients are limited in number on an enterprise basis, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. We preliminarily determine that this is a recurring program, under 19 CFR 351.524(c). Accordingly, to calculate the benefit, we divided Tolko's reported amount by its total sales during the POI. On this basis, we preliminarily calculate a countervailable subsidy of 0.03 percent *ad valorem* for Tolko. Canfor, JDIL, Resolute and West Fraser did not report using this program.

2. M&P

MITC⁵¹² provides corporations with a 10 percent tax credit of purchases of qualified property to be used for manufacturing or processing that can be applied against corporate income tax payable in the year earned.⁵¹³ Unused credits are eligible to be carried forward for 10 years and

⁵⁰⁷ *Id.*, at BC-38.

⁵⁰⁸ *Id.*, at BC-33.

⁵⁰⁹ See GS1QRGOM, MB Volume I, at Exhibit MB-SUPP-RDTC-2, para. 7.3.

⁵¹⁰ *Id.*, at MBI-SUPP-1; see also, TQR at Tolko CVD-211.

⁵¹¹ See Tolko Preliminary Calculation Memorandum for the number of companies that were approved for assistance under this program; see also, GS3QRGOC, Volume 1, at GOC-SUPP2-1.

⁵¹² The GOM refers to M&P as the MITC.

⁵¹³ See GS1QRGOM, MB Volume I, at Exhibit MB-SUPP-MITC-1, para. 7.2(2).

carried back three years. Furthermore, since 2013 this credit is 80 percent refundable.⁵¹⁴ The MITC is administered by the CRA on behalf of the GOM. The Manitoba *Income Tax Act* provides for the MITC and defines qualifying property as property that is to be used by the corporation in Manitoba primarily for the manufacturing or processing goods for sale or lease.⁵¹⁵ The Manitoba Income Tax Act states that “manufacturing or processing” has the meaning assigned to it by the Federal *Income Tax Act*. The Federal *Income Tax Act* defines manufacturing and processing, and explicitly excludes certain industries from the definition.⁵¹⁶ Accordingly, we preliminarily determine that the MITC is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act, because as a matter of law, eligibility for this tax program is expressly limited to certain industries. Tolko reported using this program during the POI. Because this is a recurring subsidy under 19 CFR 351.524(c)(1), to calculate the benefit, we divided Tolko’s reported amount by its total sales during the POI. On this basis, we preliminarily calculate a countervailable subsidy of 0.05 percent *ad valorem* for Tolko. Canfor, JDIL, Resolute and West Fraser did not report using this program.

New Brunswick Tax and Other Revenue Foregone Programs

1. New Brunswick Large Industrial Renewable Energy Purchase Program

The New Brunswick DERD and NB Power, a Crown corporation, administers the LIREPP pursuant to the Electricity from Renewable Resources Regulation and with authority under the Electricity Act.⁵¹⁷ According to the GNB, the program has two main objectives: to (1) reach NB Power’s mandate to supply 40 percent of its electricity from renewable sources by 2020 by buying energy from large industrial customers; and (2) bring large industrial enterprises’ net electricity costs in line with the average cost of electricity in other provinces.⁵¹⁸

The LIREPP program is available to any large industrial company that produces renewable energy and owns and operates a facility that has an electrical energy requirement of not less than 50 GWh per year, that obtains all or a portion of its electricity on a firm basis (vs. interruptible basis) from NB Power, and that exports at least 50 percent of its primary products to another province or territory within Canada or outside the country.⁵¹⁹ There is no formal application process. However, despite LIREPP participation being available to all large industrial users, the GNB has reported that the only industry that currently meets the technical specifications to use the program is the pulp and paper industry.⁵²⁰

Under the LIREPP program, NB Power first determines the credit it wants to give the large industrial customer, such as JDIL; NB Power then works backwards to build up to that credit

⁵¹⁴ *Id.*, at para. at 7.2(1.1), and page MBI-SUPP-12.

⁵¹⁵ *Id.*, at para 7.2(2).

⁵¹⁶ See GS1QRGSK at Exhibit SK-SUPP-MP-3, para 125.1(3) and Exhibit SK-Supp-MP-4.

⁵¹⁷ See GNBQR at page 2 of Exhibit NB-1 and at NBI-42.

⁵¹⁸ See GNBQR at page 1 of Exhibit NB-LIREPP-1.

⁵¹⁹ *Id.*, at pages 10-11 of Exhibit NB-LIREPP-1.

⁵²⁰ *Id.*, at page 12 of Exhibit NB-LIREPP-1.

through a series of renewable energy power purchases and sales and additional credits.⁵²¹ This overall credit is known as “Net LIREPP” or the “Net LIREPP adjustment,” and it appears on the participating customers’ electricity bill as a credit applicable to their total electricity charges.⁵²² JDIL reported that, through its Lake Utopia Paper Division, it received benefits under the LIREPP program during the POI. However, JDIL did not receive LIREPP benefits directly; rather, a company with which JDIL is cross-owned, IPL, received a Net LIREPP credit on each of its monthly electricity bills. IPL keeps Request-to-Pay internal invoices to pay credits to JDIL’s Lake Utopia Paper Division, and banking information (payment registers & reports, bank activity reports & bank statements) to support the movement of these funds. JDIL’s Lake Utopia Paper Division keeps cash receipt and banking information to support the movement of these funds from IPL.⁵²³ In accordance with 19 CFR 351.525(b)(6)(v), we find that the amount of LIREPP credits that IPL transfers to JDIL confers a benefit to JDIL.

According to the GNB, DERD performs a calculation to determine the Canadian average firm energy rate (in C\$/MWh) for the relevant industries, and then calculates the difference between that rate and the average firm energy rate in New Brunswick.⁵²⁴ This differential is calculated annually as a percentage. This percentage, known as the Target Reduction Percent, is the amount by which NB Power reduces the total electricity costs for LIREPP participants.⁵²⁵ When the Target Reduction Percent is multiplied by the LIREPP participant’s firm energy usage it yields the Target Discount. The Target Discount is the amount by which NB Power reduces the electricity bill of the LIREPP participant.⁵²⁶

We preliminarily determine that the revenue foregone under the LIREPP program is *de facto* specific under section 775(5A)(D)(iii)(I) because the actual recipients of the subsidy are limited to a single industry: pulp and paper.

Because this program provides benefits on a recurring basis, under 19 CFR 351.524(c), to calculate the benefit from the electricity credits that JDIL received under the LIREPP program, we summed the total amount of monthly energy subsidies reported by JDIL during the POI. We divided this total by the company’s total sales, pursuant to 19 CFR 351.524(a).⁵²⁷ On this basis we preliminarily determine the countervailable subsidy for JDIL to be 0.09 percent *ad valorem*.⁵²⁸

2. NB R&D Tax Credit

⁵²¹ The details of the LIREPP program and JDIL’s participation are proprietary. For a more thorough discussion see JDIL Preliminary Calculation Memorandum.

⁵²² See GNBQR at NBI-20.

⁵²³ See JDILQR at Exhibits LIREPP-01 and LIREPP-29.

⁵²⁴ See GNBQR at Exhibit NB-LIREPP-1 at 1.

⁵²⁵ See GNBQR at NBI-19.

⁵²⁶ *Id.*, at NBI-19-20.

⁵²⁷ For a detailed description of the calculation, which contains business proprietary information please see JDIL’s Preliminary Calculation Memorandum.

⁵²⁸ See JDIL Preliminary Calculation Memorandum.

JDIL reported receiving assistance under the NB R&D Tax Credit program.⁵²⁹ This program provides a credit against GNB provincial taxes equal to 15 percent of eligible expenditures to carry out experimental development, applied research and basic research work, to any corporate or individual business taxpayers in New Brunswick.⁵³⁰ The objective of the program is designed to mirror the operation of the federal Scientific Research and Experimental Development Tax Incentive Program, and both programs are administered by the CRA.⁵³¹ The provision of the credit is authorized under section 59 of the New Brunswick Income Tax Act.⁵³² The credit is fully refundable; therefore, if the corporation did not owe provincial taxes, it can receive the credit in the form of a refund. Furthermore, because the credit is fully refundable, the eligible company receives the credit regardless of whether it has a tax obligation to which it can apply the credit (*i.e.*, regardless whether the company owes the GNB provincial tax). The GOC reported that approximately 150 companies used this tax credit during the POI,⁵³³ out of nearly 33,000 corporate tax filers in New Brunswick.⁵³⁴

This program is *de facto* specific, in accordance section 771(5A)(D)(iii)(I), because, during the POI, the actual recipients were limited in number relative to the total number of corporate tax filers in New Brunswick. Furthermore, this is a recurring subsidy pursuant to 19 CFR 351.524(c)(2). In order to calculate the countervailable subsidy rate for JDIL, in accordance with 19 CFR 351.525(b)(6)(i), we divided the tax credit received by JDIL during the POI by its total sales. On this basis, we preliminarily determine the countervailable subsidy rate for JDIL to be 0.05 percent *ad valorem*.⁵³⁵

3. GNB Gasoline & Fuel Tax Exemptions and Refund Program

JDIL reported receiving gasoline and fuel tax exemptions and refunds under this program.⁵³⁶ Administered by the Revenue Administration Division of New Brunswick's Department of Finance pursuant to the Gasoline and Motive Fuel Tax Act, this program provides users with the option of receiving point-of-sale tax exemptions or applying for refunds of taxes paid for gasoline and motive fuel for consumers operating vehicles and equipment on non-public highways.⁵³⁷ Use of the program is limited to certain categories of consumers, including aquaculturists, farmers, silviculturists, producers of electricity for sale, persons consuming fuel in the preparation of food, lighting and heating of premises or heating of domestic hot water, wood producers, forest workers, manufacturers, mining or quarrying operators, and registered vessels operators.⁵³⁸

⁵²⁹ See JDILQR at 20.

⁵³⁰ See GQRGOC at GOC-CRA-17.

⁵³¹ *Id.*, at GOC-CRA-17-18

⁵³² *Id.*, at GOC-CRA-17.

⁵³³ *Id.*, at GOC-CRA-27.

⁵³⁴ In *SC Paper from Canada – Expedited Review*, the Department found that there were approximately 33,000 corporate tax filers in New Brunswick. There is no indication on the record of this investigation that this number has changed materially from 2014 to 2015. See *SC Paper from Canada – Expedited Review* IDM at Comment 28.

⁵³⁵ See JDIL Preliminary Calculation Memorandum.

⁵³⁶ See JDILQR at Exhibit GFT NB-01.

⁵³⁷ See GNBQR at NBIII-3.

⁵³⁸ See GNBQR at page 1 of Exhibit NB-GF-1.

Because this program is limited to certain categories of consumers, we preliminarily determine that this program is *de jure* specific under section 771(5A)(D)(i) of the Act. Because this is a recurring subsidy, pursuant to 19 CFR 351.524(c), to calculate the benefit, and in accordance with 19 CFR 351.525(b)(6)(i), we divided the total exemptions and refunds received by JDIL during the POI by its total sales during the POI, to preliminarily determine that JDIL received a countervailable subsidy rate of 0.06 percent *ad valorem* under this program.⁵³⁹

Québec Tax Programs

1. Tax Incentives for Private Forest Producers – Property Tax Refund for Forest Producers on Private Woodlands in Québec

Under this program, administered by Revenu Québec, private forest producers are eligible for a property tax refund (equal to 85 percent of the amount of property taxes paid) to the extent that the development expenses incurred for investment in forest management are greater than or equal to the amount of property taxes paid.⁵⁴⁰ The property tax refund is a refundable tax credit.⁵⁴¹ Resolute reported that it received a refund in 2015, which was claimed by amendment to its year 2011 annual income tax return.⁵⁴² Resolute also reported that it claimed a credit under this program in its 2014 tax year annual income tax return filed during the POI.⁵⁴³

Eligibility for this program is limited by law to certified private forest producers under the SFDA.⁵⁴⁴ Accordingly, we preliminarily determine that this program is *de jure* specific, in accordance with section 771(5A)(D)(i) of the Act. The tax refund and credit received by Resolute conferred a benefit equal to the amount of those tax savings. Because this program is recurring under 19 CFR 351.524(c)(1), we divided the sum of the tax savings by the total combined sales of Resolute and Resolute Growth, as described in the “Attribution of Subsidies” section of this memorandum. We preliminarily calculate a net countervailable subsidy of 0.01 percent *ad valorem* for Resolute.⁵⁴⁵

2. Credits for the Construction and Major Repair of Public Access Roads and Bridges in Forest Areas

Revenu Québec permits corporations that incurred expenses for the construction or major repair of eligible access roads or bridges in public forest areas to claim a tax credit for a portion of the expenses on their income tax returns.⁵⁴⁶ The credits are refundable tax credits.⁵⁴⁷ In 2014,

⁵³⁹ See JDIL Preliminary Calculation Memorandum.

⁵⁴⁰ See GQRGOQ, Volume IV-a at 5.

⁵⁴¹ See RQR-NS at 49.

⁵⁴² *Id.*, at 50.

⁵⁴³ See RS1QR-NS at 6.

⁵⁴⁴ See GQRGOQ, Volume IV-a at 12, and Exhibit QC-TAX-6.

⁵⁴⁵ See Resolute Preliminary Calculation Memorandum.

⁵⁴⁶ *Id.*, at 19-22.

⁵⁴⁷ See RQR-NS at 54.

Resolute requested that Revenu Québec provide a tax refund for the tax credits to which Resolute was entitled, but had not yet claimed on tax returns.⁵⁴⁸ Resolute reported that it received a payment for the credits from the GOQ in 2015.⁵⁴⁹

Eligibility for the program is limited to applicants that hold a qualification certificate issued by MFFP and have a forest management agreement, a timber supply and forest management agreement, or forest management contract with MFFP.⁵⁵⁰ Accordingly, we preliminarily determine that this program is *de jure* specific under section 771(5A)(D)(i) of the Act. Because this program is recurring under 19 CFR 351.524(c)(1), we divided the sum of the tax savings by the total combined sales of Resolute and Resolute Growth, as described in the “Attribution of Subsidies” section of this memorandum. We preliminarily calculate a net countervailable subsidy of 0.22 percent *ad valorem* for Resolute.⁵⁵¹

3. Science Research & Experimental Development Tax Credit – Québec (SR&ED-GOQ)

Established in 1983, the SR&ED tax credit is designed to stimulate R&D by providing tax credits for salaries and wages for R&D work.⁵⁵² If a taxpayer carries on a business in Canada and carries out R&D, or has R&D carried out on its behalf, in Québec, the taxpayer can claim a tax credit for the salaries and wages, or for the consideration paid in Québec. The rate for these tax credits is 30 percent for SMBs and 14 percent for large corporations. SMBs and large corporations can claim R&D tax credits for eligible expenditures over C\$50,000 and C\$225,000, respectively.⁵⁵³

Based on record evidence, we find that the number of recipients that received the SR&ED-GOQ tax credit, compared to total corporate tax filers in the province, is limited in number on an enterprise basis.⁵⁵⁴ Therefore, we preliminarily determine this program *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because this program is recurring under 351.524(c)(1), we divided the sum of the tax savings⁵⁵⁵ by West Fraser’s total consolidated sales for the POI, as described in the “Attribution of Subsidies” section of this memorandum. On that basis, we preliminarily calculate a net countervailable subsidy of 0.03 percent *ad valorem* for West Fraser.

Saskatchewan Tax Programs

1. M&P Tax Credit ITC

⁵⁴⁸ See RS2QR-NS at 8.

⁵⁴⁹ *Id.*, at 7; and RQR-NS at 54, and Exhibit RESA-15.

⁵⁵⁰ See GQRGOQ, Volume IV-a at 27, and Exhibit QC-TAX-19.

⁵⁵¹ See Resolute Preliminary Calculation Memorandum.

⁵⁵² See GS1QR at QCIII-Supp-65.

⁵⁵³ *Id.*

⁵⁵⁴ *Id.*, at Exhibit QC-Supp-Other-59. See also, GS2QRGBC at GOC-Supp2-1.

⁵⁵⁵ See WFQR at 141 and Exhibit WF-GEN-7.

Saskatchewan’s M&P ITC provides corporations in Saskatchewan with a five percent tax credit of purchases of qualified capital assets, including manufacturing and processing equipment that can be applied against corporate income tax payable in the year earned.⁵⁵⁶ It also states that the credit is fully refundable when based on purchases of qualified property after April 2006.⁵⁵⁷ The M&P ITC is administered by the CRA on behalf of the GOS. The Saskatchewan *Income Tax Act* provides for the M&P ITC and defines qualified property and manufacturing and processing according to the Federal *Income Tax Act*. The Federal *Income Tax Act* defines manufacturing and processing, and explicitly excludes certain industries from the definition.⁵⁵⁸ Accordingly, we preliminarily determine that M&P ITC is *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act, because as a matter of law, eligibility for this tax program is expressly limited to certain industries. Tolko reported using this program during the POI. Because this program is recurring under 19 CFR 351.524(c)(1) to calculate the amount of the benefit, we divided Tolko’s reported amount by its total sales during the POI. On this basis, we preliminarily calculate a countervailable subsidy of 0.02 percent *ad valorem* for Tolko. Canfor, JDIL, Resolute and West Fraser did not report using this program.

5. *Purchase of Goods for MTAR*

1. BC Hydro EPAs

Tolko and West Fraser each reported that they sold electricity to BC Hydro, a provincial Crown corporation during the POI, pursuant to EPAs.⁵⁵⁹ Each company reported that they had two EPAs with BC Hydro. Tolko reported EPAs for its Armstrong power plant and its Kelowna sawmill. West Fraser reported EPAs for its Fraser Lake and Chetwynd sawmills. In addition to its sales to BC Hydro, Tolko also sold electricity to FortisBC, a private investor-owned utility, through its Kelowna sawmill during the POI.⁵⁶⁰

We find that, as a Crown corporation, BC Hydro is an “authority” within the meaning of section 771(5)(B) for the Act. In particular, the GBC has stated BC Hydro “is for all purposes an agent of the {GBC}.”⁵⁶¹ Therefore, we determine that BC Hydro is providing a financial contribution in the form of a purchase of goods under section 771(5)(D)(iv) of the Act to Tolko and West Fraser. BC Hydro reported that it has EPAs with 105 IPPs.⁵⁶² Accordingly, we also preliminarily determine that this program is *de facto* specific under section 775(5A)(D)(iii)(I) because the actual recipients of the subsidy are limited in number.

We next examined whether a benefit was provided to Tolko and West Fraser within the meaning of section 771(5)(E)(iv) of the Act. We currently do not have useable electricity tariffs charged to Tolko by BC Hydro on the record. However, we do have prices with respect to the sales of electricity between Tolko and FortisBC on the record of this investigation. Therefore, for

⁵⁵⁶ See GS1QRGSK, SK-SUPP-1, and Exhibit SK-SUPP-MP-2.

⁵⁵⁷ *Id.*, at Exhibit SK-SUPP-MP-2, para 60.1(1).

⁵⁵⁸ *Id.* at Exhibit SK-SUPP-MP-3, para 125.1(3), and Exhibit SK-Supp-MP-4.

⁵⁵⁹ See TQR at 127; *see also*, WFQR at 95.

⁵⁶⁰ See TQR at 145.

⁵⁶¹ See GQRGBC, Volume II, 30.

⁵⁶² *Id.*, at 33.

purposes of the preliminary determination, we are measuring the adequacy of remuneration of electricity using the prices of electricity between Tolko and FortisBC. Accordingly, we compared the per-unit sales price that BC Hydro paid for electricity from Tolko to a weighted-average unit price that FortisBC paid to Tolko, using monthly benchmarks where available. Because there is no evidence on the record to suggest that the electricity rates paid by consumers in British Columbia are not market-based prices,⁵⁶³ to calculate whether West Fraser benefited under this program, we compared the monthly weighted-average unit sales price of electricity from West Fraser to BC Hydro to the monthly base unit price that West Fraser paid to BC Hydro for electricity.⁵⁶⁴

We multiplied the respective unit price differences resulting from these comparisons to the total quantities of electricity sold by Tolko and divided the resulting benefit by Tolko's total sales in the POI. On this basis, we preliminarily calculate a net countervailable subsidy of 0.83 percent *ad valorem* for Tolko.⁵⁶⁵ We find that BC Hydro's purchase of electricity from West Fraser did not confer a measurable benefit.⁵⁶⁶

2. GOQ Purchase of Electricity for MTAR under PAE 2011-01

Hydro-Québec is engaged in the generation of power from hydroelectric sources and the transmission, distribution, and sale of such power to wholesale and retail customers in Québec.⁵⁶⁷ Hydro-Québec has two separate, independent divisions: Hydro-Québec Production, which generates electricity to supply to the market and buys and sells electricity for its own account; and Hydro-Québec Distribution, which is responsible for the supply of electricity to customers in Québec. Under the PAE 2011-01, Hydro-Québec Distribution purchases electricity generated from biomass at a set contractual price.⁵⁶⁸ Both the GOQ and Resolute reported that Hydro-Québec Distribution had PAE 2011-01 agreements with two of Resolute's pulp and paper mills for the purchase of electricity produced from forestry biomass during the POI.⁵⁶⁹

Because Hydro-Québec is a state-owned utility, whose sole shareholder is the Québec government,⁵⁷⁰ we preliminarily find that Hydro-Québec is an authority within the meaning of section 771(5)(B) of the Act. We also preliminarily determine that Hydro-Québec's purchase of electricity from Resolute constitutes a financial contribution within the meaning of section 771(5)(D)(iv) of the Act. Regarding specificity, the GOQ provided the number of producers that had a PAE 2011-01 agreement in each year 2013 through 2015.⁵⁷¹ The data indicate that, for each year, the number of producers benefitting from the program was limited, with just six

⁵⁶³ The petitioner has indicated that the electricity market in British Columbia is distorted, but has not provided evidence or meaningful analysis to support the claim. See Petitioner Comments – Pre-Prelim NS at 26.

⁵⁶⁴ See WFSQR at schedule 1611, and 1823 in Exhibits WF-ELEC-1, and WF-ELEC-2.

⁵⁶⁵ See Tolko Preliminary Calculation Memorandum.

⁵⁶⁶ See West Fraser Preliminary Calculation Memorandum.

⁵⁶⁷ See GQRGOQ, Volume III-a at 1, 2, 17 and 18.

⁵⁶⁸ *Id.*, at 14.

⁵⁶⁹ *Id.*, at 13; and RQR-NS at 56.

⁵⁷⁰ See GQRGOQ, Volume III-a at 61

⁵⁷¹ See G1SQRGOQ Volume I at 1.

producers in 2013, nine producers in 2014, and 12 producers in 2015.⁵⁷² For 2014 and 2015, eight and 11 of the firms were forestry biomass producers, respectively.⁵⁷³ As such, we preliminarily determine that the PAE 2011-01 program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act because recipients of the subsidy are limited in number. We next examined whether a benefit was provided to Resolute within the meaning of section 771(5)(E)(iv) of the Act. Because there is no evidence on the record to suggest that the electricity rates paid by consumers in Québec are not market-based prices,⁵⁷⁴ we relied on the electricity tariff schedule in effect during the POI to select a benchmark to measure the adequacy of remuneration of Hydro-Québec’s purchases of electricity from Resolute. Specifically, we selected as our benchmark the Industrial L electricity rate that Resolute’s pulp and paper mills paid to Hydro-Québec for electricity during the POI.⁵⁷⁵

To determine whether a benefit exists, we compared the L Rate that Resolute paid to the unit price of electricity that Hydro-Québec paid to Resolute for each month of the POI. We multiplied the difference by the total volume of electricity purchased by Hydro-Québec for each month and then summed those amounts. Because this program is recurring under 19 CFR 351.524(c)(1), we divided the sum of the benefits by the total combined sales of Resolute and Resolute Growth, as described in the “Attribution of Subsidies” section of this memorandum. We preliminarily calculate a net countervailable subsidy of 0.98 percent *ad valorem* for Resolute.⁵⁷⁶

Loan Program

ACOA Loans – Business Development Program

JDIL reported having loans outstanding under this program during the POI.⁵⁷⁷ The ACOA was established by the GOC in 1985 “to support and promote opportunity for economic development of the Atlantic Region of Canada, with particular emphasis on small and medium-sized enterprises,” pursuant to the Atlantic Canada Opportunities Agency Act. The Atlantic Region of Canada includes the four provinces of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.⁵⁷⁸ The Business Development Program of the ACOA was established as a grant and contribution program in 1995 to create opportunities for economic growth in the Atlantic Region of Canada by helping organizations become more competitive, innovative, and productive.⁵⁷⁹ Specific objectives include improving the growth and competitiveness of Atlantic businesses, providing for dynamic and sustainable communities in the Atlantic Region of Canada, and providing for policies and programs that strengthen the

⁵⁷² *Id.*

⁵⁷³ *Id.*

⁵⁷⁴ The petitioner has indicated that the electricity market in Québec is distorted, but have not provided evidence or meaningful analysis to support the claim. See Petitioner Comments – Pre-Prelim NS at 50.

⁵⁷⁵ See GQRGOQ, Volume III-a at Exhibit-BIO-24; and RS2bQR-NS at 2.

⁵⁷⁶ See Resolute Preliminary Calculation Memorandum.

⁵⁷⁷ See JDILQR at 11.

⁵⁷⁸ See GQRGOC at GOC-ACOA-BDP-1.

⁵⁷⁹ *Id.*, at GOC-ACOA-BDP-1-2.

Atlantic Region economy.⁵⁸⁰ The Business Development Program is primarily provided to, but not limited to, small- and medium-sized enterprises.⁵⁸¹ Contributions under the Business Development Program are conditional transfers whereby performance conditions as specified in a funding agreement must be met and activities carried out by a recipient before costs are reimbursed. Hence, while ACOA will establish a maximum total contribution amount per project, these amounts are not paid until eligible expenses are incurred, submitted, and approved for payments, with the exception of advances. The contributions under BDP may be repayable, conditionally repayable, or nonrepayable.⁵⁸²

We preliminarily determine that this program is regionally specific under section 771(5A)(D)(iv) of the Act, because benefits administered by the GOC under the program are available only to commercial businesses and non-commercial entities operating in one or more of the four provinces defined by the program as the Atlantic Region of Canada. Furthermore, loans provided under this program constitute a financial contribution in the form of a direct transfer of funds pursuant to section 771(5)(D)(i) of the Act. In accordance with 19 CFR 351.505(a), these loans provide a benefit to the extent that the amount of interest JDIL pays on the ACOA-provided loans is less than JDIL would pay under the applicable benchmark interest rate. We calculated the benefit as the difference between the interest that JDIL paid on the loan during the POI and the interest calculated using the benchmark interest rate. To calculate a subsidy rate for JDIL, we divided the calculated benefit by the company's total sales during the POI, to determine an *ad valorem* rate of 0.01 percent.⁵⁸³

B. Programs Preliminarily Determined To Be Tied to Non-Subject Merchandise

Federal

1. Federal Pulp and Paper Green Transformation Program

Certain respondents reported receiving funds under this program. In *SC Paper from Canada*, we found that grants under this program are tied to the production of only pulp and paper products.⁵⁸⁴ We, thus, determined that the grants provided under the program are limited to the pulp and paper industry.⁵⁸⁵ No new information was submitted on the record of this investigation to warrant a reconsideration of the Department's finding in *SC Paper from Canada*. Therefore, we preliminarily determine that this program is tied to non-subject merchandise within the meaning of 19 CFR 351.525(b)(5).

⁵⁸⁰ *Id.*, at GOC-ACOA-BDP-2.

⁵⁸¹ *Id.*

⁵⁸² *Id.*

⁵⁸³ See JDIL Preliminary Calculation Memorandum.

⁵⁸⁴ See *SC Paper from Canada*, and IDM at "The Federal Pulp and Paper Green Transformation Program."

⁵⁸⁵ *Id.*

Ontario

1. Ontario NIER Program

Resolute reported that its pulp and paper mills located in Northern Ontario received electricity credits under this program during the POI.⁵⁸⁶ Information on the record indicates that sawmills are not eligible for the program. The GOO provided the NIER Program Rules, which at “Eligible Facilities,” states that an individual facility must be classified as being within one of the following NAICS industry sectors: “21 Mining and Oil and Gas Extraction, and 31-33 Manufacturing, *with the exception of facilities that are designated as sawmills and wood preservation (3211) which would not be eligible for the NIER Program.*”⁵⁸⁷ On the basis of this evidence, we preliminarily find that sawmills are expressly excluded from receiving assistance under the NIER and, therefore, the assistance is tied to non-subject merchandise.

2. Forestry Industry Grants under the Ontario FSPF

Resolute reported that, over the AUL, it received FSPF grants from the GOO to fund capital improvements for pulp and paper equipment.⁵⁸⁸ Resolute and the GOO submitted the application and approval documentation for the projects.⁵⁸⁹ The documentation indicates that the grants were conditional upon the fulfillment of contractual requirements for pulp and paper projects.⁵⁹⁰ On the basis of the information, we preliminarily find that, at the time of bestowal, the grants were tied to sales of non-subject merchandise.

B. Programs Preliminarily Determined To Require Additional Information

Federal

1. Logging Income Tax Credit
2. EDC’s Account Performance Security Guarantee

Alberta

1. FRIAA – Community Reforestation Program
2. FRIAA⁵⁹¹
3. Foothills Research Institute
4. Emissions Performance Credits and Emissions Offset Credits
5. Property Tax Abatements – Alberta Municipalities
6. Alberta Property Tax – Economic Obsolescence Allowance

⁵⁸⁶ See RQR-NS at 29-34.

⁵⁸⁷ See GQRGOO, Volume IX at Exhibit ON-NIER-1 {emphasis added}.

⁵⁸⁸ See RQR-NS at 35-41, Exhibit RESA-13, and Exhibit RESA-14.

⁵⁸⁹ *Id.*, at Exhibit RESA-14; see also, GQRGOO at Exhibit ON-FSPF-3 and Exhibit ON-FSPF-4.

⁵⁹⁰ See RQR-NS at Exhibit RESA-14; GQRGOO at Exhibit ON-FSPF-3.

⁵⁹¹ Including: Incidental Conifer Program, Fire Hazard Reduction and Forest Health Program, Fire Smart Program, Community Adjustment Fund Enhanced Community Reforestation Program, Community Reforestation Program, Forest Resource Improvement Program, Wildfire Reclamation Program, Mountain Pine Beetle Program, Mountain Pine Beetle Forest Rehabilitation Program, Forestry Worker Employment Program, FRIAA – FRIP – High Prairie Hybrid Poplar Plantation, Spruce Budworm Dues Repayment.

7. Environmental Penalty Refund
8. Workers Compensation Board⁵⁹²
9. Water and Sewage Treatment Payments – Hinton

British Columbia

1. LBIP: Current Reforestation Program
2. LBIP⁵⁹³
3. Miscellaneous Payments from the Ministry of Forests, Land & Natural Resources Operations
4. WorkSafeBC Certificate of Recognition
5. Mountain Caribou Recovery Implementation Plan
6. BC Hydro Power Smart: Incentives Study
7. BCAA Property Tax Reductions Ministry of Forests, Lands and Natural Resource Operations BC Timber Sales payments to Tolko
8. Logging Income Tax Credit
9. Northern Development Initiative Trust Training Rebate Program Capital Investment and Training Rebate Program
10. Forest Resources and Planning Act Section 108 Payments

Manitoba

1. MB Hydro Power Smart Program⁵⁹⁴

Ontario

1. IESO Demand Response

Québec

1. Industrial Systems Program, Energy Efficiency Program – Hydro-Québec
2. Interruptible Electricity Option – Hydro-Québec
3. Refund of Fuel Tax Paid on Fuel Used for Stationary Purposes
4. Investment Program in Public Forests Affected by Natural or Anthropogenic Disturbance
5. Research Consortium Tax Credit

Nova Scotia

1. GNS Transactions with Resolute

⁵⁹² Including: Certificate of Recognition, and Surplus Distribution.

⁵⁹³ Including: Forest Health Program, Resource Inventory Program, Recreation Management Program, Habitat Restoration Program, Timber Supply Mitigation Program, Fish Passage Program, Wildlife Habitat Program, Miscellaneous Payments.

⁵⁹⁴ See TQR at Exhibit OA-1.

C. Programs Preliminarily Determined Not To Provide Countervailable Benefits During the POI

The respondents reported receiving benefits under various programs, some of which the Department initiated and others that were self-reported. Based on the record evidence, we preliminarily determine that the benefits from certain programs were fully expensed prior to the POI or are less than 0.005 percent *ad valorem* when attributed to the respondent's applicable sales as discussed above in the "Attribution of Subsidies" section above. Consistent with the Department's practice,⁵⁹⁵ we have not included those programs in our preliminary subsidy rate calculations for the respondents. We also determine that it is unnecessary for the Department to make a preliminary determination as to the countervailability of those programs.

For a list of the subsidy programs that do not provide a numerically significant benefit for each respondent, *see* Appendix II attached to this memorandum.

D. Programs Preliminarily Determined Not To Be Used During the POI

Each respondent reported non-use of programs on which the Department initiated. For a list of the subsidy programs not used by each respondent, *see* Appendix II attached to this memorandum.

E. Program Preliminarily Determined To Be Not Countervailable

1. CEP⁵⁹⁶

Under the CEP, the GOQ provides assistance to sectoral labor committees and advisory committees, to help industrial sectors handle changes in the labor-market, and to adapt their work forces.⁵⁹⁷ The CEP is made available under the *Individual and Family Assistance Act*, and is administered by MTESS.⁵⁹⁸ During the POI, Resolute received assistance under two CEP initiatives: ARTT and CAR.⁵⁹⁹ The ARTT helps to maintain the jobs of employees threatened with lay-offs, where workers agree, together with the employer, to reduce their work time for a specified period, for the benefit of other workers who get to keep their jobs.⁶⁰⁰ The CAR provides employees who are subject to collective lay-offs with assistance agreed to between the employer and the workers in order to minimize the impacts of lay-offs and to promote the

⁵⁹⁵ *See e.g., CFS from the PRC*, and accompanying IDM at "Analysis of Programs, Programs Determined Not To Have Been Used or Not To Have Provided Benefits During the POI for GE;" *Steel Wheels from the PRC*, and accompanying IDM at "Income Tax Reductions for Firms Located in the Shanghai Pudong New District;" *Aluminum Extrusions from the PRC First Review*, and accompanying IDM at "Programs Used By the Alnan Companies;" and *CRS from Russia*, and accompanying IDM at "Tax Deduction for Research and Development Expenses."

⁵⁹⁶ In its response, Resolute titled this program "Québec's MTESS Employment Insurance Training Program" and "ARTT," *see* RQR-NS at 64; *see also*, RS2QR-NS at 20-25 and 39.

⁵⁹⁷ *See* GS1QRGOQ, Volume II at 84.

⁵⁹⁸ *Id.*, 87-88.

⁵⁹⁹ *See* RS2QR-NS at 25, and Exhibit RESA-2S-MTESS-3.

⁶⁰⁰ *See* GS1QRGOQ, Volume II at 87.

continued employment or reintegration into the labor market of those workers.⁶⁰¹ Financial assistance is available for activities such as the completion of studies relevant to the labor problems; plans for the reduction of work time; plans for the stabilization of seasonal or at-risk employment; and assistance with establishing human resource services.⁶⁰²

The laws, regulations, and guidelines on the record indicate that the CEP is available to all employers, employees, employee associations, professional groups, and workers subject to collective lay-offs.⁶⁰³ We preliminarily find that the CEP is not *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act because the legislation and regulations do not expressly limit access to the subsidy to an enterprise or industry, or groups thereof, as a matter of law.

Where there are reasons to believe that a subsidy may be specific as a matter of fact, we examine the program under section 771(5A)(D)(iii) of the Act. The GOQ provided the total value of CEP assistance approved by industry using the NAICS to identify the recipient sectors for each year 2012 through 2015.⁶⁰⁴ The data indicate assistance under this program is provided to recipients in all of the province's industrial sectors. The MTESS reported that it does not maintain CEP records by company, but rather by project.⁶⁰⁵ We examined that data and find that the projects are not limited.⁶⁰⁶ Therefore, on the basis of the industrial sector and project data, we preliminarily determine that this program is not limited on an enterprise or industry basis. Further, we examined the assistance provided under the CEP in each of the years 2012 through 2015. The data show that NAICS subsection 321, which is the "wood product manufacturing," category that includes sawmills, received less than two percent of the CEP assistance disbursed in each year.⁶⁰⁷ Based on the record evidence, we find that the wood products manufacturing sector is not the predominant user nor did it receive a disproportionately large amount of the CEP assistance. Additionally, we examined the payments that Resolute received under this program, and find that Resolute is neither a predominant user nor did it receive a disproportionately large amount of the CEP assistance.⁶⁰⁸ We therefore preliminarily determine that the CEP is not *de facto* specific. Since we preliminarily determine that the CEP is not specific, we need not address financial contribution and benefit.

VII. CALCULATION OF THE ALL-OTHERS RATE

In accordance with sections 703(d) and 705(c)(5)(A) of the Act, we must determine an "all others" rate for exporters or producers that are not individually investigated. Pursuant to section 705(c)(5)(A)(i) of the Act, the all-others rate is normally calculated by weight averaging the subsidy rates of the individual companies selected for individual examination, including

⁶⁰¹ *Id.*

⁶⁰² *See* GQRGOQ, Volume V-a at 51.

⁶⁰³ *See* GS1QRGOQ, Volume II at 86-96, and all referenced exhibits therein.

⁶⁰⁴ *See* GS1QRGOQ, Volume II at Exhibit QC-SUPP-OTHER-70.

⁶⁰⁵ *See* GS1QRGOQ, Volume II at 97.

⁶⁰⁶ *See* CEP Analysis Memo.

⁶⁰⁷ *Id.*

⁶⁰⁸ *Id.*

voluntary respondent, JDIL,⁶⁰⁹ but excluding any zero and *de minimis* rates, and any rates based solely on the facts available. In this investigation, we calculated above-*de minimis* countervailable subsidy rates that are not based entirely on the facts available for all five companies. As a result, we calculated a weighted-average “all-others rate” based on the rates from Canfor, Resolute, West Fraser, Tolko and JDIL, using the respondents’ business proprietary information.⁶¹⁰

VIII. ITC NOTIFICATION

In accordance with section 703(f) of the Act, we will notify the ITC of our preliminary determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(3) of the Act, if our final determination is affirmative, the ITC will make its final determination within 75 days after we make our final determination.

IX. DISCLOSURE AND PUBLIC COMMENT

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.⁶¹¹ Case briefs for all non-scope issues⁶¹² may be submitted to Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) no later than seven days after the date on which the final verification report is issued in this investigation, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁶¹³

Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and, (3) a table of authorities.⁶¹⁴ This summary should be limited to five pages in total, including footnotes.

Interested parties who wish to request a hearing must do so in writing within 30 days after the publication of this preliminary determination in the *Federal Register*.⁶¹⁵ Requests should contain the party’s name, address, and telephone number; the number of participants; and a list

⁶⁰⁹ See *MacLean-Fogg* (holding that voluntary respondents are “individually investigated” for purposes of calculating the all-others rate).

⁶¹⁰ See All Others Rate.

⁶¹¹ See 19 CFR 351.224(b).

⁶¹² However, since the company-specific exclusion decision is part of this preliminary determination, parties may include it in case and rebuttal briefs submitted in this investigation.

⁶¹³ See 19 CFR 351.309(c)(1)(i) and (d)(1).

⁶¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

⁶¹⁵ See 19 CFR 351.310(c).

hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

Parties must file their case and rebuttal briefs, and any requests for a hearing, electronically using ACCESS.⁶¹⁶ Electronically filed documents must be received successfully in their entirety by 5:00 p.m. Eastern Time,⁶¹⁷ on the due dates established above.

X. VERIFICATION

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted in response to the Department's questionnaires.

XI. CONCLUSION

We recommend that you approve the preliminary findings described above.

Agree

Disagree

4/24/2017

X *Ronald K. Lorentzen*

Signed by: RONALD LORENTZEN

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

⁶¹⁶ See 19 CFR 351.303(b)(2)(i).

⁶¹⁷ See 19 CFR 351.303(b)(1).

APPENDIX I

A. ACROYNM AND ABBREVIATION TABE

This section is sorted by Complete Name.

Acronym/Abbreviation	Complete Name
Abitibi-Bowater	Abitibi-Bowater Canada Inc.
AFoA	Alberta Forests Act
AFRIR	Alberta Forests Resources Improvement Regulation – AR 38/2013
AMAF	Alberta Ministry of Agriculture and Forestry
ASR	Alberta Scaling Regulation – AR 195/2002
ATMR	Alberta Timber Management Regulation – AR 404/1992
AAC	Annual Allowable Cut
AOP	Annual Operating Plans
AD	Antidumping Duty
ALB	Atlantic Lumber Board
AJCTC	Apprenticeship Job Creation Tax Credit
ARTT	Arrangement and Reduction of Work Time
ACOA	Atlantic Canada Opportunities Agency
AUL	Average Useful Life
Barrette	Barrette Wood, Inc.
BPP	Bioenergy Producer Program
Bowater	Bowater Canadian Ltd.
BC	British Columbia
BCAA	British Columbia Assessment Authority
BCLTC	British Columbia Lumber Trade Council
CRA	Canada Revenue Agency
CFP	Canadian Forest Products, Ltd.
Canfor	Canfor Corporation, Canfor Wood Products Marketing Ltd. and, Canadian Forest Products, Ltd.
Canfor Pulp	Canfor Pulp Products Inc.
CWPM	Canfor Wood Products Marketing, Ltd.
Central Canada Alliance	Central Canadian Alliance of the Ontario Forest Industries Association and the CIFQ
Softwood Lumber	Certain softwood lumber products
CTP	Commercial Timber Permits
Petitioner	Committee Overseeing Action for Lumber International Trade Investigations or Negotiations <i>a.k.a.</i> COALITION –
CCTP	Coniferous Community Timber Permit (and License)
Quota	Coniferous Timber Quota Certificates
CIFQ	Conseil de l'Industrie Forestiere du Québec

CEP	Consultation for Employment Program
CVD	Countervailing Duty
Deloitte	Deloitte LLP
DFATD	Department of Foreign Affairs, Trade and Development
DBH	Diameter at Brest Height
EPA	Electricity Purchase Agreement
EIPA	Export and Import Permits Act
EDC	Export Development Canada
FTEAC	Federal Timber Export Advisory Committee
FHP	Forest Harvest Plans
FMA	Forest Management Agreement
FMP	Forest Management Plans
FMU	Forest Management Unit
FRIAA	Forest Resource Improvement Association of Alberta
FSPF	Forest Sector Prosperity Fund
FortisBC	FortisBC Inc.
GDP	General Development Plans
GOA	Government of Alberta
GBC	Government of British Columbia
GOC	Government of Canada
GOM	Government of Manitoba
GNB	Government of New Brunswick
GNS	Government of Nova Scotia
GOO	Government of Ontario
GOQ	Government of Québec
GOS	Government of Saskatchewan
IKEA	IKEA Supply AG and IKEA Distribution Services Inc.
ITA	Income Tax Act
ITR	Income Tax Regulations
IESO	Independent Electricity System Operator
IPP	Independent Power Producer
IPL	Irving Paper Limited
IDM	Issues and Decision Memorandum
JDIL	J.D. Irving Limited
LBIP	Land-Based Investment Program and Successor Programs
LIREPP	Large Industrial Renewable Energy Purchase Program
LTAR	Less than adequate remuneration
MITC	Manitoba's Manufacturing Investment Tax Credit
M&P	Manufacturing and Processing Tax Credit
M&P ITC	Manufacturing and Processing Investment Tax Credit
MW	Megawatts
MFFP	Ministry of Forests, Wildlife and Parks

MTESS	Ministry of the Work, Employment and Social Solidarity
Montana Lumber	Montana Reclaimed Lumber Co.
MTAR	More Than Adequate Remuneration
NBDNR	New Brunswick Department of Natural Resources
NBLP	New Brunswick Lumber Producers
NB Power	New Brunswick Power
NFI	New Factual Information
NSA	New Subsidy Allegations
NAICS	North American Industry Classification System
NIER	Northern Industrial Electricity Rate
OIC	Order in Council
ODNR	Oregon Department of Natural Resources
OCFP	Oregon-Canadian Forest Products
PCIP	Partial Cut Investment Program
POI	Period of Investigation
PDM	Preliminary Decision Memorandum
Petit-Paris	Produits Forestiers Petit-Paris Inc.
PAE 2011-01	Purchase Power Program 2011-01
QR	Questionnaire Response
CAR	Reclassification of Assistance Committee
R&D	Research and Development
RDTC	Research and Development Tax Credit
Resolute Forest Products	Resolute Forest Products Inc.
Resolute	Resolute FP Canada Inc.
Resolute Growth	Resolute Growth Canada Inc.
Resolute Sales	Resolute Sales Inc.
RILA	Retail Industry Leaders Association
SR&ED	Scientific Research and Experimental Development
SR&ED-GBC	Scientific Research and Experimental Development Tax Credit – British Columbia
SR&ED- GOA	Scientific Research and Experimental Development Tax Credit – Alberta
SR&ED-GOM	Scientific Research and Experimental Development Tax Credit - Manitoba
SMB	Small and Medium-Sized Businesses
Opiteciwan	Societe en Commandite Scierie Opiteciwan
SPF	Spruce-Pine-Fir
SFDA	Sustainable Forest Development Act
SFL	Sustainable Forest License
Act	Tariff Act of 1930, as amended
TEFU	Tax Exempt Fuel Use
Terminal	Terminal Forest Products Ltd.
TDA	Timber Damage Assessment

TEAC	Timber Export Advisory Committee
TSG	Timber Supply Guarantee
Tolko	Tolko Marketing and Sales Ltd.
CBP	U.S. Customs and Border Protection
Department	U.S. Department of Commerce
ITC	U.S. International Trade Commission
UFP	UFP Western Division, Inc. and UFP Eastern Division, Inc., and their various operating affiliates and subsidiaries within the U.S.
VLM	Vancouver Log Market
Woodtone	W.I. Woodtone Industries Inc.
WDNR	Washington Department of Natural Resources
West Fraser	West Fraser Mills Ltd.

B. ADMINISTRATIVE DETERMINATIONS AND NOTICES TABLE

Short Citation	Administrative Case Determinations
<i>Aluminum Extrusions from the PRC First Review</i>	<i>Aluminum Extrusions from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2010 and 2011</i> , 79 FR 106 (January 2, 2014)
<i>CFS from the PRC</i>	<i>Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination</i> , 72 FR 60645 (October 25, 2007)
<i>Coated Paper</i>	<i>Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses From the People's Republic of China</i> , 75 FR 59212 (September 27, 2010)
<i>CRS from Russia</i>	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination</i> , 81 FR 49935 (July 29, 2016)
<i>CVD Preamble</i>	<i>Countervailing Duties; Final Rule</i> , 63 FR 65348 (November 25, 1998)
<i>Final Results of 1st AR</i>	<i>Notice of Final Results of Countervailing Duty Administrative Review and Rescission of Certain Company-Specific Reviews: Certain Softwood Lumber Products from Canada</i> , 69 FR 75917 (December 20, 2004)
<i>Final Results of 2nd AR</i>	<i>Notice of Final Results of Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada</i> , 70 FR 73448 (12/12/2005)
<i>Lumber IV Final Determination</i>	<i>Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products from Canada</i> , 67 FR 15545 (April 2, 2002)
<i>OCTG from China</i>	<i>See Oil Country Tubular Goods From the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Negative Critical Circumstances Determination</i> , 74 FR 64045 (December 7, 2009)
<i>Postponement</i>	<i>Certain Softwood Lumber Products From Canada: Postponement of Preliminary Determination in the Countervailing Duty Investigation</i> , 82 FR 9055 (February 2, 2017)
<i>Preamble</i>	<i>Antidumping Duties; Countervailing Duties; Final Rule</i> , 62 FR 27296 (May 19, 1997)
<i>Preliminary Critical Circumstances Determination</i>	<i>Antidumping and Countervailing Duty Investigations of Certain Softwood Lumber Products from Canada: Preliminary Determinations of Critical Circumstances</i> , dated April 13, 2017

<i>Preliminary Results of 1st AR</i>	<i>Notice of Preliminary Results of Countervailing Duty Review: Certain Softwood Lumber from Canada, 69 FR 33204, (June 14, 2004)</i>
<i>Preliminary Results of 2nd AR</i>	<i>Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada, 70 FR 33088 (June 7, 2005)</i>
<i>SC Paper from Canada – Expedited Review</i>	<i>Supercalendered Paper from Canada: Final Results of Countervailing Duty Expedited Review and accompanying Issues and Decision Memorandum, 82 FR 18896 (April 24, 2017)</i>
<i>SC Paper from Canada – Expedited Review – Preliminary Results</i>	<i>Supercalendered Paper From Canada: Preliminary Results of Countervailing Duty Expedited Review, 81 FR 85520 (November 28, 2016)</i>
<i>Steel Plate from Korea</i>	<i>Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, 72 FR 38565 (July 13, 2007).</i>
<i>Steel Plate from Korea</i>	<i>Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, 72 FR 38565 (July 13, 2007).</i>

C. CASE-RELATED DOCUMENTS

This section is sorted by Short Citation.

Emphasis, symbols, and short site setups were removed from all document titles.

Short Citation	Complete Document Title
All Others Rate	Department Memorandum, “Calculation of the “All-Others” Rate in the Preliminary Determination of the Countervailing Duty Investigation of Softwood Lumber Products from Canada,” dated concurrently with this memorandum
Allow Additional NFI – Atlantic Canada	Department Memorandum, "Antidumping and Countervailing Duty Investigations of Certain Softwood Lumber Products from Canada – Response to April 10, 2017, Request for Leave to Submit New Factual Information," dated April 12, 2017
Barrette Comments – Scope I	Letter from Barrette Wood, Inc., “Softwood Lumber Products from Canada: Scope Comments – Bed-Frame Components,” dated January 9, 2017
Barrette Comments – Scope II	Letter from Barrette Wood, Inc., “Softwood Lumber from Canada: Proposed Scope Language for Bed-Frame Components,” dated April 3, 2017
BCTLC Factual Information	Letter from BCTLC, “Certain Softwood Lumber Products from Canada: Submission of Factual Evidence Potentially Relevant to Measurement of Adequacy of Remuneration,” dated March 27, 2017
BCLTC Factual Information – Rebuttal	Letter from BCLTC, “Certain Softwood Lumber Products from Canada: Reply to Petitioner’s Benchmark Submission and Comments on Initial Questionnaire Responses,” date April 6, 2017
British Columbia Diameter Analysis	Department Memorandum, “Analysis of Top and Butt Diameter Data Provided in Exhibit BC-S-164 of the Initial Question of the Government of British Columbia,” dated concurrently with this memorandum.
Canfor Additional Sales Information	Letter from Canfor, “Certain Softwood Lumber from Canada, Case No. C-122-858: Affiliated Companies Section Questionnaire Response,” dated March 8, 2017
Canfor Affiliation Response	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Request for Additional Sales Data,” dated April 17, 2017

Canfor Benchmark Information – Rebuttal	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Rebuttal Benchmark Factual Information,” dated April 5, 2017
Canfor Benchmark Submission	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Benchmark Factual Information Submission,” dated March 27, 2017
Canfor Comments – Methodology	Letter from Canfor, “Certain Softwood Lumber from Canada, Case No. C-122-858: Comments on CBP Data and Respondent Selection Methodology,” date December 29, 2016
Canfor Comments – Pre-Prelim	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Pre-Preliminary Comments,” dated April 11, 2017
Canfor Comments – Scope I	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Comments on the Scope of the Investigation,” dated January 10, 2017
Canfor Comments – Scope II	Letter from Canfor, “Certain Softwood Lumber Products from Canada. Case No. C-122-858: Proposed Scope Language I-Joists,” dated April 3, 2017
Canfor Factual Information – Rebuttal	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Rebuttal Factual Information,” dated April 3, 2017
Canfor Preliminary Calculation Memorandum	Department Memorandum, “Preliminary Determination Calculations for Canfor,” dated April 24, 2017
Canfor Request – Reporting Exclusions	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Letter Requesting Exclusion from Reporting Requirement,” dated January 31, 2017
Canfor Sales Information	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Revised Public Version of Exhibit 25,” dated April 7, 2017
Canfor Shipment Data1	Letter from Canfor, “Certain Softwood Lumber Products from Canada. Case No. C-122-858: Quantity and Value Shipment Data for January 2015 – January 2017,” dated February 22, 2017
Canfor Shipment Data2	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Quantity and Value Shipment Data for January 2015 – February 2017,” dated March 15, 2017
Canfor Shipment Data3	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Quantity and Value Shipment Data for January 2015 – March 2017,” dated April 17, 2017
CBP Query Results	Department Memorandum, “Results of Customs and Border Protection Query,” date December 22, 2016
Central Canada Alliance Comments – CBP Data	Letter from the Central Canada Alliance, “Softwood Lumber from Canada: Comments on CBP Data,” dated December 29, 2016
Central Canada Alliance Comments – Initiation	Letter from Central Canada Alliance, “Softwood Lumber from Canada: Comments on Subsidy Rate Methodology And CVD Respondent Selection,” dated December 29, 2016
Central Canada Alliance Comments – Scope	Letter from the Central Canada Alliance and, “Softwood Lumber from Canada: OFIA and CIFQ’s Scope Comments,” dated January 9, 2017
CEP Analysis Memo	Department Memorandum, “Consultation for Employment Program,” dated April 24, 2017
CIFQ Comments – Scope I	Letter from CIFQ, “Softwood Lumber from Canada: CIFQ’s Scope Comments,” dated January 9, 2017
CIFQ Comments – Scope II	Letter from CIFQ, “Softwood Lumber from Canada: Proposed Scope Language – I-Joists,” dated April 3, 2017
CIFQ Comments – Scope III	Letter from CIFQ, “Softwood Lumber from Canada: Proposed Scope Language – Maibec,” dated April 3, 2017
CIFQ Rebuttal Comments – Scope	Letter from CIFQ, “Softwood Lumber from Canada: CIFQ’s Rebuttal Scope Comments,” dated January 19, 2017
CS1QR	Letter from Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Supplemental Cost Table Questionnaire Response,” dated April 5, 2017

CS2QR	Letter from Canfor, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to April 4, 2017 Supplemental Questionnaire," dated April 14, 2017
CQR	Letter from Canfor, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Initial Questionnaire Response," dated March 13, 2017
CQR – SQA Stumpage	Letter from Canfor, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Standard Questions Appendix for Stumpage," dated March 16, 2017
Consultations Memorandum	Department Memorandum, "Countervailing Duty Petition: Certain Softwood Lumber Products from Canada: Consultations with Officials from the Government of Canada," dated December 7, 2016
Correction – Petition Exhibits	Letter from Petitioner to the Department, "Supplement to the Petition for the Imposition of Countervailing Duties on Imports of Certain Softwood Lumber Products from Canada: Correction of Production Errors," dated December 2, 2016
Ex-Parte Meeting – BC Stumpage	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Ex-Parte Meeting," dated March 31, 2017
Ex-Parte Meeting – Company Exclusions I	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Ex-Parte Meeting with Counsel to the Government of Canada," dated February 15, 2017
Ex-Parte Meeting – Company Exclusions II	Department Memorandum, "Countervailing Duty Investigation: Certain Softwood Lumber Products from Canada: Ex-Parte Meeting with Counsel to Petitioners," dated February 23, 2017
Ex-Parte Meeting – Exclusions	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Ex-Parte Meeting," dated March 21, 2017
Ex-Parte Meeting – Phonecon Atlantic Canada	Department Memorandum, "Petition for the Imposition of Antidumping Duties on Imports of Certain Softwood Lumber Products from Canada: Consultation Documents," dated April 10, 2017
Ex-Parte Meeting – Provincial Exclusion	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Ex-Parte Meeting," dated February 15, 2017
Ex-Parte Meeting – IQ Government	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Ex-Parte Meeting," date January 27, 2017
Ex-Parte Meeting – IQ Mandatories	Department Memorandum, "Ex Parte Meeting with Representatives of Canfor Corp, West Fraser Mills Ltd., and Tolko Marketing and Sales Ltd.," dated February 3, 2017
GBC – SQA Stumpage	Letter from GBC, "Certain Softwood Lumber Products from Canada: Response to Standard Questionnaire Appendix for British Columbia Stumpage," dated March 20, 2017
GBC Benchmark Information – Rebuttal	Letter from the GBC, "Certain Softwood Lumber Products from Canada: Government of British Columbia Benchmark Rebuttal Information," dated April 5, 2017
GBC Benchmark Submission	Letter from the GBC, "Certain Softwood Lumber Products from Canada: Government of British Columbia Benchmark Information," dated March 27, 2017
GBC Comments – Company Exclusions	Letter from the GBC, "Certain Softwood Lumber Products from Canada: Ex-Parte Meeting – Company Exclusions II," dated March 6, 2017
GBC Comments – Pre-Prelim	Letter from the GBC, "Certain Softwood Lumber Products from Canada: Comments for the Preliminary Determination of Investigation," dated April 11, 2017

GBC Comments – Scope I	Letter from the GBC, “Certain Softwood Lumber Products from Canada: Scope Comments of the Government of British Columbia,” dated January 9, 2017
GBC Comments – Scope II	Letter from the GBC, “Certain Softwood Lumber Products from Canada: Comments in Support of Clarifying and Exclusionary Language Proposed by Canada Regarding the Scope of these Investigations,” dated April 3, 2017
GBC/GOASQR	Letter from the GBC and GOA, “Certain Softwood Lumber from Canada: Response of the Government of British Columbia and Partial Response of the Government of Alberta to the Department’s March 27, 2017 Supplemental Questionnaire,” dated April 11, 2017 (The second part of the GOA's response is GOASQR.)
GNB – SQA Stumpage	Letter from the GBC, “Certain Softwood Lumber Products from Canada: Government of British Columbia Supplemental Stumpage Response,” dated April 5, 2017
GNBQR	Letter from GNB, “Questionnaire Response of the Government of the Province of New Brunswick Certain Softwood Lumber Products from Canada,” dated March 17, 2017
GNB Benchmark Submission	Letter from the GNB, “Government of New Brunswick’s Submission of Factual Information Concerning the Adequacy of Remuneration Under 19 CFR 351.511(a)(2) and other Factual Information,” dated March 28, 2017
GNB Comments – Exclusions	Letter from the GNB, “Softwood Lumber from Canada: Proposals for Product- or Company-Based Exclusions from the CVD Investigation,” dated March 31, 2017
GNB Comments – Methodology	Letter from the GNB, “Comments on Methodology: Softwood Lumber from Canada,” dated December 29, 2016
GNBSQR	Letter from the GNB, “Response of the Government of New Brunswick to the Department’s April 5, 2017 Supplemental Questionnaire Certain Softwood Lumber Products from Canada,” dated April 12, 2017
GNS – Other Assistance JDIL	Letter from GNS, “Certain Softwood Lumber Products from Canada: Letter from the Government of Nova Scotia Addressing the Department’s Questionnaire Regarding “Other Assistance,” dated March 17, 2017
GNSQR	Letter from the GNS, “Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to the Department’s Questionnaire Addendum for the Provincial Governments,” dated March 17, 2017
GNS Comments – Methodology	Letter from the GNS, “Softwood Lumber from Canada: Comments Regarding the Appropriate Subsidy Rate Methodology for this Investigation,” dated December 29, 2016
GNS Comments – Scope	Letter from the GNS, “Softwood Lumber from Canada: Scope Comments from the Government of Nova Scotia,” dated January 9, 2016
GNS Factual Information – Rebuttal	Letter from the GNS, “Certain Softwood Lumber Products from Canada: Rebuttal Factual Information Submission of the Government of Nova Scotia in Response to Resolute’s New Factual Information,” dated April 6, 2017
GNS Rebuttal Comments – GNS Stumpage Response	Letter from the GNS, “Certain Softwood Lumber Products from Canada: Submission of Factual Information to Rebut, Clarify and Correct Comments Filed by the Governments of Alberta, British Columbia, Manitoba, Ontario and Quebec,” dated April 7, 2017
GNSS1QR	Letter from the GNS, “Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to the Department’s Supplemental Questionnaire,” dated April 3, 2017
GNSS2QR	Letter from the GNS, “Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to the Department’s Supplemental Questionnaire to the Government of Canada,” dated April 5, 2017
GOA – Corrections	Letter from the GOA, “Certain Softwood Lumber Products from Canada: Support for the March 27, 2017 Submissions of New Factual Information by the Government of Alberta,” dated April 13, 2017

GOA – SQA Stumpage	Letter from GOA, “Certain Softwood Lumber Products from Canada: Response of the Government of Alberta to the Department’s Standard Questions Appendix for Stumpage,” dated March 16, 2017
GOA Factual Information – Rebuttal	Submission of files from GOA concerning, "Backup Documentation for Supplement #2 to MNP’s March 10, 2017 Cross Border Analysis of Stumpage and Log Prices in Alberta and Six Other Jurisdictions," dated April 6, 2017
GOA Benchmark Submission	Letter from the GOA, “Certain Softwood Lumber Products from Canada: Submission of Factual Information to Measure Adequacy of Remuneration Pursuant to 19 C.F.R. 351.301(c)(3)(i),” dated March 27, 2017
GOA Factual Information	Letter from the GOA, “Certain Softwood Lumber Products from Canada: Submission of Factual Information Regarding Log Seller Profit,” dated March 27, 2017
GOA Factual Information – Rebuttal	Letter from the GOA, "Certain Softwood Lumber Products from Canada: Submission of Factual Information to Rebut, Clarify, or Correct Factual Information Contained in Petitioner’s March 27, 2017 Filing of Factual Information to Measure Adequacy of Remuneration pursuant to 19 CFR 351.301(c)(3)(iv)," dated April 6, 2017
GOA Benchmark Submission	Letter from the GOA, “Certain Softwood Lumber Products from Canada: Submission of Factual Information to Measure Adequacy of Remuneration Pursuant to 19 C.F.R. 351.301(c)(3)(i),” dated March 27, 2017
GOA Factual Information	Letter from the GOA, “Certain Softwood Lumber Products from Canada: Submission of Factual Information Regarding Log Seller Profit,” dated March 27, 2017
GOA Factual Information – Rebuttal	Letter from the GOA, "Certain Softwood Lumber Products from Canada: Submission of Factual Information to Rebut, Clarify, or Correct Factual Information Contained in Petitioner’s March 27, 2017 Filing of Factual Information to Measure Adequacy of Remuneration pursuant to 19 CFR 351.301(c)(3)(iv)," dated April 6, 2017
GOA Comments – Pre-Prelim	Letter from the GOA, "Certain Softwood Lumber Products from Canada: Pre Preliminary Determination Comments by the Government of Alberta,” dated April 14, 2017
GOASQR	Letter from the GOA, "Certain Softwood Lumber from Canada: Partial Response of the Government of Alberta to the Department’s March 27, 2017 Supplemental Questionnaire," dated April 14, 2017 (This is the second part of the GOA's response, the first part is contained in GBC/GOASQR.)
GOC Certifications – IQ Comments	Letter from the GOC, "Certain Softwood Lumber from Canada: Certifications for Submission of Memorandum Regarding Preliminary Issues Identified in the CVD Initial Questionnaire – ACCESS Document 3539360," dated February 2, 2017
GOC Comments – Company Exclusions	Letter from the GOC, “Proposal for Company Exclusions,” dated March 29, 2017
GOC Comments – Critical Circumstances	Letter from the GOC, “Countervailing Duty and Antidumping Duty Investigations of Certain Softwood Lumber Products from Canada: Comments on Allegations of Critical Circumstances,” dated February 24, 2017
GOC Comments – Critical Circumstances Rebuttal	Letter from the GOC, “Countervailing Duty and Antidumping Duty Investigations of Certain Softwood Lumber Products from Canada: Rebuttal Comments on Allegations of Critical Circumstances,” dated March 9, 2017
GOC Comments – Critical Circumstances Responses Rebuttal	Letter from the GOC, “Countervailing Duty and Antidumping Duty Investigations of Certain Softwood Lumber Products from Canada: Rebuttal Comments on Petitioner’s Comments on Respondents’ Critical Circumstances Responses,” dated April 20, 2017
GOC Comments – Initial Questionnaire	Letter from the GOC, "Certain Softwood Lumber from Canada: Submission of Memorandum Regarding Preliminary Issues Identified in the CVD Initial Questionnaire," dated January 27, 2017

GOC Comments – Initiation	Letter from the GOC, “Certain Softwood Lumber Products from Canada: Comments on Appropriate Subsidy Rate Methodology and Selection of Respondents,” dated December 29, 2016
GOC Comments – IQ Addendum	Letter from the GOC, "Issues Identified by Canadian Governmental Parties with the Department's January 31, 2017 Questionnaire," dated February 8, 2017
GOC Comments – IQ Followup	Letter from the GOC, " Preliminary Issues Identified by Canadian Governmental Parties with the Department's Initial Questionnaire in Lumber," dated February 2, 2017
GOC Comments – NSA	Letter from the GOC, "Certain Softwood Lumber from Canada: Response to Petitioner’s Additional Subsidy Allegations," dated February 2, 2017
GOC Comments – Pre-Prelim	Letter from the GOC, "Certain Softwood Lumber Products from Canada: Government of Canada Pre-Preliminary Determination Comments," dated April 13, 2017
GOC Comments – Remanufactured Lumber	Letter from the GOC, "Certain Softwood Lumber from Canada: Request that Remanufactured Lumber Be Treated as a Separate Class or Kind of Merchandise and That a Separate Rate Be Established for Independent Remanufacturers," dated April 5, 2017
GOC Comments – Scope I	Letter from the GOC, “Certain Softwood Lumber Products from Canada: Comments on Product Coverage and Scope of the Investigations,” dated January 9, 2017
GOC Comments – Scope II	Letter from the GOC, “Certain Softwood Lumber Products from Canada: Clarifying or Exclusionary Language Regarding the Scope of the Investigations,” dated April 3, 2017
GOC Rebuttal Comments – Company Exclusions.	Letter from the GOC, “Certain Softwood Lumber from Canada: Reply to Petitioner’s Response to the Government of Canada’s Proposal for Company Exclusions,” dated April 20, 2017
GOC Rebuttal Comments – Initial QRs	Letter from the GOC, “Certain Softwood Lumber from Canada: Reply of the Government of Canada and the Government of British Columbia to Petitioner’s Rebuttal to the Initial Questionnaire Response, dated April 6, 2017
GOC Rebuttal Comments – Methodology	Letter from the GOC, “Certain Softwood Lumber Products from Canada: Rebuttal Comments on Appropriate Subsidy Rate Methodology and Selection of Respondents,” dated January 3, 2017
GOC Scope Comment Extension Request	Letter from the GOC, “Certain Softwood Lumber from Canada: Request for Extension of Deadline to Submit Comments on Scope,” dated December 30, 2016
GOM Comments – Pre-Prelim	Letter from the GOM, “Softwood Lumber from Canada – Comments by the Government of Manitoba for the Preliminary Determination,” dated April 11, 2017
GOO – SQA Stumpage	Letter from the GOO, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Response to the Standard Questionnaire Appendix for Ontario provincial stumpage,” dated March 16, 2017
GOO Comments – Methodology	Letter from the GOO, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Government of Ontario Comments for the Preliminary Determination,” dated April 11, 2017
GOO Comments – Pre-Prelim	Letter from the GOO, “Certain Softwood Lumber Products from Canada: Comments on the Appropriate Subsidy Rate Methodology to Use in the Investigation,” dated December 29, 2016
GOO Factual Information	Letter from the GOO, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: factual information concerning the adequacy of remuneration,” dated March 27, 2017
GOQ Corrections	Letter from the GOQ, “Certain Softwood Lumber from Canada: Response to the Department’s request for a written explanation identifying the relevant subsection(s) of 19 CFR 351.102(b)(21) applicable to our March 27, 2017 filing,” dated April 12, 2017

GOQ – Refile Stumpage Report I	Letter from the GOQ, “Certain Softwood Lumber from Canada: Re-filing of back-up data sets and files to the expert report of Robert C. Marshall, Ph.D,” dated April 5, 2017
GOQ – Refile Stumpage Report II	Letter from the GOQ, “Certain Softwood Lumber from Canada: Resubmission of .txt files from Re-filing of back-up data sets and files to the expert report of Robert C. Marshall, Ph.D,” dated April 5, 2017
GOQ – SQA Stumpage	Letter from GOQ, “Certain Softwood Lumber from Canada: Response of the Government of Québec to the Standard Questions Appendix Relating to Stumpage,” dated March 16, 2017
GOQ Comments – Initiation	Letter from the GOQ, “Certain Softwood Lumber from Canada: Comments of the Government of Québec on Appropriate Subsidy Methodology and Respondent Selection,” dated December 29, 2016
GOQ Comments – Pre-Prelim	Letter from the GOQ, “Certain Softwood Lumber from Canada: Comments of the Government of Québec for the Preliminary Determination,” dated April 13, 2017
GOQ Factual Information	Letter from the GOQ, “Certain Softwood Lumber from Canada: Submission of Factual Information by the Government of Québec,” dated March 27, 2017
GOS Comments – GNS Response	Letter from the GOS, "Softwood Lumber from Canada – Comments on the Government of Nova Scotia’s March 17, 2017 Questionnaire Response," dated March 27, 2017
GOS Comments – Pre-Prelim	Letter from the GOS, "Softwood Lumber from Canada – Comments by the Government of Saskatchewan for the Preliminary Determination," dated April 12, 2017
GQR Errata I	Letter from the GOC et. al., “Certain Softwood Lumber from Canada: Errata to the Response of the Government of Canada and the Governments of Alberta, British Columbia, and Ontario to the Department’s January 19, 2017 Initial Questionnaire,” dated March 27, 2017
GQR Errata II	Letter from the GOC et. al., “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Correction to the Public Version of Part 7 of Volume VI of the Government of Canada's Response to the Department's January 19, 2017 Initial Questionnaire,” dated March 28, 2017
GQR Errata II – Corrections	Letter from the GOC et. al., “Certain Softwood Lumber Products from Canada: Submission of Factual Information in Errata to the Response of the Government of Canada and the Governments of Alberta, British Columbia, and Ontario to the Department’s January 19, 2017 Initial Questionnaire,” dated April 13, 2017
GQR, (generally) (specifically: GQR### including: GQRGOC; GQRGOA; GQRGBC; GQRGOO; GQRGOM; GQRGOQ; GQRGOS)	Letter from the GOC, "Certain Softwood Lumber from Canada: Response of the Government of Canada and the Governments of Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan to the Department’s January 19, 2017 Initial Questionnaire and January 31, 2017 Addendum to CVD Initial Questionnaire," dated March 15, 2017
GS1QR, (generally) (specifically, GS1QR###: GS1QRGOC; GS1QRGOM; GS1QRGOO; GS1QRGOQ; and, GS1QRGOS)	"Letter from the GOC et. al., "Certain Softwood Lumber from Canada: Response of the Government of Canada and the Governments of Manitoba, Ontario, Québec, and Saskatchewan to the Department’s March 27, 2017 Supplemental Questionnaire,"" dated April 7, 2017
GS2QR, (generally) (specifically, GS2QR###: GS2QRGOC; and, GS2QRGBC)	"Letter from the GOC et. al., "Certain Softwood Lumber from Canada: Response of the Government of Canada and the Government of British Columbia to the Department’s April 5, 2017 Supplemental Questionnaire,"" dated April 12, 2017
GS3QR, (generally) (specifically, GS3QR###: GS3QRGBC; GS2QRGOA; and, GS2QRGOC)	"Letter from the GOC et. al., "Certain Softwood Lumber from Canada: Response of the Government of Canada and the Governments of Alberta and British Columbia to the Department’s April 3, 2017 Supplemental Questionnaire," dated April 14, 2017
IKEA Comments – Scope	Letter from IKEA, “Certain Softwood Lumber Products from Canada: Comments of Scope of Investigation,” dated January 4, 2017

IKEA Rebuttal Comments – Scope	Letter from IKEA, “Certain Softwood Lumber Products from Canada: IKEA Rebuttal Comments,” (January 19, 2017)
Initial Questionnaire	Letter from Department to the GOC (and the mandatory respondents), “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Countervailing Duty Questionnaire,” dated January 19, 2017
Initial Questionnaire – Addendum	Letter from the Department to the GOC, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Addendum to CVD Initial Questionnaire," dated January 31, 2017
Initial Questionnaire – Correction I	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Initial Questionnaire – Section III Loan Benchmark and Loan Guarantee Appendix," dated February 27, 2017
Initial Questionnaire – Correction II	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Standard Questionnaire Appendix," dated March 7, 2017
Initial Questionnaire – Correction II Clarification	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Standard Questions Appendix – Provision of Stumpage for LTAR," dated March 8, 2017
Initial Questionnaire – Guidance I	Letter from the Department to the GOC, "Certain Softwood Lumber from Canada: Addressing Preliminary Issues Identified in the CVD Initial Questionnaire," dated February 3, 2017
Initial Questionnaire – Guidance II	Letter from the Department to the GOC, "Certain Softwood Lumber from Canada: Addressing Preliminary Issues Identified in the CVD Initial Questionnaire," dated February 6, 2017
Initial Questionnaire – Guidance III	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Telephone Conversation with Counsel to Government of Canada," date February 6, 2017
Initial Questionnaire – Guidance IV	Letter from the Department to West Fraser, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada," dated February 8, 2017
Initial Questionnaire – Guidance V	Letter from the Department to Canfor, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada," dated February 8, 2017
Initial Questionnaire – Guidance VI	Department Memorandum, "Countervailing Duty Investigation on Certain Softwood Lumber Products from Canada: Telephone Conversation with Counsel for Manitoba and Saskatchewan," dated February 10, 2017
Initial Questionnaire – Guidance VII	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada," dated February 10, 2017
Initiation Checklist	Department Memorandum, “Countervailing Duty Investigation Initiation Checklist: Certain Softwood Lumber Products from Canada,” December 15, 2016.
JDILQR	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Response to Section III of the Questionnaire for Producers/Exporters,” dated March 13, 2017
JDIL Additional Sales Information	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Additional Sales Data,” dated April 17, 2017
JDIL Affiliation Response	Letter from JDIL, "Softwood Lumber from Canada," dated February 2, 2017
JDIL Benchmark Submission	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Submission of Factual Information to Measure the Adequacy of Remuneration,” dated March 27, 2017
JDIL Comments – GNSS1QR	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Factual Information Submitted to Rebut, Clarify, or Correct Questionnaire Response,” dated April 13, 2017
JDIL Comments – IQR	Letter from JDIL, “Softwood Lumber from Canada,” dated March 16, 2017
JDIL Comments – Pre-Prelim	Letter from JDIL, "Certain Softwood Lumber Products from Canada: Pre-Preliminary Determination Comments," dated April 11, 2017
JDIL Comments – Respondent Selection	Letter from JDIL, “Softwood Lumber from Canada: Comments on Respondent Selection,” dated December 29, 2016

JDIL Comments – Scope I	Letter from JDIL, “Softwood Lumber from Canada: Comments on Scope of the Investigation,” dated January 9, 2017
JDIL Comments – Scope II	Letter from JDIL, “Softwood Lumber from Canada: Proposed Scope Language,” dated April 3, 2017
JDIL Factual Information	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Submission of Factual Information under 19 CFR 351.102(b)(21)(v) & 351.301(c)(5),” dated March 27, 2017
JDIL Preliminary Calculation Memorandum	Department’s Memorandum, “Preliminary Determination in the Countervailing Duty Investigation of Softwood Lumber from Canada: Preliminary Determination Calculations for J.D. Irving Limited,” dated April 24, 2017
JDIL Rebuttal Comments – Respondent Selection	Letter from JDIL, “Softwood Lumber from Canada: Rebuttal Comments on Respondent Selection,” dated January 3, 2017
JDIL Request VR	Letter from JDIL, “Softwood Lumber from Canada: Request for Voluntary Respondent Treatment,” dated January 25, 2017
JDIL Sales Information	Letter from JDIL, “Certain Softwood Lumber Products from Canada: Request for Publicly-Ranged Data,” dated April 11, 2017
JDIL Shipment Data1	Letter from JDIL, “Certain Softwood Lumber Products from Canada,” dated February 22, 2017
JDIL Shipment Data2	Letter from JDIL, “Certain Softwood Lumber Products from Canada,” dated March 15, 2017
JDIL Shipment Data3	Letter from JDIL, “Certain Softwood Lumber Products from Canada,” dated April 14, 2017
Lumber IV AR2 Calculations	Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Final Results Calculations for the Province of British Columbia,” dated December 5, 2005
Lumber IV Profit Data	Department Memorandum, “Profit Data from Lumber IV,” dated concurrently with this memorandum
Market Memorandum	Department Memorandum to the File, “Provincial Market Preliminary Analysis Memorandum,” dated April 24, 2017.
Memorandum – OCFP Comments	Department Memorandum to File, “Certain Softwood Lumber Products from Canada: Scope Exclusion Requests Received from Oregon-Canadian Forest Products,” dated January 10, 2017
Montana Lumber Comments – Scope	Letter from Montana Lumber, “Certain Softwood Lumber from Canada: Limit of Scope of Duties to New Wood,” dated December 30, 2016
Notification – Initial Questionnaire Correction	Department Memorandum, “Countervailing Duty Investigation on Certain Softwood Lumber Products from Canada: Initial Questionnaire – Section III Loan Benchmark and Loan Guarantee Appendix,” dated February 27, 2017
NBLP Comments – Methodology	Letter from the NBLP, “Softwood Lumber from Canada: New Brunswick Lumber Producers’ Comments on Appropriate Subsidy Rate Methodology,” dated December 29, 2016
NBLP Comments – Scope	Letter from the NBLP, “Certain Softwood Lumber from Canada: New Brunswick Lumber Producers Comments on Scope of the Investigation,” dated January 9, 2016
New Subsidy Allegations	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Additional Subsidy Allegations,” dated March 15, 2017
Nova Scotia Benchmark Calculation Memorandum	Department Memorandum, “Nova Scotia Benchmark Calculation Memorandum for the Preliminary Determination,” dated concurrently with this memorandum
OCFP Comments – Scope I	Letter from OCFP, “Independent comments to DOC Inv. Nos. A-122-857, C-122-858 and ITC Inv Nos, 701-TA- and 731- TA- ,” dated January 9, 2017
OCFP Comments – Scope II	Letter from OCFP, “Oregon-Canadian Forest Products Response to Coalition Additional Comments on Scope, April 3, 2017,” dated April 6, 2017

OCFP Rebuttal Comments – Scope	Letter from OCFP, “Oregon-Canadian Forest Products Response to Coalition letter on Scope Exemption Requests January 19, 2017,” dated February 23, 2017
Petitioner Additional NFI Atlantic Canada	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: New Factual Information Regarding ALB-Certified Lumber,” dated April 16, 2017
Petition Supplement I	Letter from Petitioner, “Supplement to the Petitions for the Imposition of Countervailing Duties on Imports of Certain Softwood Lumber Products from Canada: Response to the Department’s Supplemental Questions,” dated December 1, 2016
Petition Supplement II	Letter from Petitioner, “Petition for the Imposition of Countervailing Duties on Imports of Certain Softwood Lumber Products from Canada: Response to Supplemental Questions,” dated December 5, 2016
Petition	Letter from Petitioner, “Petitions for the Imposition of Antidumping Duties and Countervailing Duties on Imports of Certain Softwood Lumber Products from Canada,” dated November 25, 2016
Petitioner Benchmark Submission	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Benchmark Information,” dated March 27, 2017
Petitioner Comments – Company Exclusions	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Response to Government of Canada’s Proposal for Company Exclusions,” dated March 30, 2017
Petitioner Comments – Critical Circumstances	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Response to Government of Canada’s Comments on Allegations of Critical Circumstances,” dated March 2, 2017
Petitioner Comments – Critical Circumstances Responses	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on Respondents’ Critical Circumstances Responses,” dated April 19, 2017
Petitioner Comments – GOC Consultations	Letter from Petitioner, “Comments on Government of Canada’s Consultations Paper,” dated December 8, 2016.
Petitioner Comments – Initial Questionnaire	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on Canfor’s Affiliated Companies Questionnaire Response,” dated February 13, 2017
Petitioner Comments – Initial QRs	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on Initial Questionnaire Responses,” dated March 27, 2017
Petitioner Comments – Methodology	Letter from Petitioner, “Certain Softwood Lumber from Canada: Comments on the Department’s Subsidy Rate Methodology,” dated December 29, 2016
Petitioner Comments – Pre-Prelim NS	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Pre-Prelim Comments on Non-Stumpage Subsidy Programs,” dated April 11, 2017
Petitioner Comments – Resolute Affiliation	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on Resolute’s Affiliated Companies Questionnaire Response,” dated February 8, 2017
Petitioner Comments – Respondent Selection	Letter from Petitioner, “Certain Softwood Lumber from Canada: Comments on CBP Data and Respondent Selection,” dated December 29, 2016
Petitioner Comments – Scope Comments	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Additional Comments on Scope,” dated April 3, 2017
Petitioner Comments – Stumpage Denominator	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Deficiencies in Respondent Information Regarding Stumpage Subsidy Denominator,” dated April 7, 2017
Petitioner Comments – Tolko Affiliation	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on Tolko’s Affiliated Companies Questionnaire Response,” dated February 10, 2017
Petitioner Comments – Tolko Exclusions	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Partial Opposition to Tolko Request to Limit Reporting,” dated February 6, 2017

Petitioner Comments – West Fraser Affiliation	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Comments on West Fraser’s Affiliated Companies Questionnaire Response,” dated February 10, 2017
Petitioner Request – Alignment	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Request for Alignment of the Countervailing Duty Final Determination with the Companion Antidumping Duty Final Determination,” dated April 12, 2017
Petitioner Request – Postponement	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Request for Extension of the Preliminary Determination,” dated January 26, 2017
Petitioner Request – Additional NFI Initial QRs	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Request for Leave to File Correction to Petitioner's IQR Comments,” dated April 13, 2017
Petitioner Request – Additional NFI Scope	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Request for Leave to Submit New Factual Information Regarding the Scope of the Investigation,” dated April 7, 2017
Petitioner Rebuttal Comments – Scope	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Response to Comments on Scope,” dated January 19, 2017
Petitioner Rebuttal Comments– Remanufactured Lumber	Letter from Petitioner, “Certain Softwood Lumber Products from Canada: Response to GOC Request Regarding 'Remanufactured' Lumber,” dated April 11, 2017
Plant Tour Memorandum	Department Memorandum, “Antidumping and Countervailing Duty Investigations of Certain Softwood Lumber Products from Canada: Visit to Rex Lumber Company,” dated February 6, 2017
Provincial Comments – GNS Stumpage Response	Letter from the GOA, GBC, GOM, GOO, GOQ, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Comments from the Governments of Alberta, British Columbia, Manitoba, Ontario and Québec on the Government of Nova Scotia’s Initial Questionnaire Response,” dated March 31, 2017
Provincial Comments – GNSS1QR	Letter from the GOA, GBC, GOM, GOO, GOQ, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Comments from the Governments of Alberta, British Columbia, Manitoba, Ontario, Québec and Saskatchewan on the Government of Nova Scotia’s April 3, 2017 Questionnaire Response,” dated April 11, 2017
RILA Comments – Scope I	Letter from RILA, “Certain Softwood Lumber Products from Canada: RILA Scope Comments,” dated January 9, 2017
RILA Comments – Scope II	Letter from RILA, “Certain Softwood Lumber Products from Canada: RILA Scope Comments,” dated April 3, 2017
Referenced Respondent Selection Memoranda	Department Memorandum, “Countervailing Duty Investigation: Certain Softwood Lumber Products from Canada – Referenced Respondent Selection Memoranda,” dated January 18, 2017
Request for Monthly Q&V	Department Letter, “Antidumping/Countervailing Duty Investigations of Certain Softwood Lumber Products from Canada: Request for Monthly Quantity and Value Shipment Data,” dated January 31, 2017
Respondent Selection Memorandum	Department Memorandum, “Countervailing Duty Investigation on Certain Softwood Lumber Products from Canada: Subsidy Rate Methodology and Respondent Selection,” dated January 18, 2017
Resolute Additional Sales Information	Letter from Resolute, “Softwood Lumber from Canada: Response To Request For Respondents To Submit Additional Sales Data Regarding Co-products/Bvproducts,” dated April 18, 2017
Resolute Affiliation – Guidance	Department Memorandum, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada,” dated February 23, 2017
Resolute Affiliation Response I	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to Affiliated Companies Questionnaire,” dated February 2, 2017
Resolute Affiliation Response II	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to Affiliation Supplemental Questionnaire” dated February 15, 2017

Resolute Affiliation Response III	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Response Second Supplemental Affiliation Questionnaire," dated February 21, 2017
Resolute Affiliation Response IV	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Response to the Third Supplemental Affiliation Questionnaire," dated March 8, 2017
Resolute Comments – NSA	Letter from Resolute, "Softwood Lumber From Canada: Resolute's Response To The COAL/TION's Additional Subsidy Allegations," dated March 27, 2017
Resolute Comments – Scope I	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Scope Comments," dated January 9, 2017
Resolute Comments – Scope II	Letter from Resolute, "Softwood Lumber from Canada: Proposed Scope Language – Bedframe Components," dated April 3, 2017
Resolute Comments – GNSS2QR	"Letter from Resolute, "Softwood Lumber from Canada: Resolute's Response to The Government of Nova Scotia's April 5, 2017 Supplemental Questionnaire Response," dated April 13, 2017
Resolute Factual Information	Letter from Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: New Factual Information," dated March 28, 2017
Resolute Joint Ventures Memorandum	Department Memorandum, "Resolute Company Affiliation: Joint Ventures," dated April 24, 2017
Resolute Preliminary Calculation Memorandum	Department Memorandum, "Preliminary Determination Calculations the Resolute FP Canada Inc.," April 24, 2017
Resolute Rejection Request	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Request that the Department Reject the Rebuttal Factual Information Submission of the Government of Nova Scotia as Nonconforming," dated April 10, 2017
Resolute Shipment Data1	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Response to Critical Circumstances Questionnaire," dated February 22, 2017
Resolute Shipment Data2	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Updated Response to Critical Circumstances Questionnaire," dated March 15, 2017
Resolute Shipment Data3	Letter from Resolute, "Softwood Lumber from Canada: Resolute's Updated Response to Critical Circumstances Questionnaire," dated April 17, 2017
Request Additional Sales Information	Letter from the Department to respondents, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Request for Respondents to Submit Additional Sales Data," dated April 13, 2017.
Request Corrections – GOA	Department Memorandum, "Countervailing Duty Investigation – Certain Softwood Lumber Products from Canada: New Factual Information Submission," dated April 11, 2017
Request Corrections – GOQ	Department Memorandum, "Countervailing Duty Investigation – Certain Softwood Lumber Products from Canada: New Factual Information Submission," dated April 11, 2017
Request Corrections – GQR Errata II	Department Memorandum, "Countervailing Duty Investigation – Certain Softwood Lumber Products from Canada: New Factual Information Submission," dated April 11, 2017
Request Corrections – Tolko	Department Memorandum, "Department Memorandum, "Countervailing Duty Investigation – Certain Softwood Lumber Products from Canada: New Factual Information Submission," dated April 11, 2017
Request Corrections – West Fraser	Department Memorandum, "Countervailing Duty Investigation – Certain Softwood Lumber Products from Canada: New Factual Information Submission," dated April 11, 2017
Request Sales Information	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Request for Publicly-Ranged Data," dated April 7, 2017
Revised CBP Data	Department Memorandum, "Revised CBP Data and Company Rankings," dated January 18, 2017
RQR-NS	Letter from Resolute, Part I for Non-Stumpage programs, "Softwood Lumber from Canada: Resolute's Response to Section III of Initial Questionnaire on General Issues and Non-Stumpage Programs," dated March 15, 2017

RQR-S	Letter from Resolute, Part II for Stumpage programs, “Softwood Lumber from Canada: Resolute’s Response to Section III of Initial Questionnaire on Stumpage Programs,” dated March 15, 2017
RQR-S Correction	Letter from Resolute, Part II for Stumpage programs, “Softwood Lumber from Canada: Replacement to Exhibit Submitted in Initial Questionnaire Response on Stumpage Programs,” dated April 13, 2017
RQR – SQA Stumpage	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Section III Stumpage Questionnaire Standard Appendix,” dated March 16, 2017
RS1QR-NS	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to the First Supplemental Questionnaire on Non-Stumpage Programs,” dated April 3, 2017
RS1QR-S	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to the First Supplemental Questionnaire on Non-Stumpage Programs,” dated April 3, 2017
RS2aQR-NS	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to the Second Supplemental Questionnaire on Non-Stumpage Programs,” dated April 6, 2017
RS2bQR-NS	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to the Department’s Addendum to the Second Supplemental Non-Stumpage Questionnaire,” dated April 7, 2017
RS3QR	Letter from Resolute, “Softwood Lumber from Canada: Resolute’s Response to the First Supplemental Questionnaire on Stumpage Programs,” dated April 12, 2017
Scope Comment Deadline Extension	Department Memorandum, “Countervailing Duty Investigation: Certain Softwood Lumber Products from Canada – Extension of Scope Comment Deadline,” dated January 4, 2017
Scope Language Request	Department Memorandum, “Countervailing and Antidumping Duty Investigations of Certain Softwood Lumber Products from Canada: Proposed Scope Language,” dated March 28, 2017
Supplemental Questionnaire – Canfor	Letter from the Department to Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Initial Questionnaire Response,” dated April 4, 2017
Supplemental Questionnaire – Canfor Affiliation	Letter from the Department to Canfor, “Certain Softwood Lumber Products from Canada, Case No. C-122-858: Affiliated Companies Section Questionnaire Response,” dated February 22, 2017.
Supplemental Questionnaire – Canfor Benchmark	Letter from the Department to Canfor, “Certain Softwood Lumber from Canada: Supplemental Questionnaire for Canfor,” dated March 30, 2017
Supplemental Questionnaire – GOC I	Letter from the Department to the GOC, “Certain Softwood Lumber from Canada: Supplemental Questionnaire for the Government of Canada and the Governments of Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan,” dated March 27, 2017
Supplemental Questionnaire – GOC II	Letter from the Department to the GOC, “Certain Softwood Lumber from Canada: Supplemental Questionnaire for the Government of Canada and the Governments of Alberta, British Columbia, Manitoba, Ontario, Québec, and Saskatchewan,” dated April 3, 2017
Supplemental Questionnaire – GOC III	Letter from the Department to the GOC, “Certain Softwood Lumber from Canada: Supplemental Questionnaire for the Governments of Canada, British Columbia and New Brunswick,” dated April 5, 2017
Supplemental Questionnaire – GBC	Letter from the Department to the GBC, “Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada: Stumpage Programs,” dated March 30, 2017
Supplemental Questionnaire – GNS	Letter from the Department to the GNS, “Countervailing Duty Investigation of Softwood Lumber Products from Canada: Supplemental Questionnaire,” dated March 21, 2017

Supplemental Questionnaire – Resolute Affiliation I	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Affiliated Companies Questionnaire Response of Resolute FP Canada Inc.," dated February 9, 2017
Supplemental Questionnaire – Resolute Affiliation II	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Second Supplemental Questionnaire on Affiliated Companies of Resolute FP Canada Inc.," dated February 17, 2017
Supplemental Questionnaire – Resolute Affiliation III	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Third Supplemental Questionnaire on Affiliated Companies of Resolute FP Canada Inc.," dated February 21, 2017
Supplemental Questionnaire – Resolute I	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Non-Stumpage Programs – First Supplemental Questionnaire for Resolute FP Canada Inc.," dated March 22, 2017
Supplemental Questionnaire – Resolute IIa	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Non-Stumpage Programs – Second Supplemental Questionnaire for Resolute FP Canada Inc.," dated March 24, 2017
Supplemental Questionnaire – Resolute IIb	Letter from the Department to Resolute, "Non-Stumpage Programs – Addendum to Second Supplemental Questionnaire for Resolute FP Canada Inc.," dated April 3, 2017
Supplemental Questionnaire – Resolute III	Letter from the Department to Resolute, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Stumpage Programs – {Stumpage Programs -} First Supplemental Questionnaire for Resolute FP Canada Inc.," dated March 30, 2017
Supplemental Questionnaire – Tolko Benchmark	Letter from the Department to Tolko, "Certain Softwood Lumber from Canada: Supplemental Questionnaire for Tolko," dated March 30, 2017
Supplemental Questionnaire – West Fraser Ia	Letter from the Department to West Fraser, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Non-Stumpage Programs – First Supplemental Questionnaire for West Fraser Mills Ltd.," dated April 4, 2017
Supplemental Questionnaire – West Fraser Ib	Letter from the Department to West Fraser, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Addendum to First Supplemental Questionnaire for West Fraser Mills Ltd.," dated April 6, 2017
Supplemental Questionnaire – West Fraser Affiliation	Letter from the Department to West Fraser, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada," dated February 9, 2017
Supplemental Questionnaire – Peition I	Letter from the Department to Petitioner, "Petitions for the Imposition of Antidumping Duties and Countervailing Duties on Imports of Certain Softwood Lumber Products From Canada: Supplemental Questions," dated November 30, 2016
Supplemental Questionnaire – Peition II	Letter from the Department to Petitioner, "Petition for the Imposition of Countervailing Duties on Imports of Certain Softwood Lumber from Canada: Supplemental Questions," dated December 2, 2016
Tembec Comments – CBP Data	Letter from Tembec Inc., "Certain Softwood Lumber Products from Canada: Comments on CBP Data," dated December 29, 2016
Terminal Comments – Scope I	Letter from Terminal Forest Products Ltd., "Certain Softwood Lumber from Canada (A-122-857/C-122-858): Scope Comments," dated January 9, 2017
Terminal Comments – Scope II	Letter from Terminal, "Certain Softwood Lumber from Canada (A-122-857/C-122-858): Rebuttal Scope Comments," dated March 31, 2017
Tolko Additional Sales Information	Letter from Tolko, "Certain Softwood Lumber Products from Canada: Affiliated Party Submission," dated April 17, 2017
Tolko Affiliation Response	Letter from Tolko, "Certain Softwood Lumber Products from Canada: Affiliated Party Submission," dated February 8, 2017

Tolko Benchmark Information – Rebuttal	“Letter from Tolko,” “Certain Softwood Lumber Products from Canada: Response to Petitioner Benchmark Information Submitted on March 27, 2017,” dated April 5, 2017
Tolko Benchmark Submission	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Benchmark Factual Information Submission,” dated March 27, 2017
Tolko Comments – Pre-Prelim	Letter from Tolko, “Tolko Pre-Preliminary Determination Comments,” dated April 11, 2017
Tolko Comments – Reporting Exclusions I	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Further Comments on Reporting Exclusion Request,” dated February 8, 2017
Tolko Comments – Reporting Exclusions II	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Further Comments on Reporting Exclusion Request,” dated February 13, 2017
Tolko Corrections	Letter from Tolko, “Certain Softwood Lumber Products from Canada: March 27, 2017 Factual Information Submission Clarification,” dated April 13, 2017
Tolko Memorandum	Department Memorandum, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada – Tolko Marketing & Sales Ltd.,” dated January 18, 2017
Tolko Preliminary Calculation Memorandum	Department Memorandum, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada – Tolko Marketing & Sales Ltd.,” dated April 24, 2017
Tolko QR Distribution Memorandum	Department Memorandum, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Tolko Marketing & Sales Ltd.,” dated January 27, 2017.
Tolko Rebuttal Comments – Scope	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Response to Petitioner Comments Submitted on March 27, 2017,” dated April 3, 2017”
Tolko Request – Reporting Exclusions	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Exclusion Request,” dated February 2, 2017
Tolko Sales Information	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Tolko’s Publicly-Ranged Export Sales Data,” dated April 11, 2017
Tolko Shipment Data1	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Response to Department’s Request for Monthly Sales Data,” dated February 22, 2017
Tolko Shipment Data2	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Response to Department’s Request for Monthly Sales Data, Inclusive of February 2017,” dated March 15, 2017
Tolko Shipment Data3	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Response to Department’s Request for Monthly Sales Data, Inclusive of March 2017,” dated April 17, 2017
TQR	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Response to Section III of the Department’s CVD Questionnaire,” dated March 13, 2017
TSQR	Letter from Tolko, “Certain Softwood Lumber Products from Canada: Cost Table Supplemental Response,” dated April 5, 2017
UFP Comments – Scope	Letter from UFP, “Certain Softwood Lumber Products from Canada: Proposed Clarifying Scope Language Submitted by UFP Western Division, Inc. and UFP Eastern Division, Inc. (A-122-857 C-122-858),” dated April 3, 2017
U.S. Log Price Memorandum	Department Memorandum, “Washington Department of Natural Resources Delivered Log prices for 2015,” dated concurrently with this memorandum.
USFS 2009 Sawmill Profile Memorandum	Department Memorandum, “Placement on Record of Investigation – United States Forestry Service Report, “Profile 2009: Softwood Sawmills in the United States and Canada,” (USFS 2009 Sawmill Profile Memorandum), dated concurrently with this memorandum.
Voluntary Response – Acceptance	Department Memorandum, “Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Whether to Select a Voluntary Respondent,” date April 4, 2017

West Fraser Additional Sales Information	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Information Regarding Co-Products and By-Products Produced in Sawmills," dated April 17, 2017
West Fraser – Benchmark and Errata	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Submission of Additional Factual Information to Measure the Adequacy of Remuneration and Technical Correction to Response to Department's January 19, 2017 Countervailing Duty Questionnaire," dated March 27, 2017
West Fraser Affiliation – Guidance	Department Memorandum, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada," date February 23, 2017
West Fraser Affiliation Response I	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Section III, Questions C.1 and C.2," dated February 7, 2017
West Fraser Affiliation Response II	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Department's February 9, 2017 Affiliation Supplemental Questionnaire," dated February 13, 2017
West Fraser Comments – Pre-Prelim	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Additional Explanation Regarding March 27, 2017 Submission of Additional Factual Information," dated April 17, 2017
West Fraser Corrections	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Additional Explanation Regarding March 27, 2017 Submission of Additional Factual Information," dated April 13, 2017
West Fraser Preliminary Calculation Memorandum	Memorandum to the File, "Preliminary Determination of the Countervailing Duty Investigation on Softwood Lumber Products from Canada: Preliminary Determination Calculations for West Fraser Mills, Ltd. and its cross-owned affiliates," dated April 24, 2017
West Fraser Request – Reporting Exclusions	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Letter Notifying of Reporting Difficulties," dated February 2, 2017
West Fraser Shipment Data1	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to the Department's Request for Monthly Quantity and Value Shipment Data," dated February 22, 2017
West Fraser Shipment Data2	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to the Department's Request for Monthly Quantity and Value Shipment Data," dated March 15, 2017
West Fraser Shipment Data3	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to the Department's Request for Monthly Quantity and Value Shipment Data," dated April 14, 2017
West-Wood Comments – Scope	Letter from West-Wood, "Certain Softwood Lumber from Canada: West-Wood Industries Ltd.," dated April 3, 2017
WFP Comments – Scope	Letter from Western Forest Products, "Softwood Lumber from Canada: Comments on Scope of the Investigation," dated January 9, 2016
WFQR	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Department's January 19, 2017 Countervailing Duty Questionnaire," dated March 14, 2017
WFQR – SQA Stumpage	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Department's March 7, 2017 Request to Submit a Response to the Standard Questions Appendix as It Pertains to Provincial Stumpage Programs," dated March 16, 2017
WFS1QR	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858, Response to Department's April 5, 2017 Countervailing Duty Supplemental Questionnaire," dated April 14, 2017
WFS2QR	Letter from West Fraser, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Department's April 5, 2017 Countervailing Duty Supplemental Questionnaire," dated April 16, 2017

Woodtone Comments – Scope	Letter from Woodtone, ‘Certain Softwood Lumber from Canada (A-122-857/C-122-858): Rebuttal Scope Comments,’ dated April 3, 2017
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D. MISCELLANEOUS TABLE (REGULATORY, COURT CASES, ARTICLES, ETC.)

Short Citation	Complete Title
<i>FFC</i>	Fabrique de Fer de Charleroi, SA v. United States, 166 F. Supp. 2d 593, 600-604 (CIT 2001)
IRS Pub 946	U.S. Internal Revenue Service Publication 946 (2008), “How to Depreciate Property,” at Table B-2: Table of Class Lives and Recovery Periods
GNS Private Stumpage Survey	Report on Prices for Standing Timber Sales from Nova Scotia Private Woodlots for the Period April 1, 2015 through March 31, 2016
<i>MacLean-Fogg</i>	MacLean-Fogg Co. v. United States, 753 F.3d 1237 (Fed. Cir. 2014)
SAA	The Statement of Administrative Action, URAA, H. Doc. 316, Vol. 1, 103d Cong. (1994)
2012 PFTF Report	Private Forest Task Force Report, “New Approaches for Private Woodlots – Reframing the Forest Policy Debate,” (2012)
Report of the Auditor General – 2008	Auditor General of New Brunswick, “Report of the Auditor General – 2008, Chapter 5: Department of Natural Resources Timber Royalties” (2008)
Report of the Auditor General – 2015	Auditor General of New Brunswick, “Report of the Auditor General – 2015, Volume II, Chapter 4: Department of Natural Resources Private Wood Supply” (2015)

APPENDIX II

Canfor

Programs Preliminarily Determined Not To Provide Countervailable Benefits to Canfor During the POI

Count	Title
1	Alberta Political Tax Contribution Credit
2	Alberta Tax-Exempt Fuel Program for Marked Fuel
3	BC Hydro Power Smart - Energy Studies and Audits Program
4	British Columbia Political Tax Contribution Credit
5	British Columbia Training Tax Credit
6	Forestry Innovation Investment Program
7	Fort St. John and BCTS Refunds
8	Greenhouse Carbon Tax Relief
9	Other Miscellaneous Payments from Alberta
10	Other Miscellaneous Payments from British Columbia
11	Property Tax Program for Private Forest Land
12	Revitalization Property Tax Exemption - Houston
13	Scientific Research and Experimental Development Tax Credit (British Columbia)
14	Unidentifiable Payments from the Federal Government

Programs Preliminarily Determined Not To Be Used by Canfor During the POI

Count	Title
1	Alberta's Tax Rebates for Clear Fuel
2	Apprenticeship Job Creation Tax Credit
3	BC Hydro Electricity Purchase Agreements
4	BC Hydro: Load Curtailment Program
5	Credits for the Construction and Major Repair of Access Roads and Bridges in Forest Areas
6	Export Development Canada: Export Guarantee Program
7	Federal Forestry Industry Transformation Program
8	Forest Industry Grants under the Forest Sector Prosperity Fund
9	Forest Innovation Program
10	Manitoba Stumpage
11	Motor Fuel Tax Refund for Off-Highway Purposes
12	New Brunswick License Management Fees
13	New Brunswick LIREPP
14	New Brunswick Provision of Silviculture Grants
15	New Brunswick Stumpage
16	Northern Industrial Electricity Rate Program
17	Ontario Stumpage

18	Property Tax Refund for Forest Producers on Private Woodlots in Quebec
19	Purchase of Electricity for MTAR under PAE 2011-01
20	Quebec Stumpage
21	Revitalization Property Tax Exemption - Mackenzie
22	Sales of Electricity to Alberta Energy Systems Operator
23	Saskatchewan Stumpage
24	Scientific Research and Experimental Development Tax Credit (Alberta)
25	Special Stumpage Arrangements Related to Non-Subject Merchandise
26	Sustainable Development Technology Canada
27	Tax Credits for Investments Relating to Manufacturing and Processing Equipment
28	Western Economic Diversification Canada - Western Development Program
29	Western Economic Diversification Canada - Western Innovation Initiative
30	WorkSafe BC - Experience Rating System

Irving

Programs Preliminarily Determined Not To Provide Countervailable Benefits to Irving During the POI

Count	Title
1	Apprenticeship Job Creation Tax Credit
2	Atlantic Canada Opportunities Agency – Business Development Program
3	Canada Summer Jobs Program
4	Efficiency New Brunswick Industrial Program
5	Efficiency Nova Scotia
6	High Energy Use Tax Rebate Grant
7	National Research Council Industrial Research Assistance Program
8	New Brunswick Climate Action Fund Grant
9	New Brunswick Forestry Industry Remission Program
10	Northern New Brunswick Economic Development and Innovation Fund
11	Nova Scotia Manufacturing and Processing Investment Credit
12	PNB Forest Workforce Training
13	Province of New Brunswick Financial Assistance to Industry Program Loan

Programs Preliminarily Determined Not To Be Used by Irving During the POI

Count	Title
1	Federal Forestry Industry Transformation Program
2	Sustainable Development Technology Canada
3	Forest Innovation Program
4	Export Development Corporation: Export Guarantee Program
5	Western Economic Diversification Canada - Western Development Program
6	Western Economic Diversification Canada - Western Innovation Initiative
7	Alberta Stumpage
8	Alberta Tax-Exempt Fuel Program for Marked Fuel
9	Alberta's Tax Rebates for Clear Fuel
10	BC Stumpage
11	Log Export Restraints
12	BC Hydro Power Smart Load Displacement Program
13	BC Hydro Electricity Purchase Agreements
14	Motor Fuel Tax refund for Off-Highway Purposes
15	Manitoba Stumpage
16	Ontario Stumpage
17	Northern Industrial Electricity Rate Program
18	Forest Industry Grants under the Forest Sector Prosperity Fund
19	Quebec Stumpage
20	Purchase of Electricity for MTAR under PAE 2011-01

21	Property Tax Refund for Forest Producers on Private Woodlands in Quebec
22	Tax Credits for Investments Relating to Manufacturing and Processing Equipment
23	Credits for the Constructions and Major Repair of Access Roads and Bridges in Forest Areas
24	Saskatchewan Stumpage

Resolute

Programs Preliminarily Determined Not To Provide Countervailable Benefits to Resolute During the POI

Count	Title
1	Aboriginal Programs
2	Cooperative Education Tax Credit
3	ecoEnergy Renewable Power
4	ecoPerformance
5	Forest Innovation Program
6	Formabols
7	Innovation and Development for the Region of Manicouagan
8	MFFP Educational Grant
9	OERD Programs
10	Quebec Financial Aid for the Development of Private Woodlots
11	Refund of Fuel Tax Paid on Fuel Used for Certain Purposes
12	Rexforet - Silviculture Works: Forest Camps
13	Rexforet - Silviculture Works: Road Maintenance
14	Scientific Research and Experimental Development Program
15	Tax Credits for Investments Relating to Manufacturing and Processing Equipment
16	Workforce Skills Development and Recognition Fund

Programs Preliminarily Determined Not To Be Used by Resolute During the POI

Count	Title
1	Alberta Tax Rebates for Clear Fuel
2	Alberta Tax-Exempt Fuel Program for Market Fuel
3	Apprenticeship Job Creation Tax Credit
4	BC Hydro's Electricity Purchase Agreements
5	BC Hydro's Power Smart Load Displacement Program
6	BC Log Export Restraints
7	BC Motor Fuel Tax Refund for Off-Highway Purposes
8	ecoEnergy Efficiency for Industry Program
9	Export Development Canada: Export Guarantee Program
10	Federal Logging Tax Credit
11	Federal Research Consortium
12	Grants Under the Federal Forestry Industry Transformation Program
13	IESO Industrial Electricity Incentives
14	New Brunswick License Management Fees
15	New Brunswick Provision of Silviculture Grants
16	New Brunswick's LIREPP
17	Ontario Loan Guarantees under the Forest Sector Loan Guarantee Program
18	Ontario Scientific Research and Development Tax Credit

19	Provision of Stumpage for LTAR by GOBC, GOA, GOS, GOM, and GNB
20	Quebec Logging Tax Credit
21	Regional Tax Credit Program for Job Creation in Quebec
22	Research Consortium Tax Credit
23	Scientific Research and Experimental Development Program
24	Sustainable Development Technology Canada
25	Tax Holiday for Large Investment Projects
26	Tax Incentives for Private Forest Producers – Deduction of Taxable Income for Forest Producers on Private Woodlands in Quebec
27	Western Economic Diversification: Western Diversification Program
28	Western Economic Diversification: Western Innovation Initiative

Tolko

Programs Preliminarily Determined Not To Provide Countervailable Benefits to Tolko During the POI

Count	Title
1	Alberta - Stumpage Overpayment Adjustment
2	Alberta - Bioenergy Commercialization and Market Development (BCMDP)
3	Alberta - Softwood Lumber Surge Export Tax Recapture
5	BC - Arrangement with Select Seed
6	BC - Employer Innovation Fund
7	BC - Greenhouse Carbon Tax Relief
8	BC - Managed Forest Lands
9	BC - Operational Tree Improvement
10	BC - Partial Recovery of Canadian Standards Association Qualification Expenses
11	BC - Payments for Aerial Inventory Photography (LIDAR)
12	BC - Payments for Fire Suppression Services
13	BC - Payments for Road Maintenance Activities
14	BC - Pitch Moth Pest Removal
15	BC - Port Authority Cost Reduction
16	BC - WCB Wage Loss Reimbursement
17	BC Hydro Power Smart: Energy Studies
18	BC Hydro Power Smart: Incentives Study
19	BC Motor Fuel Refund for Off-Highway Purposes
20	BC Training Tax Credit
21	BCTS Security Deposit Refunds for Unsuccessful BCTS Bids
22	British Columbia Timber Sales (BCTS) Standing Timber Inventory
23	Canada BC Job
24	Federal Forestry Industry Transformation Program (IFIT)
25	Forest Genetics Alberta
26	Forest Innovation Program
27	GOC- NRCAN Energy Efficiency for Industry
28	Manitoba - Aerial Herbicide Spraying
29	Manitoba - Annual Fee for Usage (Grass River Bridge)
30	Manitoba - Asbestos Removal
31	Manitoba - Assistance Related to Winter Road Maintenance and Bridge Use
32	Manitoba - Hand Planting of Overwinter Seedlings
33	Manitoba - Herbicide Treatment
34	Manitoba - Payments Pursuant to Cost Sharing Arrangement
35	Manitoba - Planting and Landscaping
36	Manitoba - Settlement for Phase-Out of Commercial Logging in the Grass River Provincial Park

37	Manitoba - Silviculture Project
38	Manitoba - Satellite Imagery Cost Sharing
39	Manitoba Land Settlement for Removal of Commercial Logging Areas
40	Manitoba Paid Work Experience Tax Credit
41	Manitoba- PCB removal at Tolko's Kraft Paper Mill
42	Manitoba Pulp Seedling Rebate
43	Miscellaneous Payments from GBC

Programs Preliminarily Determined Not To Be Used by Tolko During the POI

Count	Title
1	Accelerated Capital Cost Allowance for Class 29 Assets
2	Alberta - Property Tax Assessment Adjustment
3	Alberta's Tax Rebates for Clear Fuel
4	Apprenticeship Job Creation Tax Credit
5	BC Hydro Power Smart: Load Curtailment
6	Blowdown Salvage Stumpage Credits- Saskatchewan
7	Export Development Canada: Export Guarantee Program
8	Forestry Industry Grants Under the Ontario Forest Sector Prosperity Fund
9	GNB - Provision of Stumpage for LTAR
10	GOM - Provision of Stumpage for LTAR
11	GOO - Provision of Stumpage for LTAR
12	GOQ - Credits for the Construction and Major Repair of Public Access Roads and Bridges in Forest Areas
13	GOQ - Tax Credits for Investments Relating to Manufacturing and Processing Equipment
14	GOQ - Tax Holiday for Large Investment Projects
15	GOQ -Provision of Stumpage for LTAR
16	GOQ Purchase of Electricity for MTAR under PAE 2011-01
17	GOS - Provision of Stumpage for LTAR
18	MB Hydro Load Displacement Credit
19	New Brunswick License Management Fees
20	New Brunswick Provision of Silviculture Grants
21	New Brunswick's LIREPP
22	Ontario Loan Guarantees Under the Forest Sector Loan Guarantee Program
23	Ontario's Northern Industrial Electricity Rate Program
24	Quebec Financial Aid for the Development of Private Woodlots
25	Regional Tax Credit Program for Job Creation in Quebec
26	Scientific Research & Experimental Development Tax Incentive Program - British Columbia
27	Scientific Research & Experimental Development Tax Incentive Program - Federal
28	Scientific Research & Experimental Development Tax Incentive Program - Saskatchewan

29	Sustainable Development Technology Canada (SDTC)
30	Tax Incentives for Private Forest Producers - Deduction of Taxable Income for Forest Producers on Private Woodlands in Quebec
31	Tax Incentives for Private Forest Producers - Property Tax Refund for Forest Producers on Private Woodlands in Quebec
32	Western Economic Diversification - Western Development Program (WDP)
33	Western Economic Diversification - Western Innovation Initiative (WINN)

West Fraser

Programs Preliminarily Determined Not To Provide Countervailable Benefits to West Fraser During the POI

Count	Title
1	Alberta Climate Change and Emissions Management Corporation
2	Alberta Innovates - Residual Biomass Estimate
3	Alberta Innovates - Training Grant
4	Alberta Innovates Biosolutions R&D Grant
5	BC Hydro Power Smart Load Displacement Program
6	BC Hydro Power Smart: Industrial Energy Manager Program
7	BC Hydro Power Smart: Energy Studies and Audits Program
8	BC Hydro Power Smart: Industrial Projects Incentives Program
9	BC Hydro Load Curtailment Program
10	Biorefining Commercialization and Market Development Program
11	British Columbia Training Tax Credit
12	Canada Alberta Job Grant
13	ecoENERGY Efficiency for Industry Program
14	Ecotrust Canada Eco-Energy Program
15	Federal Forestry Industry Transformation Program
16	Forest Resources and Planning Act Section 108 Payments
17	Miscellaneous Payments from the Ministry of Jobs, Tourism and Skills Training
18	Miscellaneous Payments: Wage Reimbursement - Quesnel
19	Miscellaneous Payments: Employee Training - Quesnel
20	Mountain Caribou Recovery Implementation Plan
21	Political Contribution Tax Credit
22	Property Taxation of Private Forest Land
23	Pulp and Paper Green Transformation Program
24	Revitalization Property Tax Exemption - Chetwynd
25	Sustainable Development Technology Canada
26	Water and Sewage Treatment Payments - Quesnel
27	Western Economic Diversification - Western Development Program
28	Western Economic Diversification - Community Adjustment Fund

Programs Preliminarily Determined Not To Be Used by West Fraser During the POI

Count	Title
1	Alberta's Tax Rebates for Clear Fuel
2	Export Development Canada: Export Guarantee Program
3	Forest Innovation Program
4	Motor Fuel Taxes refund for Off-Highway Purposes
5	Western Economic Diversification - Western Innovation Initiative (WINN)