



C-122-858
Administrative Review
POR: 04/28/2017 – 12/31/2018
Public Document
E&C/OI & III: Team

January 31, 2020

MEMORANDUM TO: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

FROM: Erin Begnal
Director, Office III
Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of
Administrative Review of the Countervailing Duty Order on
Certain Softwood Lumber Products from Canada; 2017 – 2018

I. SUMMARY

Commerce is conducting an administrative review of the *CVD Order* on softwood lumber from Canada covering the POR April 28, 2017 through December 31, 2018. Commerce initiated an administrative review of several hundred companies¹ and selected the following companies for individual review: Canfor, JDIL, Resolute, and West Fraser.²

If these preliminary results are adopted in the final results of review, we will instruct CBP to assess countervailing duties on all appropriate entries of subject merchandise during the POR at the CVD rates found in these preliminary results, or if the CVD rates are revised, at the CVD rates found in the final results. Interested parties are invited to comment on these preliminary results. Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we will issue the final results no later than 120 days after the publication of these preliminary results.

Additionally, as discussed below, we will issue a post-preliminary decision memorandum to address those programs not addressed in these preliminary results.

¹ See *Initiation Notice*.

² See Respondent Selection Memorandum; see also Voluntary Respondent Selection Memorandum.

II. BACKGROUND

On January 3, 2018, Commerce published the *CVD Order* on softwood lumber from Canada.³ On February 8, 2019, we published a notice of “Opportunity to Request Administrative Review” of the *CVD Order*.⁴ Commerce received timely requests to conduct an administrative review of the *CVD Order* from the petitioner,⁵ Canfor, JDIL, Resolute, West Fraser, and several hundred additional companies.⁶ Based upon these requests, Commerce initiated an administrative review of the *CVD Order* on softwood lumber from Canada on April 1, 2019, covering all companies for which a review was requested.⁷

On April 1, 2019, the petitioner filed an NSA submission that included NSAs that Commerce deferred from the investigation.⁸

On May 17, 2019, Commerce selected the following firms as mandatory respondents: Canfor, Resolute, and West Fraser.⁹ On July 18, 2019, we also determined to treat JDIL as a voluntary respondent because: (1) it was the first firm to submit a request for voluntary treatment;¹⁰ (2) it met the filing deadlines for all information requests; and (3) Commerce found that it is not unduly burdensome to include JDIL as a voluntary respondent.¹¹

On July 5, 2019, Commerce published the *Lumber V Final Results of Expedited Review*, in which it excluded D&G, Lemay, MLI, NAFP (located in Saint-Quentin, New Brunswick), and Roland from the *CVD Order*.¹²

On August 1, 2019, Commerce placed on the record of the instant review the NSAs that Commerce deferred from the investigation.¹³ On August 6 and August 20, 2019, the petitioner filed additional NSAs.¹⁴

³ See *CVD Order*.

⁴ See *Opportunity Notice*. This notice indicated that Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019, and identified the deadline in which interested parties may request an administrative review of the *CVD Order*.

⁵ The petitioner is the Coalition, an *ad hoc* association whose members are: U.S. Lumber Coalition, Inc.; Collum’s Lumber Products, L.L.C.; Hankins, Inc.; Potlatch Corporation; Rex Lumber Company; Seneca Sawmill Company; Stimson Lumber Company; Swanson Group; Weyerhaeuser Company; Carpenters Industrial Council; Giustina Land and Timber Company; and Sullivan Forestry Consultants, Inc.

⁶ See *Initiation Notice*; see also company-specific requests submitted in ACCESS.

⁷ See *Initiation Notice*.

⁸ See NSA First Submission.

⁹ See Respondent Selection Memorandum.

¹⁰ *Id.* at 9.

¹¹ See Voluntary Respondent Selection Memorandum.

¹² See *Lumber V Final Results of Expedited Review*.

¹³ See NSA Deferred from Investigation.

¹⁴ See NSA Second Submission; see also NSAs Regarding Resolute.

On September 6, 2019, Commerce extended the deadline for the preliminary results of this administrative review from October 3, 2019, to January 31, 2020, in accordance with 19 CFR 351.213(h)(2).¹⁵

On October 31, 2019, Commerce initiated investigations of additional subsidy programs based on the petitioner's NSAs.¹⁶ On November 6, 2019, Commerce initiated investigations of additional subsidy programs based on the petitioner's first and second NSA submissions.¹⁷

For information on all other filings made by Commerce and interested parties, *see* Citation Appendix that is included with this memorandum.

III. RESCISSION OF REVIEW

As discussed above, pursuant to 19 CFR 351.214(k)(3)(iv) we determined in the *Lumber V Final Results of Expedited Review* that D&G, MLI, NAFF, Roland, and Lemay are excluded from the *CVD Order*. On January 15, 2020, Commerce issued a memorandum stating our intention to rescind this administrative review with respect to D&G, MLI, NAFF, Roland, and Lemay, consistent with our determination in the *Lumber V Final Results of Expedited Review*.¹⁸ Therefore, we are rescinding the administrative review of D&G, MLI, NAFF, Roland, and Lemay. Commerce's practice with respect to exclusions of companies from a CVD order is to exclude the subject merchandise both produced and exported by those companies.¹⁹ Following the final results of the *Lumber V Final Results of Expedited Review*, we instructed CBP to discontinue the suspension of liquidation on all shipments of softwood lumber produced and exported by D&G, MLI, NAFF, Roland, and Lemay, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the *Lumber V Final Results of Expedited Review* (*i.e.*, July 5, 2019).²⁰ In addition, Commerce instructed CBP to liquidate, without regard to countervailing duties, all suspended entries of shipments of softwood lumber produced and exported by D&G, MLI, NAFF, Roland, and Lemay, and to refund all cash deposits of estimated countervailing duties collected on all such shipments.²¹ Merchandise which D&G, MLI, NAFF, Roland, and Lemay exports but does not produce, as well as merchandise D&G, MLI, NAFF, Roland, and Lemay produces but is exported by another company, remains subject to the CVD order.

Additionally, in the Intent to Rescind In Part Memorandum, Commerce explained that the petitioner, Fontaine, Inc., and Mobilier Rustique withdrew their respective requests for administrative review. Commerce is rescinding the administrative review in part for those

¹⁵ *See* Memorandum, "Certain Softwood Lumber Products from Canada: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review – 2017-2018," September 6, 2019.

¹⁶ *See* NSA Memorandum – Resolute Allegations; *see also* NSAs Regarding Resolute.

¹⁷ *See* NSA Memorandum – RE: 1st and 2nd NSA Submissions; *see also* NSA First Submission; and NSA Second Submission.

¹⁸ *See* Intent to Rescind In Part Memorandum.

¹⁹ *See Lumber V Final Results of Expedited Review*, 84 FR at 32122 (citing *CORE CVD Order*, 81 FR 48387).

²⁰ *Id.*; *see also* CBP Message Number 9214302, dated August 2, 2019.

²¹ *See Lumber V Final Results of Expedited Review*, 84 FR at 32122; *see also* CBP Message Number 9234309, dated August 22, 2019.

companies for which the request for review was withdrawn and for which no other party requested a review.²²

IV. PERIOD OF REVIEW

The POR is April 28, 2017 through December 31, 2018. As a result, the POR of this review exceeds one CY. Consistent with Commerce's practice, we have therefore calculated benefits and net subsidy rates for two periods, CY 2017 and CY 2018.²³ We based the benefit and net subsidy rate calculations for CY 2017 and CY 2018 on the respondents' subsidy usage for the entire CY. Subsidy rates calculated for CY 2017 will be used as the assessment rate for subject merchandise that entered the United States during the period April 28, 2017 through December 31, 2017, and subsidy rates calculated for CY 2018 will be used as the assessment rate for subject merchandise that entered the United States during period January 1, 2018 through December 31, 2018. Additionally, the subsidy rates calculated for CY 2018 will be used as the basis for cash deposit rates. Our approach in this regard is consistent with Commerce's practice.²⁴

V. SCOPE OF THE ORDER

The merchandise covered by this order 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.
- 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.

Finished products are not covered by the scope of this order. For the purposes of this scope, finished products contain, or are comprised of, subject merchandise and have undergone sufficient processing such that they can no longer be considered intermediate products, and such

²² See Intent to Rescind In Part Memorandum.

²³ See, e.g., *Aluminum Extrusions from China Ist AR*, 79 FR at 107-108.

²⁴ *Id.*

products can be readily differentiated from merchandise subject to this order at the time of importation. Such differentiation may, for example, be shown through marks of special adaptation as a particular product. The following products are illustrative of the type of merchandise that is considered “finished,” for the purpose of this scope: I-joists; assembled pallets; cutting boards; assembled picture frames; garage doors.

The following items are excluded from the scope of this order:

- Softwood lumber products certified by the Atlantic Lumber Board as being first produced in the Provinces of Newfoundland and Labrador, Nova Scotia, or Prince Edward Island from logs harvested in Newfoundland and Labrador, Nova Scotia, or Prince Edward Island.
- U.S.-origin lumber shipped to Canada for processing and imported into the United States if the processing occurring in Canada is limited to one or more of the following: (1) Kiln drying; (2) planing to create smooth-to-size board; or (3) sanding.
- Box-spring frame kits if they contain the following wooden pieces—two side rails, two end (or top) rails and varying numbers of slats. The side rails and the end rails must be radius-cut at both ends. The kits must be individually packaged and must contain the exact number of wooden components needed to make a particular box-spring frame, with no further processing required. None of the components exceeds 1” in actual thickness or 83” in length.
- Radius-cut box-spring-frame components, not exceeding 1” in actual thickness or 83” in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantially cut so as to completely round one corner.

Softwood lumber product imports are generally entered under Chapter 44 of the HTSUS. This chapter of the HTSUS covers “Wood and articles of wood.” Softwood lumber products that are subject to this order are currently classifiable under the following ten-digit HTSUS subheadings in Chapter 44: 4406.11.00.00; 4406.91.00.00; 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; 4407.11.00.01; 4407.11.00.02; 4407.11.00.42; 4407.11.00.43; 4407.11.00.44; 4407.11.00.45; 4407.11.00.46; 4407.11.00.47; 4407.11.00.48; 4407.11.00.49; 4407.11.00.52; 4407.11.00.53; 4407.12.00.01; 4407.12.00.02; 4407.12.00.17; 4407.12.00.18; 4407.12.00.19; 4407.12.00.20; 4407.12.00.58; 4407.12.00.59; 4407.19.05.00; 4407.19.06.00; 4407.19.10.01; 4407.19.10.02; 4407.19.10.54; 4407.19.10.55; 4407.19.10.56; 4407.19.10.57; 4407.19.10.64; 4407.19.10.65; 4407.19.10.66; 4407.19.10.67; 4407.19.10.68; 4407.19.10.69; 4407.19.10.74; 4407.19.10.75; 4407.19.10.76; 4407.19.10.77; 4407.19.10.82; 4407.19.10.83; 4407.19.10.92; 4407.19.10.93; 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; 4418.50.0010; 4418.50.00.30; 4418.50.0050; and 4418.99.10.00.²⁵

Subject merchandise as described above might be identified on entry documentation as stringers, square cut box-spring-frame components, fence pickets, truss components, pallet components, flooring, and door and window frame parts. Items so identified might be entered under the following ten-digit HTSUS subheadings in Chapter 44: 4415.20.40.00; 4415.20.80.00; 4418.99.90.05; 4418.99.90.20; 4418.99.90.40; 4418.99.90.95; 4421.99.70.40; and 4421.99.97.80.

Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.²⁶

VI. SUBSIDIES VALUATION

A. Allocation Period

Commerce normally allocates the benefits from non-recurring subsidies over the AUL of renewable physical assets used in the production of subject merchandise. Commerce 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.²⁷ Commerce notified the respondents of the 10-year AUL in the Initial Questionnaire and requested data accordingly.²⁸ No party in this administrative review 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.

B. Attribution of Subsidies

In accordance with 19 CFR 351.525(b)(6)(i), Commerce 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

²⁵ The following HTSUS numbers have been deleted, deactivated, replaced, or are invalid: 4407.10.0101, 4407.10.0102, 4407.10.0115, 4407.10.0116, 4407.10.0117, 4407.10.0118, 4407.10.0119, 4407.10.0120, 4407.10.0142, 4407.10.0143, 4407.10.0144, 4407.10.0145, 4407.10.0146, 4407.10.0147, 4407.10.0148, 4407.10.0149, 4407.10.0152, 4407.10.0153, 4407.10.0154, 4407.10.0155, 4407.10.0156, 4407.10.0157, 4407.10.0158, 4407.10.0159, 4407.10.0164, 4407.10.0165, 4407.10.0166, 4407.10.0167, 4407.10.0168, 4407.10.0169, 4407.10.0174, 4407.10.0175, 4407.10.0176, 4407.10.0177, 4407.10.0182, 4407.10.0183, 4407.10.0192, 4407.10.0193; and 4418.90.2500. These HTSUS numbers however have not been deactivated in CBP's ACE secure data portal, as they could be associated with entries of unliquidated subject merchandise.

²⁶ See *CVD Order*, 83 FR at 349.

²⁷ See *Lumber V Final IDM* at 8; see also *Lumber V Prelim PDM* at 11.

²⁸ See Initial Questionnaire at AUL Appendix.

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 Commerce'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 Commerce's regulations further clarifies Commerce's cross-ownership standard.²⁹ 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.³⁰

Thus, Commerce'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 has affirmed as lawful Commerce'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.³¹

1. *Canfor*

Canfor Corporation identified the following companies as cross-owned and provided questionnaire responses on their behalf:³²

- Canfor Corporation;
- CFP;

²⁹ See *CVD Preamble*, 63 FR at 65401-02.

³⁰ *Id.*, 63 FR at 65401.

³¹ See *FFC*, 166 F. Supp. 2d at 600-04.

³² See Canfor Affiliation Response at 3-4.

- CWPM

Canfor Corporation reports the following roles for each of the companies:³³

- 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, Commerce 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 review. For CFP, the producer of subject merchandise, Commerce 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).³⁴

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.³⁵ Canfor Corporation, via CFP, owns 54.8 percent of Canfor Pulp's shares.³⁶ 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-ownership provided in 19 CFR 351.525(b)(6)(vi).³⁷ 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.³⁸ Finally, Canfor Corporation indicated that, during the POR, the company exported some subject merchandise produced by unaffiliated Canadian producers to the United States. Based on the information provided, Commerce determined that full questionnaire responses for these unaffiliated producers were not required.³⁹

³³ *Id.* at 3.

³⁴ 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.

³⁵ *See* Canfor Affiliation Response at 3.

³⁶ *Id.* at 3.

³⁷ *Id.* at Exhibit 2.

³⁸ *Id.* at 15-18.

³⁹ *See* Response to Canfor Letter.

2. *JDIL*

JDIL identified more than 200 companies with which it is cross-owned or affiliated.⁴⁰ 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.⁴¹ Additionally, JDIL identified the following cross-owned companies as having supplied timber inputs to JDIL during the POI, and responded to Commerce's questionnaires on their behalf:⁴²

- 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,⁴³ in accordance with 19 CFR 351.525(b)(6)(i). For subsidies received by the cross-owned input suppliers, we are attributing the benefit from these subsidies received to the combined sales (net of intercompany sales) of JDIL and the cross-owned company in accordance with 19 CFR 351.525(b)(6)(iv). In the questionnaire responses JDIL provided for the four holding companies, none of these companies reported receiving 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 reviewed programs that would warrant attribution to JDIL under 19 CFR 351.525(b)(iii).

3. *Resolute*

Resolute identified the following companies and their roles, and responded to Commerce's questionnaires on their behalf:⁴⁴

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

⁴⁰ See J.D. Irving Company Affiliation Response at Exhibit 1.

⁴¹ The identity of these holding companies is business proprietary information.

⁴² See J.D. Irving Company Affiliation Response at 1.

⁴³ JDIL consists of 10 operating divisions. The company's total sales have been adjusted to account for interdivisional sales. See JDIL Preliminary Calculation Memorandum.

⁴⁴ See Resolute Company Affiliation Response at 3 and Exhibit 1; see also Resolute July 30, 2019 QNR Response for Mauricie at 1 and 3.

Resolute reports the following roles for each of the companies:⁴⁵

- Resolute: Producer of softwood lumber and a wide range of other products and holding company for Resolute's ownership in affiliates that produce subject and non-subject products in Canada. Resolute is wholly owned by Resolute Forest Products.
- Resolute Growth: Sister company of Resolute and a producer of softwood lumber. Resolute Growth is wholly owned by Resolute Forest Products.
- Mauricie: Producer of subject merchandise that is a limited partnership in which Resolute has a 93.18 percent interest.
- Abitibi-Bowater: Non-operating holding company that owns 100 percent of Resolute's shares.
- Bowater: Non-operating holding company that owns trademarks. Bowater is a wholly owned by Resolute Forest Products.
- Resolute Forest Products: U.S. parent holding company incorporated in Delaware.

We preliminarily determine that Resolute, Resolute Growth, Mauricie, Abitibi-Bowater, Bowater, and Resolute Forest Products are cross-owned affiliated companies within the meaning of 19 CFR 351.525(b)(6)(vi). Because Resolute, Resolute Growth, and Mauricie are producers of softwood lumber, we preliminarily attribute the benefit from subsidies that Resolute, Resolute Growth, or Mauricie received to the combined sales (net of intercompany sales) of Resolute, Resolute Growth, and Mauricie 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.⁴⁶

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

4. *West Fraser*

West Fraser identified the following companies and their roles, and responded to the Commerce's questionnaires on their behalf:⁴⁷

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

⁴⁵ *Id.*

⁴⁶ See 19 CFR 351.525(b)(6)(iii).

⁴⁷ See West Fraser Affiliation Response at 4-5 Exhibit WF-AFF-1; see also Clarification of BPI Treatment of West Fraser Reporting Entities.

West Fraser reports the following roles for each of the companies:⁴⁸

- WF Timber: West Fraser's corporate parent holding company. WF Timber owns 100 percent of West Fraser.
- West Fraser: Produces softwood lumber and a wide range of other products and holding company for West Fraser's ownership in affiliates that produce subject and non-subject 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.
- Manning: Produces softwood lumber.

We preliminarily determine WF Timber, West Fraser, Blue Ridge, Sunpine, Sundre, and Manning are cross-owned affiliated companies within the meaning of 19 CFR 351.525(b)(6)(vi). Because Blue Ridge, Sundre, Manning and West Fraser are producers of softwood lumber, we preliminarily attribute the benefit from subsidies that Blue Ridge, Sundre, Manning or West Fraser received to the combined sales (net of intercompany sales) of Blue Ridge, Sundre, Manning, and West Fraser in accordance with 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).⁴⁹

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

C. Denominators

In accordance with 19 CFR 351.525(b)(1)-(5), Commerce considers the basis for the respondents' receipt of benefits under each program when attributing subsidies, *e.g.*, to the respondents' export or total sales. The denominators we used to calculate the countervailable subsidy rate for the various subsidy programs described below are identified in the Preliminary Results Calculations Memoranda prepared for these preliminary results.⁵⁰

D. Loan Interest Rate Benchmarks and Discount Rates

Commerce is examining loans provided to JDIL that were outstanding during the POR. The loans are denominated in Canadian dollars (C\$). We are also examining non-recurring, allocable subsidies that the respondents received.⁵¹ In the section below, we discuss the derivation of the benchmarks and discount rates for the POR and the years comprising the AUL period.

⁴⁸ See West Fraser Affiliation Response at 4-5 Exhibit WF-AFF-1; *see also* Clarification of BPI Treatment of West Fraser Reporting Entities.

⁴⁹ See *Coated Paper from China* IDM at Comment 35.

⁵⁰ See Canfor Preliminary Calculation Memorandum; *see also* JDIL Preliminary Calculation Memorandum; Resolute Preliminary Calculation Memorandum; and West Fraser Preliminary Calculation Memorandum.

⁵¹ See 19 CFR 351.524(b)(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, Commerce uses comparable commercial loans reported by the company for establishing an interest rate benchmark.⁵² If the firm did not receive any comparable commercial loans during the relevant periods, Commerce’s regulations provide that we “may use a national average interest rate for comparable commercial loans.”⁵³ 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 submitted information showing the interest rates, along with the underlying data, that it paid on non-government provided long-term commercial loans.⁵⁴ We determine that these loans meet the definition of a “comparable commercial loan” under 19 CFR 351.505(a)(2). Accordingly, we have used the interest rates on JDIL’s comparable commercial loans as a benchmark to analyze the long-term government provided loans that were outstanding during the POR.⁵⁵

Discount Rates

Under 19 CFR 351.524(d)(3)(i)(A), Commerce uses as its discount rate the long-term interest rates described above for each year in which the government approved non-recurring subsidies. However, we preliminarily determine that we do not require the use of discount rates in these preliminary results.

VII. 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 LTAR*⁵⁶

The term stumpage refers to the sales price of standing timber. In this administrative review, 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. Based on the information provided by the

⁵² See 19 CFR 351.505(a)(3)(i).

⁵³ See 19 CFR 351.505(a)(3)(ii).

⁵⁴ See JDIL IQR at Exhibit ACOA-03.

⁵⁵ We preliminarily find that all of JDIL’s countervailable loans during the POR are not measurable. See JDIL Preliminary Calculation Memorandum.

⁵⁶ 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 POR.

provincial governments of Alberta, British Columbia, New Brunswick, Ontario, and Québec, we preliminarily determine that the operation of the respective stumpage systems is unchanged from the investigation.⁵⁷

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. During the POR, each of the three 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 investigation, Commerce determined, consistent with section 771(5)(D)(iii) of the Act, that the Canadian provincial stumpage programs provided a financial contribution, because the provincial governments provided a good to lumber producers, and that good was standing timber. Commerce noted in the investigation that the ordinary meaning of “goods” is broad, encompassing all “property or possessions” and “saleable commodities.”⁵⁸ In the investigation, Commerce 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.’”⁵⁹ Commerce further found that, to the contrary, the term specifically includes “. . . growing crops and other identified things to be severed from real property.”⁶⁰ In the investigation, Commerce 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, Commerce 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.⁶¹

In this review, we find that no information on the record justifies a different conclusion. We continue to find 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 the investigation, 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.

⁵⁷ See *Lumber V Prelim PDM* at 19-24; see also GOQ July 15, 2019 Primary QNR Response at QC-S-26, QC-S-132; GOO July 15, 2019 Primary Stumpage QNR Response at ON-STUMP-22, ON-STUMP-122; GOA IQR at ABII-17-22, ABII-30-32; GBC IQR at BC-I-1-BC-I-7; and GNB IQR Response at NB-AR1-II-3-5, 9-14.

⁵⁸ See *Lumber V Prelim PDM* at 25; unchanged in *Lumber V Final*.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

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.⁶² The SAA also states that, in determining whether the number of industries using a subsidy is large or small, Commerce can take into account the number of industries in the economy in question.⁶³ 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 the investigation, Commerce 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, Commerce 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).⁶⁴ Consistent with the investigation, and based on the evidence on the record of this review, we preliminarily determine that the stumpage programs at issue are specific within the meaning of section 771(5A)(D)(iii)(I) of the Act.⁶⁵

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), Commerce 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

⁶² See SAA at 929.

⁶³ *Id.* at 931.

⁶⁴ See *Lumber V Prelim PDM* at 25; unchanged in *Lumber V Final*.

⁶⁵ See GNB IQR Response at NB-AR1-II-17 and 18, and NB-AR1-STUMP-1; see also GBC IQR at Exhibit BC-AR1-ST-9; GOA IQR at Exhibit AB-AR1-S-11; GOO July 15, 2019 Primary Stumpage QNR Response at Exhibit ON-TAB-1 and ON-TAB-7, GOQ July 15, 2019 Primary QNR Response at QC-S-9 and Exhibit QC-STUMP-12.

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.⁶⁶

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 Commerce 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.⁶⁷

In this review, 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, 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 Commerce 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, Commerce will further consider whether they are open to all prospective buyers, protect confidentiality, and are based solely on price.⁶⁸ The *CVD Preamble* also states that Commerce 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.⁶⁹

As part of our preliminary analysis, we have 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.

⁶⁶ See *CVD Preamble*, 63 FR at 65377.

⁶⁷ *Id.*, 63 FR at 65377; see also *Lumber V Prelim PDM* at 26; and *Lumber V Final IDM* at Comments 13, 16, 18, 28, 31, and 35.

⁶⁸ See *CVD Preamble*, 63 FR at 65377.

⁶⁹ *Id.*

Analysis of Proposed First-Tier Benchmarks

In this review, 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 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.

Alberta

In the investigation, Commerce found the Alberta stumpage market to be distorted because: (1) Crown-origin timber accounted for the vast majority of the harvest volume in the province; (2) a small number of tenure-holding companies dominated the Crown-origin standing timber harvests, ensuring that private-origin standing timber prices track the prices of Crown-origin timber; and (3) a supply “overhang” existed between the volume of Crown-origin standing timber allocated and the volume harvested, which 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.⁷⁰ Similarly, the record of this review indicates that the Alberta stumpage market is distorted for the same reasons. Specifically, we find that the volume of the Crown-origin harvest accounts for nearly all of the standing timber harvest.⁷¹ Furthermore, a small number of tenure-holding companies continue to dominate the Crown-origin standing timber harvests.⁷² Finally, data from the GOA indicate that an “overhang” still exists between the volume of Crown-origin standing timber allocated and the volume harvested.⁷³

⁷⁰ See *Lumber V Final IDM* at Comment 16.

⁷¹ See GOA IQR at Exhibit AB-AR1-S-3 (which shows that Crown lands account for 98.07 percent of the harvest); see also Alberta 1st AR Market Memorandum.

⁷² See GOA IQR at Exhibit AB-AR1-S-1 (indicating that the 10 largest corporations accounted for approximately 84.29 percent of the allocated Crown-origin standing timber volume and 91.02 percent of the harvested Crown-origin standing timber volume); see also Alberta 1st AR Market Memorandum.

⁷³ See GOA IQR at Exhibit AB-AR1-S-1 (indicating firms harvested 80.39 percent of their Crown-origin standing timber allocations); see also Alberta 1st AR Market Memorandum.

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. During the investigation, we found that the GOO's stumpage charge for Crown-origin timber was composed of four components: (1) a minimum charge, (2) a residual value charge, (3) a forest renewal charge, and (4) a forestry futures charge, of which only the forestry renewal charge is determined based on market conditions.⁷⁴ During the POR, the GOO's stumpage charge was determined in the same manner. 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.

In choosing a benchmark to calculate the adequacy of remuneration for Crown-origin stumpage in Ontario, we first examined whether stumpage prices for timber from private land in Ontario are market-determined. According to information from the GOO, for FY 2017-2018, Crown-origin timber accounted for 94.8 percent of the harvest volume in Ontario, while the harvest volume of non-Crown-origin softwood timber accounted for the remaining 5.2 percent.⁷⁵ The *CVD Preamble* provides that where a government constitutes a majority, or in certain circumstances, a substantial portion of the market, and "where it is reasonable to conclude that actual transaction prices are significantly distorted as a result of the government's involvement in the market, we will resort to the next alternative in the hierarchy."⁷⁶ Thus, to determine whether there are private transactions for standing timber in Ontario that are suitable as a benchmark, we must first determine whether it is reasonable to conclude that those private transactions are distorted by the government's involvement in the market.

We examined the supply of standing timber in Ontario from the Crown and private sources. The GOO does not allocate harvest volumes to tenure holders; rather, it allocates harvest areas (the AHA) to a tenure holder over the term of an FMP.⁷⁷ Each year a tenure holder develops an AWS in which it sets a target for the area to be harvested, but that target is not binding; the only effective harvest limit is the AHA over a ten-year period.⁷⁸ This arrangement ensures that the Crown supply of timber is flexible on a yearly basis, such that in years when the demand for lumber products is high, tenure holders can consume more than their annual target of public timber at an administered price before turning to the private market for additional supply. Additionally, as we found in the investigation, "{t}he ability to trade Crown timber between mills makes the Crown timber market more flexible and allows tenure holders to harvest more extensively from Crown land before turning to the private market."⁷⁹ The combination of tenure holders being able to harvest at levels above AWS targets and transfer Crown timber between

⁷⁴ See *Lumber V Final IDM* at Comment 31.

⁷⁵ See GOO July 15, 2019 Primary Stumpage QNR Response 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.

⁷⁶ See *CVD Preamble*, 63 FR at 65377.

⁷⁷ See GOO July 15, 2019 Primary Stumpage QNR Response at 89-90.

⁷⁸ See *Lumber V Final IDM* at Comment 31.

⁷⁹ *Id.*

mills expands the Crown timber market, reducing demand – and therefore, prices – for timber from the private market.

To determine the connection between Ontario’s public and private timber markets, we examined data from the GOO’s eFAR system covering the POR. As was true for the data the GOO submitted for the investigation, the 10 largest firms that source from both the private and Crown forest, as ranked by total volume of softwood timber received, accounted for more than half of private market consumption during the POR.⁸⁰ Additionally, the top five firms in the crown market account for over 89 percent of all softwood received from Ontario Crown sources.⁸¹

Based on the combination of the overwhelming government share of the market, the non-market nature of the government-set price, the overlap in buyers between the private and Crown timber markets, the ability of crown tenure holders to turn to government timber when prices are high, and the domination of the private market by a small number of tenure holders, we continue to determine that it is reasonable to conclude that private timber prices in Ontario are distorted as a result of the government’s involvement in the market and, therefore, there are no market-based tier-one stumpage prices available within Ontario that can be used as a benchmark.

New Brunswick

We preliminarily find that the GNB continues to grant multi-year, non-transferable tenure rights, and that it administratively sets its stumpage fees.⁸² 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 POR, JDIL made purchases of stumpage from private land in New Brunswick.⁸³ We have therefore considered whether private 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 investigation, Commerce found the New Brunswick stumpage market to be distorted because record information indicated that: (1) the GNB was the dominant supplier, and the mills the dominant consumers, of stumpage in New Brunswick, such that the oligopsony effect persisted in the province; (2) the GNB accounted for a plurality of the softwood harvest volume during the applicable harvesting season; (3) consumption of Crown-origin standing timber by sawmills is concentrated among a small number of corporations and that the corporations that dominate the consumption of Crown-origin standing timber also dominated the consumption of standing timber harvested from private lands; and (4) a supply “overhang” existed, in which tenure-holding corporations were not consuming the full volume of Crown timber allocated to them for harvest.⁸⁴ Similarly, the record of this review indicates that the New Brunswick stumpage market is distorted for the same reasons. Specifically, we find that reports prepared by the GNB in the normal course of business continue to demonstrate that the GNB is the dominant supplier,

⁸⁰ See GOO July 15, 2019 Primary Stumpage QNR Response at Exhibit ON-TAB-9 and Ontario AR1 Market Memorandum.

⁸¹ See Ontario AR1 Market Memorandum.

⁸² See, e.g., *Lumber V Prelim* PDM at 31-32.

⁸³ See JDIL IQR at 34.

⁸⁴ See *Lumber V Final* IDM at Comment 28.

and the mills are the dominant customers, of stumpage in New Brunswick.⁸⁵ Additionally, Crown lands now account for the majority of logs harvested in New Brunswick during our POR.⁸⁶ Further, consumption of private and Crown-origin standing timber continues to be concentrated among a small number of corporations.⁸⁷ Finally, data from the GNB indicates that an “overhang” still exists between the volume of Crown-origin standing timber allocated and the volume harvested.⁸⁸

Therefore, based on Commerce’s previous findings and on information submitted by the GNB in this review, 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

As in the investigation, the GBC proposed using BC Crown stumpage prices generated by BCTS auctions and the MPS for purposes of a tier-one benchmark. No new information or argument on the record of this review has resulted in a change in Commerce’s determinations from the investigation that prices resulting from the BCTS auctions are not market determined and cannot serve as a tier-one benchmark.⁸⁹

In the investigation, Commerce found that prices in British Columbia were significantly distorted as a result of the government’s involvement in the market.⁹⁰ As Commerce explained, when information on the record indicates that the government is involved in the market, before determining whether it is appropriate to use prices from within that market, Commerce must determine whether that market is distorted due to the presence of the government.⁹¹ Once it is determined that the market is distorted by the presence of the government, prices between private parties, import prices, or government auction prices are no longer viable benchmark prices. In the investigation, Commerce reasoned that information indicated that the British Columbia

⁸⁵ See Petitioner’s Comments on IQRs at Exhibit 52 (*Report of the Auditor General – 2008* (“{T}he 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” and “{T}he royalty system provides an incentive for processing facilities to keep prices paid to private land owners low.”); Exhibit 53 (*2012 Privat Forest Task Force Report* (“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 transactions, and prices for a large proportion of the total harvest are set administratively. Thus it is difficult to establish fair market value.”); and Exhibit 54 (*Report of the Auditor General – 2015* (which indicates that the GNB has “potentially conflicting interests” and that “since the most significant source of departmental revenue is Crown timber royalties, any increase in Crown timber supports the Department’s efforts to balance budgets.”).

⁸⁶ See GNB IQR Response, NB-Stump-1 at Table 3; see also New Brunswick 1st AR Market Memorandum.

⁸⁷ See GNB IQR Response, NB-Stump-1 at Table 2 (which shows that in FY 2017-2018, a small number of companies accounted for the predominant percentage of both Crown-origin standing timber consumption and private-origin standing timber consumption); see also New Brunswick 1st AR Market Memorandum.

⁸⁸ See GNB IQR Response, NB-Stump-1 at Table 1; see also New Brunswick 1st AR Market Memorandum.

⁸⁹ See *Lumber V Final IDM* at Comment 18.

⁹⁰ See *Lumber V Final IDM* at 54.

⁹¹ The *CVD Preamble*, 63 FR at 65377, refers to situations where the government provider constitutes a majority or, in certain circumstances, a substantial portion of the market.

stumpage market is distorted because the majority of the market is controlled by the government and log export restraints restrict the exportation of logs from the province, which influences the overall supply of logs available to domestic users, and, in turn, suppresses log prices in British Columbia.⁹² We preliminarily determine that the record of this review continues to indicate that the majority of the market is controlled by government⁹³ and that the GBC continues to restrict exports of logs from the province through government imposed log export restraints.⁹⁴ No information on the record warrants a change to the determination that these log export restraints increase the supply of logs available to domestic users and, in turn, suppress log prices in British Columbia.

Furthermore, in the investigation, Commerce determined that the BCTS auctions are not “competitively run government auctions” envisioned under 19 CFR 351.511(a)(2)(i) because the GBC imposes an artificial barrier to participation in the BCTS auctions through a three-sale limit.⁹⁵ We found that, for this reason alone, the auctions could not provide a tier-one benchmark under our regulations even if we were to find a non-distorted market overall such that the first tier in our methodology would apply.⁹⁶

The information on the record of this review does not support a change in this determination. During the POR, the GBC still maintained a three-sale limit that barred companies that held three TSLs from directly submitting bids in BCTS auctions.⁹⁷ Thus, we preliminarily continue to find that prices within British Columbia, including prices from the BCTS auctions, cannot serve as a tier-one benchmark under 19 CFR 351.511(a)(2)(i).

In the investigation, Commerce also determined that log prices in British Columbia were not an appropriate tier-one benchmark, in part because export restraints imposed by the GBC distort the log market in British Columbia.⁹⁸ As discussed below, Commerce continues to preliminarily find that the export restraints imposed by GBC constitute a countervailable subsidy; therefore, we preliminarily determine that log prices in British Columbia cannot serve as a tier-one benchmark.

Québec

In the investigation, we found that Québec’s auction system contained several features that adhered to market principles and Commerce’s specifications for competitive auctions.⁹⁹ However, we also found that the consumption patterns of Crown-origin standing timber by TSGs relative to their auction consumptions as well as the GOQ’s requirement that standing timber purchased at auction must be milled in Québec led us to conclude that GOQ’s auction system did not meet the regulatory criteria as an appropriate benchmark as set forth under 19 CFR

⁹² See *Lumber V Final* IDM at Comment 18.

⁹³ See GBC IQR at Exhibit BC-AR1-ST-1.

⁹⁴ See section “British Columbia Log Export Restraints” below.

⁹⁵ See *Lumber V Final* IDM at Comment 18.

⁹⁶ *Id.*

⁹⁷ See GBC IQR at Exhibit BC-AR1-ST-114.

⁹⁸ See *Lumber V Prelim* PDM at 48; unchanged in *Lumber V Final*.

⁹⁹ See *Lumber V Prelim* PDM at 41-42; see also *Lumber V Final* IDM at Comment 35.

351.511(a)(2)(i).¹⁰⁰ As a result, we rejected the GOQ's request to use auction prices for Crown timber as a viable tier-one benchmark.¹⁰¹ Updated information provided for this review has not provided any grounds for us to alter this finding.

The GOQ continues to be the largest supplier of stumpage, with administered TSGs and government auctions accounting respectively for close to 50 and 20 percent of Québec's overall timber market.¹⁰² The largest sawmills continue to dominate both the allocated Crown timber consumption and softwood sawlog auction sale volumes.¹⁰³ At the same time, under a TSG, a sawmill can source up to 75 percent of its supply need at a government-set price.¹⁰⁴

In the investigation, we concluded that, because the timber purchased at the auctions had to be milled in Québec, the non-sawmills must have sold the bulk of the timber they purchased at the auctions to Québec sawmills. Within this market, the sale of timber by the non-sawmills competed with the timber available to sawmills at the guaranteed government price via the TSGs. As such, the non-sawmills had little motivation to bid for timber at a price above which they can sell the wood to the sawmills.¹⁰⁵ Approximately 84 percent of TSG-holders purchased all their allocated Crown timber in FY 2017-2018.¹⁰⁶ This is a modest decline from the 94 percent found cited in the investigation, but still indicates that sawmills consider their TSGs to be their primary source of wood and not a source for their residual needs.

Additionally, sawmills transferred a significant portion of their TSG-allocated Crown timber, further diminishing their need to source supplies from non-administered sources.¹⁰⁷ Further, at the end of the year, waived TSG volumes are returned to the MFFP, which can decide whether to let the timber stand, sell it to a sawmill, or transfer the timber to the auction system. According to the GOQ's data, over 13 percent of the waived volumes were sold by the MFFP to sawmills via one-year contracts at the TSG price.¹⁰⁸ The ability of sawmills to purchase waived volumes at the government-set price further diminishes their need to source supply from the auctions.

For this administrative review, we examined bidding data provided by the GOQ that included both winning and losing bids.¹⁰⁹ Our examination of these data in the preliminary results have not led us to revise the findings in the investigation that: (1) the auctions are not truly open due to the fact that the GOQ requires Crown-origin Québec logs, including those sourced from auctions, to be milled in Québec; and (2) the TSG holding corporations wield market power in the auction system. The finding that TSG holders have considerable market power is reinforced by the auction bidding data, which indicate that bids by contractors closely track those of sawmills, as any timber purchased by the contractors is effectively competing with

¹⁰⁰ See *Lumber V Prelim* PDM at 39-42; see also *Lumber V Final* IDM at Comment 35.

¹⁰¹ See *Lumber V Prelim* PDM at 39-42; see also *Lumber V Final* IDM at Comment 35.

¹⁰² See GOQ July 15, 2019 Primary QNR Response at QC-STUMP-004 (Table 5).

¹⁰³ See GOQ July 15, 2019 Primary QNR Response at QC-STUMP-001 (Table 1), QC-STUMP-008 (Table 9), and QC-STUMP-011 (Table 11).

¹⁰⁴ See GOQ July 15, 2019 Primary QNR Response at QC-S-32.

¹⁰⁵ See *Lumber V Final* IDM at Comment 35.

¹⁰⁶ See GOQ July 15, 2019 Primary QNR Response at QC-STUMP-011 (Table 11).

¹⁰⁷ *Id.* at QC-STUMP-076.

¹⁰⁸ *Id.* at QC-STUMP-076.

¹⁰⁹ *Id.* at QC-STUMP-083.

administratively supplied timber from TSGs.¹¹⁰ Specifically, the data indicate that in FY 2017-2018 auctions, the bids of sawmills and contractors as a percentage of the estimated price tracked each other very closely, both at an aggregate level and also when disaggregated by region.¹¹¹

An additional issue with the auction system is that the bids hew closely to the GOQ's estimated price. For auctions where the estimated price is known, bids cluster tightly around the estimated price, while for auctions where the estimated price is unknown, the bid distribution is more evenly spread. This suggests that the estimated price—an administratively determined value calculated by the BMMB—is playing a significant role in determining the final prices of timber sold at auction. The data further indicate that in auctions where the GOQ's estimated price is public, the winning bid is lower as a percentage of the estimated price than in auctions where the GOQ's estimated price is not public, suggesting that the estimated price, as implemented by the GOQ, results in auction bids that are lower than they otherwise would be absent the BMMB-set estimated price.¹¹²

Therefore, we preliminarily determine that Québec's auction prices do not meet the regulatory criteria as an appropriate benchmark as set forth under 19 CFR 351.511(a)(2)(i). We thus are treating the timber volumes sourced from the auctions as a countervailable source of Crown timber and have included that timber in our benefit calculation.

Private Stumpage Prices in Nova Scotia May Serve as a First-Tier Benchmark

In the investigation, Commerce 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.¹¹³ Furthermore, in both the investigation and this review, the petitioner did not allege that the GNS sells Crown-origin standing timber for LTAR.

In response to questionnaires issued by Commerce, 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.¹¹⁴ Based on information supplied by the GNS in this review, and the fact that that information aligns with our conclusions of non-distortion in the investigation, 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 continue to determine that stumpage prices for private-origin standing timber in Nova Scotia may serve as a tier-one benchmark, provided that such data are available and that the standing timber in Nova Scotia are comparable with standing timber in the Canadian province at issue.

¹¹⁰ *Id.*

¹¹¹ *Id.* at QC-STUMP-008 (Table 9); *see also* Quebec AR1 Market Memorandum.

¹¹² *See* Quebec AR1 Market Memorandum.

¹¹³ *See Lumber V Prelim PDM* at 42-46; *see also Lumber V Final IDM* at Comments 39 and 40.

¹¹⁴ *See* GNS IQR at Table 1.

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

The GNS submitted on the record of this review 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.¹¹⁵ These private stumpage prices are contained in the *GNS Private Stumpage 2017-2018 Survey*, a document that was commissioned by the GNS and prepared by Deloitte.¹¹⁶ In preparing the *GNS Private Stumpage 2017-2018 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, 2017 through March 31, 2018. 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 survey volume included 690,274 m³ of private land stumpage purchased across the Province. The volume of stumpage was purchased through 19,454 individual transactions during the specified time period.¹¹⁷

The *GNS Private Stumpage 2017-2018 Survey* contains unit prices for private-origin standing timber for following log-type and species combinations:¹¹⁸

Log Type	Product Category	Species
Softwood	Sawlogs	SPF, EWP, Hemlock, Red Pine, Other
Softwood	Veneer	SPF, Other
Softwood	Studwood	SPF, Other
Softwood	Boltwood	EWP
Softwood	Pulpwood – Grade 1	SPF
Softwood	Pulpwood – Grade 2	SPF
Softwood	Pulpwood – Unsorted	Other
Softwood	Fuelwood/Biomass	Any
Softwood	Sawables (Sawlogs/Studwood)	SPF
Softwood	Sawables (Sawlogs/Studwood)	Other
Hardwood	Sawlogs (Unsorted)	All, Except Poplar
Hardwood	Sawlogs (#2 & Better)	All, Except Poplar
Hardwood	Sawlogs (#3)	All, Except Poplar
Hardwood	Pallet Logs/Sawlogs (#4)	Any
Hardwood	Pulpwood	Any
Hardwood	Veneer	Any

¹¹⁵ See GNS IQR at NS-5 and NS-6; see also GNS Comments on GOC NFI on Nova Scotia Private Price Survey at Exhibit 1.

¹¹⁶ See GNS IQR at Exhibit 6.

¹¹⁷ *Id.*

¹¹⁸ *Id.*

Hardwood	Fuelwood/Biomass	Any
Hardwood	Firewood	Any
Hardwood	Other	Any

We find that the private stumpage prices in the *GNS Private Stumpage 2017-2018 Survey*, 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 2017-2018 Survey* includes the prices paid for private-origin sawlogs 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 Québec, Ontario, and Alberta. Therefore, we preliminarily determine that the *GNS Private Stumpage 2017-2018 Survey* constitutes a reliable data source that is sufficiently representative of the private stumpage market in Nova Scotia to serve as a tier-one benchmark for Québec, Ontario, and Alberta. Concerning JDIL, a New Brunswick-based firm that is under individual examination in this review, as discussed below we are using the firm’s purchases of private-origin standing timber in Nova Scotia during the relevant PORs as the basis of the 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 investigation, we found that SPF species continue to be the dominant species that grow in the provinces that are east of British Columbia.¹¹⁹ We have reached the same conclusion in this review. For example, SPF species’ share of the Crown-origin standing timber harvest volume is as follows: 94.49 percent for New Brunswick¹²⁰, 80.01 percent for Québec,¹²¹ 70.93 percent for Ontario,¹²² and 99.95 percent for Alberta.¹²³ Data supplied by the three mandatory respondents and the sole voluntary respondent also indicate that SPF species represent the majority of the companies’ respective Crown timber harvest.¹²⁴

¹¹⁹ See *Lumber IV Preliminary Results of 2nd AR*, 70 FR at 33103-04, unchanged in *Lumber IV Final Results of 2nd AR* IDM at Comments 21 and 25; *Lumber V Prelim PDM* at 44-46; and *Lumber V Final IDM* at Comment 39.

¹²⁰ See GNBQR at Exhibit NB-STUMP-1 at Table 4,

¹²¹ See GOQ July 15, 2019 Primary QNR Response at QS-S-9 to QS-S-12 and Exhibit QC-STUMP-14. We note that in Québec, the GOQ includes Larch in its SPF species category.

¹²² We note that in Ontario, the GOO also includes Larch/Tamarack in its SPF species category. See GOO July 15, 2019 Primary Stumpage QNR Response at ON-STUMP-4 and Exhibit ON-STATS-1.

¹²³ See GQRGOQ at Exhibit QC-STUMP-12, GQRGOO at 4, 19, and Exhibit ON-STATS-1, and GOA IQR at Exhibit AB-AR1-S-11.

¹²⁴ See Preliminary Calculation Memoranda for the three mandatory respondent companies and voluntary respondent, which identify the species of Crown-origin standing timber acquired during the POR.

Concerning DBH, the GNS reports that data from its forests management inventory system covering the period 2014-2018 indicate that the DBH for all softwood species on private land is 17.29 cm and 15.9 cm for SPF standing timber.¹²⁵ In the Initial Questionnaire, Commerce instructed the provincial governments to provide DBH information for the standing timber that grows on Crown lands in each respective province.¹²⁶ The GOA reported that the DBH of SPF standing timber species in Alberta ranges from 17.8 cm for black spruce to 24.2 cm for white spruce.¹²⁷

Information on the record indicates that in Québec, the DBH of SPFL standing timber species ranges from 11 cm to 25 cm.¹²⁸ The GOO did not provide information on the average DBH of the standing timber in Ontario.¹²⁹ We also lack information concerning the DBH of standing timber in New Brunswick. However, given that New Brunswick is contiguous with Nova Scotia, Commerce noted in the investigation 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 review indicates that JDIL incorporates standing timber from both provinces into its sawmill operations, we continue to find that standing timber in Nova Scotia is comparable, in terms of size, to standing timber in New Brunswick.¹³⁰

Based on Commerce's findings in the investigation and the DBH and species information on the record of the current review, 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 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.¹³¹ Further, information available on the record of the review 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.¹³²

On this basis, we preliminarily determine that prices for private-origin standing timber in Nova Scotia reflected in the *GNS Private Stumpage 2017-2018 Survey* are comparable to the prices for Crown-origin standing timber in Québec, Ontario, and Alberta, and we further preliminarily determine that JDIL's purchases of private-origin standing timber in Nova Scotia are comparable to the prices for Crown-origin standing timber in New Brunswick. Accordingly, consistent with

¹²⁵ See GNS IQR at 9-10.

¹²⁶ See Initial Questionnaire, Section II at 4-5, 27, 34, 47, 67-68, 71, and 76.

¹²⁷ See GOA IQR, Exhibit AB-AR1-S-23 Volume II at 17.

¹²⁸ See GOQ July 15, 2019 Primary QNR Response at QS-S-21 and Exhibit QC-STUMP-019.

¹²⁹ See GOO July 15, 2019 Primary Stumpage QNR Response at ON-STUMP-21.

¹³⁰ See *Lumber V Prelim PDM* at 45; *Lumber V Final IDM* at Comment 29; and JDIL Preliminary Calculation Memorandum.

¹³¹ We find that the GOO did not provide the average DBH information solicited in Commerce's Initial Questionnaire. Therefore, in accordance with section 776(a) of the Act, we are relying on 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.

¹³² As noted in the prior footnote, because the GOO did not provide the average DBH information solicited in the Initial Questionnaire, we are relying on facts otherwise available for this finding, in accordance with section 776(a) of the Act.

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 the investigation, Commerce determined that private stumpage prices from Nova Scotia 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, Commerce 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 Nova Scotia.¹³³ We preliminarily determine there is no new information on the record of the review that warrants a change from the investigation. Therefore, based on Commerce's findings in the investigation and based on information on the record of the current review, 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.

U.S. Log Prices Are the Most Appropriate Benchmark for British Columbia

As Commerce explained in the investigation, in considering the tier-two regulatory hierarchy under 19 CFR 351.511(a)(2), we remain cognizant of the fact that standing timber is not a good that is commonly traded across borders.¹³⁴ Additionally, similar to the investigation, the record in this review does not contain U.S. stumpage prices. 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.

Following our established hierarchy under 19 CFR 351.511(a)(2)(iii), and consistent with the investigation, we again find it appropriate to use tier-three benchmarks derived from U.S. log prices 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)).¹³⁵ No information on the record of this review warrants a change in the determination that: (1) standing timber values are largely derived from the demand for logs produced from a given tree, (2) the timber species grown in the U.S. PNW and in British Columbia are comparable, and (3) U.S. log prices are market-determined.¹³⁶

In the investigation, Commerce utilized log price survey data from the WDNR to calculate a U.S. PNW log benchmark. The record of this review once again contains the WDNR survey data.¹³⁷ In addition to the WDNR data, the petitioner has placed on the record log pricing data from the

¹³³ See *Lumber V Prelim PDM* at 46-47; see also *Lumber V Final IDM* at Comments 39-40.

¹³⁴ See *Lumber V Prelim PDM* at 48; see also *Lumber V Final*.

¹³⁵ See *Lumber V Final IDM* at Comment 21.

¹³⁶ *Id.*

¹³⁷ See GBC IQR at Exhibit BC-ARI-ST-167.

U.S. PNW compiled by F2M, an analytics company focused on the forestry industry.¹³⁸ In the investigation, a report commissioned by the petitioner for the proceeding included F2M pricing data.¹³⁹ Commerce rejected that report because, in part, the F2M pricing dataset used in the report was compiled for the purposes of the investigation, the methodology for obtaining the pricing was not disclosed, and the underlying data were not on the record of the investigation.¹⁴⁰ Portions of the F2M pricing data submitted for this review is comprised of Market Guide reports produced by F2M in the ordinary course of business.¹⁴¹ It appears that these reports only contain pricing data for a portion of the logs used to produce softwood lumber in the U.S. PNW. The Market Guides relating to the inland U.S. PNW area appear to have a minimum diameter that exclude a substantial proportion of logs used to produce softwood lumber in both the U.S. PNW interior and B.C. interior. Therefore, Commerce preliminarily determines that the F2M data are not an appropriate benchmark and, consistent with the investigation, will utilize the WDNR log price surveys to calculate a U.S. PNW log benchmark.

In the investigation, Commerce declined to make a further adjustment to the WDNR prices for beetle-killed logs because there was no evidence that blue-stained timber prices (*i.e.*, prices for beetle-killed logs) were not already included in the surveys, nor were there reliable blue-stained timber prices on the record.¹⁴² However, the record of this review includes information from a WDNR official stating that the WDNR log surveys do not include blue-stained pricing.¹⁴³ Additionally, the record contains price quote sheets obtained through a survey of softwood lumber mills in the U.S. PNW.¹⁴⁴ In the investigation, Commerce determined that it could not use price quotes for U.S. PNW mills because the quotes were placed on the record without an explanation of the methodology of how they were collected or the coverage of the mills that they represented.¹⁴⁵ The record of this review contains a description of the methodology used to survey mills in the U.S. PNW,¹⁴⁶ copies of communication with the mills,¹⁴⁷ and an estimate of the percentage of mills in the U.S. PNW that are covered by the blue-stained pricing on the record.¹⁴⁸ Therefore, we preliminarily determine to utilize blue-stained pricing data from these price quote sheets to establish a beetle-killed benchmark price.

¹³⁸ See Petitioner Benchmark Submission at Exhibit 1.

¹³⁹ See *Lumber V Final IDM* at Comment 20.

¹⁴⁰ *Id.*

¹⁴¹ See Petitioner Benchmark Submission at Exhibit 1 at 3 (“Data is principally reported through Forest2Market’s SilvaStat360 online platform and also through .pdf Market Guide summaries. The Market Guides were supplied to Picard, Kentz and Rowe without alterations as they were issued in the normal course of business. Additionally, for this project, Forest2Market calculated a weighted average price by species for MBF and ton wood in the market combined for domestic and export delivery locations.”).

¹⁴² See *Lumber V Final IDM* at Comment 21.

¹⁴³ See GBC IQR at Exhibit BC-AR1-ST-187.

¹⁴⁴ *Id.* at Exhibit BC-AR1-ST-165.

¹⁴⁵ See *Lumber V Final IDM* at Comment 25.

¹⁴⁶ See GBC IQR at Exhibits BC-AR1-ST-164 and BC-AR1-ST-165; see also GBC SQR4 at Exhibit BC-AR1-STSUPP4-1.

¹⁴⁷ See GBC IQR at Exhibit BC-AR1-ST-165; see also GBC SQR4 at Exhibit BC-AR1-STSUPP4-3.

¹⁴⁸ See GBC IQR at Exhibits BC-AR1-ST-164 at n.39, BC-AR1-ST-183, and BC-AR1-ST-184; see also GBC SQR4 at Exhibits BC-AR1-STSUPP4-1 and BC-AR1-STSUPP4-2.

Net Subsidy Rate Methodology

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 respondents for LTAR. We also discuss how we conducted the benefit calculation in each province at issue.

In the Initial Questionnaire, Commerce requested that the respondents only report stumpage purchases by their sawmills.¹⁴⁹ 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 POR.¹⁵⁰ 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 POR.

Tenure Adjustments

Concerning the provision of standing timber for LTAR benefit calculation, Commerce 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 are examining the stumpage price paid on a company-specific basis in this review. 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. For the provinces in which we are using the Nova Scotia pricing survey to calculate a benchmark price, 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*, Commerce 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}.¹⁵¹

Commerce reached a similar conclusion in the investigation for the provinces utilizing the Nova Scotia-based benchmark price.¹⁵²

As in *SC Paper from Canada – Expedited Review* and the investigation, we are examining the stumpage price paid by our respondent companies in Canada. Accordingly, consistent with Commerce's findings in the *SC Paper from Canada – Expedited Review* and the investigation, in our preliminary calculations, we have not added tenure “adjustments” (*e.g.*, silviculture

¹⁴⁹ See Initial Questionnaire at Table 1.

¹⁵⁰ *Id.* at Table 1 where it instructed Resolute to report its sawmills' purchase of Crown-origin timber.

¹⁵¹ See *SC Paper from Canada – Expedited Review – Final Results* IDM at Comment 24, emphasis added.

¹⁵² See *Lumber V Final* IDM at Comment 43.

expenses, annual fees, etc.) for the provinces utilizing the Nova Scotia benchmark price, 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 individually examined 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.¹⁵³

Calculation of Nova Scotia-Based Benchmarks Used for Québec, Ontario, and Alberta Stumpage LTAR Calculations

As indicated above, we are using data that the GNS collected for the *GNS Private Stumpage 2017-2018 Survey* for purposes of calculating a benchmark against which to compare the respondents' purchases of Crown-origin standing timber in Québec, Ontario, and Alberta.¹⁵⁴

The *GNS Private Stumpage 2017-2018 Survey* solicited species-specific unit prices for private-origin standing timber in Nova Scotia.¹⁵⁵ As noted elsewhere in this memorandum, the GNS used the results of the *GNS Private Stumpage 2017-2018 Survey* when setting the prices for Crown-origin standing timber in Nova Scotia.¹⁵⁶ In its initial questionnaire response, the GNS also provided the disaggregated survey results that are summarized in the *GNS Private Stumpage 2017-2018 Survey*.¹⁵⁷ We have relied upon the disaggregated survey results to derive species-specific benchmarks for private standing timber prices in Nova Scotia during calendar years 2017 and 2018 for purposes of determining whether the Crown-origin standing timber was sold for LTAR during the PORs in Québec, Ontario, and Alberta.¹⁵⁸

The *GNS Private Stumpage 2017-18 Survey* covers the time period from April 2017 to March 2018. In order to obtain the benchmark price for each calendar month of the POR, Commerce has indexed the harvest value for each species to the corresponding month in the opposite year covered by the survey (*i.e.*, the harvest value for April 2018 has been indexed to April 2017) using the IMF's PPI index.¹⁵⁹ Commerce calculated the benchmark for each month by dividing the indexed harvest values by the unadjusted volume provided for each month. Commerce calculated the benchmark for each calendar year by calculating a weighted-average price.

¹⁵³ See GNS IQR at 5; see also *Lumber V Final IDM* at Comment 42 (explaining that refraining from an adjustment for the C\$3.00/m³ fee would allow for a comparable stumpage-to-stumpage comparison).

¹⁵⁴ 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.

¹⁵⁵ See GNS IQR at NS-6.

¹⁵⁶ See GNS Comments on GOC NFI on Nova Scotia Private Price Survey at Exhibit 1.

¹⁵⁷ See GNS IQR at NS-5.

¹⁵⁸ See Nova Scotia Benchmark Calculation Memorandum for Preliminary Results.

¹⁵⁹ *Id.*

Calculation of U.S. Log Benchmark Used for British Columbia Stumpage LTAR Calculations

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.¹⁶⁰

The WDNR surveys on the record contain species-specific U.S. log prices for the interior of Washington state. Similar to the investigation, the harvesting operations of the B.C.-based mandatory respondents are located in the interior of British Columbia. Therefore, we continue to find it appropriate to draw upon U.S. log benchmark prices from the interior of Washington state, which, consistent with the investigation, we find is comparable to the interior of British Columbia.¹⁶¹

As discussed above, we are using the blue-stained prices from the U.S. PNW log price survey to construct a beetle-killed benchmark price. Because the price-sheets were all obtained in 2018, we took the blue-stain prices from each mill and simple averaged them to calculate an annual average mill price. Next, we took the annual mill prices to calculate a 2018 beetle-killed benchmark price and simple averaged those prices. Since we are calculating separate rates for 2017 and 2018, we indexed the 2018 beetle-killed benchmark price back to 2017.¹⁶²

The benchmark log prices are expressed in U.S. dollars per MBF. In the investigation, we converted the WDNR monthly prices into U.S. dollars per cubic meter using a conversion factor of 5.93 calculated in a 2002 USFS study.¹⁶³ In the investigation, Commerce determined that it could not utilize the Dual-Scale Study submitted by the respondents because the Dual-Scale Study was specifically commissioned for the proceeding and there was no record evidence that the study used a statistically valid sampling methodology when choosing the scaling sites.¹⁶⁴ In this review, the respondents have placed on the record an updated version of the Dual-Scale Study¹⁶⁵ and a report by the study's authors that, in part, attempts to address Commerce's concerns with the Dual-Scale Study from the investigation.¹⁶⁶

Using the same methodology as the Dual-Scale Study from the investigation, the updated Dual-Scale Study's sampling methodology consists of two steps: (1) using a purposive (judgment-based) approach to determine which scaling sites in the interior would include the make-up and categories of BC log harvest deemed most appropriate by the study's authors; and (2) randomly selecting log loads in each of the selected scaling sites for sampling and inclusion in the Dual-Scale Study using a proprietary selection algorithm. Consequently, the respondents' methodology in step one is not based on probability and, as a result, certain observations in the population are not included in the sampling frame and therefore cannot be selected for sampling at step two. This non-probability-based method is inherently more prone to bias (due to the

¹⁶⁰ See GBC IQR at Exhibit BC-AR1-ST-167.

¹⁶¹ See *Lumber V Prelim* PDM at 53.

¹⁶² See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

¹⁶³ See *Lumber V Final* IDM at 61.

¹⁶⁴ *Id.* at Comment 19.

¹⁶⁵ See GBC IQR at Exhibit BC-AR1-ST-163.

¹⁶⁶ *Id.* at Exhibit BC-AR1-ST-164.

experimenter's ability to use judgment to determine which sites are and are not included in the sample) than a probability-based (random) sampling methodology. Commerce is not convinced, at this point, by the data and arguments provided by the respondents in this review that the methodology in step one does not contain a level of bias that would render the updated Dual-Scale Study unreliable, but intends to continue investigating the methodology of the study following these preliminary results. Consistent with the investigation, we preliminarily determine to not use the Dual Scale Study conversion factor due to concerns with the site selection methodology.

The petitioner has also placed on the record a number of "standard" conversion factors.¹⁶⁷ In its comments prior to these preliminary results, the petitioner argued that Commerce should utilize a conversion factor of 4.525 m³/MBF because this conversion factor is utilized in the ordinary course of business by U.S. Government publications and by industry leading sources.¹⁶⁸ Commerce has declined to use this conversion factor in the past¹⁶⁹ and the record evidence indicates that even industry experts are not aware of the origin, methodology, assumptions, or even the scales used in calculating this conversion factor.¹⁷⁰ This same deficiency applies to each of the other "standard" conversion factors placed on the record by the petitioner. Alternatively, Commerce is aware of the methodology used in the 2002 USFS study¹⁷¹ and the 1984 Cahill publication on which the 2002 USFS study was based.¹⁷² These are peer-reviewed publications that were published outside of the context of litigation or specific administrative proceedings. For these reasons, Commerce preliminarily determines that the 5.93 conversion factor from the 2002 USFS study remains the most appropriate choice for a conversion factor for these preliminary results.

The record evidence also demonstrates that the 1984 Cahill publication calculated a formula that attempted to convert between the Scribner scale used in the U.S. PNW and the U.S. Cubic Scale.¹⁷³ The record evidence also indicates that there are distinct methodological differences between the U.S. Cubic Scale and the BC Metric Scale (the system used in the B.C. interior).¹⁷⁴ The respondents argue that these fundamental differences would lead a conversion factor between a Scribner scale and the U.S. Cubic Scale to underestimate the conversion factor appropriate for a conversion between Scribner and the BC Metric Scale. In an attempt to cure this deficiency, the respondents have placed on the record a 2005 publication, not conducted for the purpose of this proceeding, from a U.N.-employed data scientist, Matthew Fonseca, that evaluates different scaling methodologies from around the world.¹⁷⁵ As part of this publication, Mr. Fonseca calculated ratios between the BC Metric Scale and fifteen other different scaling

¹⁶⁷ See Petitioner Comments on IQRs at 1-10.

¹⁶⁸ See Petitioner Pre-Prelim Comments at 9-17.

¹⁶⁹ See *Lumber IV Final IDM* at 147-149.

¹⁷⁰ See GBC IQR at Exhibit BC-AR1-ST-178 at 5 ("Analysts have used 'standard' conversion factors to make North American (now exclusively U.S.) data compatible with data from the rest of the world, and over time, a factor of 4.53 m³/MBF has become established. However, details on its provenance, the embedded assumptions on log size, and the type of scale used have been lost.").

¹⁷¹ *Id.*

¹⁷² *Id.* at Exhibit BC-AR1-ST-177.

¹⁷³ *Id.*

¹⁷⁴ *Id.* at Exhibit BC-AR1-ST-164.

¹⁷⁵ See GBC SQR3 at BC-AR1-STSUPP3-1.

systems, including the U.S. Cubic Scale.¹⁷⁶ Commerce preliminarily determines that it should adjust the 5.93 conversion factor from the 2002 USFS study by factors in the Fonseca publication, so that the conversion factor utilized for these preliminary results corresponds to the scaling systems used by the respondents (BC Metric Scale in the BC interior) and by mills in eastern Washington, where the U.S. benchmark price originates (Scribner Short Log Scale).

The ratios from the Fonseca publication are based on the length and small-end (or top) diameter of the logs and calculated into four classes by diameter.¹⁷⁷ We used the respondent-specific diameter data on the record¹⁷⁸ to calculate company- and species-specific ratios to apply to the 5.93 conversion factor to convert the U.S. benchmark prices from MBF to m³.¹⁷⁹

Next, we converted the monthly U.S. log prices per cubic meter into Canadian dollars per cubic meter using monthly exchange rates during the POR, as published by the U.S. Federal Reserve. Consistent with the investigation, and 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. Consistent with the investigation, we preliminarily find these grades do not correspond to the grades contained in the B.C. stumpage data provided by the mandatory respondents. Similar to the investigation, we remain in a situation where the record does not contain useable information that would allow us to determine what percentage of the B.C. stumpage purchases would be considered utility grade logs under the Scribner Scale. Therefore, consistent with the investigation, we have relied upon the overall unit price listed for each species to calculate a species-specific benchmark price.

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

During the POR, 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.¹⁸⁰ As discussed above, we have analyzed the standing timber markets in both New Brunswick and Nova Scotia during the POR. Since we have found 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

¹⁷⁶ *Id.*

¹⁷⁷ See GBC SQR3 at Exhibit BC-AR1-STSUPP3-1 at Table A.1.M.

¹⁷⁸ *Id.* at Exhibits BC-AR1-STSUPP3-4 and BC-AR1-STSUPP3-5.

¹⁷⁹ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

¹⁸⁰ See JDIL IQR at Exhibit Stump-03 at Table 4.

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.

To calculate the unit benefit, Commerce compared, on a species-specific basis, the transaction prices that JDIL paid for Crown-origin standing timber in New Brunswick during CY 2017 and CY 2018 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 POR. 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 for CY 2017 and CY 2018 by JDIL's total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we preliminarily calculated a net subsidy rate for JDIL of 1.67 percent *ad valorem* for CY 2017 and 1.63 percent *ad valorem* for CY 2018.¹⁸¹

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 U.S. PNW benchmark prices for logs discussed above.

The BC Crown stumpage scale-based invoicing system has not changed since the investigation; therefore, Commerce preliminarily determines that aggregating the respondents' purchases of Crown-origin standing timber by cutting authority (*i.e.*, timbermark) and species for each year of the POR continues to be a reasonable approach that accounts for the retroactive rolling invoice adjustments while also permitting a price comparison on as specific a basis as possible.

Because we have aggregated the respondents' Crown-origin standing timber purchases on an annual basis, we have similarly aggregated the benchmark price data to an annual average basis. As discussed above, the WDNR benchmark prices do not allow for construction of a benchmark on a grade-specific basis. Therefore, for purposes of these preliminary results, 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.¹⁸²

As discussed above, for these preliminary results, we have calculated a beetle-killed benchmark price. We have used the species-specific beetle-killed volume data found in the company-specific diameter usage charts¹⁸³ to calculate the percentage of green (*i.e.*, not beetle-killed) and beetle-killed logs for each species in each year of the POR. We applied these percentages to the aggregated timbermark- and species-specific volumes to calculate a green and beetle-killed

¹⁸¹ See JDIL Preliminary Calculation Memorandum.

¹⁸² See Canfor Preliminary Calculation Memorandum; *see also* West Fraser Preliminary Calculation Memorandum.

¹⁸³ See GBC SQR3 at Exhibits BC-AR1-STSUPP3-4 and BC-AR1-STSUPP3-5.

volume for each timbermark/species aggregation. We then assigned the WDNR benchmark prices to the green volume and the beetle-killed benchmark to the beetle-killed volume and added the two totals to calculate a benchmark value for each timbermark/species aggregation.

As described above, the benchmark prices are for logs delivered to the mill gate. Consistent with the investigation,¹⁸⁴ we have adjusted the benchmark values for the respondents' access, harvest, and hauling costs, as well as the costs associated with the respondents' Crown tenure obligations, to arrive at a derived stumpage value.¹⁸⁵ In the investigation, this adjustment included adjustments for scaling costs because Commerce determined that scaling was legally obligated as part of the BC stumpage system.¹⁸⁶ However, the record for this review contains information that scaling costs are not mandatory for the portions of the Crown harvest that are billed under the cruise-based billing system.¹⁸⁷ While the respondents do scale the cruise-based logs in the ordinary course of business, such scaling is voluntary, and Commerce is not aware of any record evidence that demonstrates that these scaling costs should be included in the delivered log costs for logs sourced from cruise-based stands. Therefore, for these preliminary results, Commerce has not included scaling costs in the benchmark adjustment for timber harvested from cruise-based stands.

In the investigation, we declined to make an adjustment for tenure security because the record did not contain the necessary data with which to quantify any benefits allegedly conferred by tenure security.¹⁸⁸ The record for this review does contain some tenure valuation information,¹⁸⁹ but these valuations are for specific stands or tenures and, thus, reflect the myriad characteristics specific to that stand. Accordingly, we preliminarily determine that the record of this review does not contain data to properly quantify a countervailable benefit that may arise from tenure security.

To calculate the benefit, we compared each timbermark/species-specific stumpage value to the benchmark value as adjusted for the benchmark cost adjustments. We summed the timbermark/species-specific benefits to calculate the total benefit for the program during CY 2017 and CY 2018. We divided the total stumpage benefits received in CY 2017 and CY 2018 by the respondents by their respective total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we calculated a net subsidy rate for Canfor of 0.97 percent *ad valorem* for CY 2017 and 0.22 percent *ad valorem* for CY 2018 and a net subsidy rate for West Fraser of 0.59 percent *ad valorem* for CY 2017 and 0.49 percent *ad valorem* for CY 2018.

¹⁸⁴ See *Lumber V Final IDM* at Comment 24.

¹⁸⁵ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

¹⁸⁶ See *Lumber V Final IDM* at Comment 24.

¹⁸⁷ See GBC IQR at BC-I-11 (“Cruise-based cutting authorities do not require scaling...”); see also West Fraser IQR at WF-IV-36 (“{T}he Province does not require companies to scale timber from cruise-based stands.”).

¹⁸⁸ See *Lumber V Final IDM* at Comment 27.

¹⁸⁹ See GBC SQR1 at STSUPP-1; see also Canfor Stumpage SQR at 25-28 and WF SQR at S22-S23.

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 2017-2018 Survey*. We find that the GOQ's standing timber billing system features monthly adjustments that apply retroactively to previous invoices.¹⁹⁰ 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, consistent with the investigation, Commerce has determined that relying on the volume and value as reported on a transaction-specific or monthly basis would not account for the monthly billing adjustments. Instead, we calculated whether stumpage was provided to Resolute for LTAR by comparing the annual average price of Resolute's Crown stumpage purchases by species for CY 2017 and CY 2018 to the annual average benchmark price for a similar species group (*i.e.*, SPF prices in the Nova Scotia benchmark).¹⁹¹

Thus, utilizing annualized data for each of Resolute's sawmills, we matched the average calendar year price for each species that Resolute purchased from Crown land to Nova Scotia's prices for SPF softwood sawlog and studwood from the *GNS Private Stumpage 2017-2018 Survey*.¹⁹² 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 for CY 2017 and CY 2018. We then divided the total stumpage benefit received by Resolute in CY 2017 and CY 2018 by Resolute's total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we preliminarily calculated a net subsidy rate for Resolute of 7.82 percent *ad valorem* for CY 2017 and 7.54 percent *ad valorem* for CY 2018.¹⁹³

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 2017-2018 Survey*. We find that the GOO's standing timber billing system does not incorporate rolling monthly adjustments that apply retroactively to previous invoices.¹⁹⁴ Therefore, we compared Resolute's individual purchases of Crown-origin standing timber to monthly prices derived from the *GNS Private Stumpage 2017-2018 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

¹⁹⁰ See Resolute's Preliminary Calculation Memorandum, which contains transactions for the company's purchases of Crown-origin standing timber during the POR; see also Resolute November 15, 2019 Stumpage SQR Response at 4-5.

¹⁹¹ See Resolute's Preliminary Calculation Memorandum.

¹⁹² *Id.*

¹⁹³ *Id.*

¹⁹⁴ See Resolute Preliminary Calculation Memorandum, which contains the company's stumpage transactions for Crown-origin standing timber during the POR.

monthly SPF price as derived from the *GNS Private Stumpage 2017-2018 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 for CY 2017 and CY 2018. We then divided the total stumpage benefit by Resolute's total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we preliminarily calculated a net subsidy rate for Resolute of 4.22 percent *ad valorem* for CY 2017 and 3.72 percent *ad valorem* for CY 2018.¹⁹⁵

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 2017-2018 Survey*. We find that the GOA's standing timber billing system features quarterly adjustments that apply retroactively to previous invoices.¹⁹⁶ 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, Commerce has determined that aggregating the respondents' POR 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.

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. Where we lacked a specific species match, we conducted our comparison on what we determined to be the most comparable species. 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 for CY 2017 and CY 2018. We then divided the total stumpage benefit in CY 2017 and CY 2018 for each respondent by their respective total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we calculated a net subsidy rate for Canfor of 1.32 percent *ad valorem* for CY 2017 and 1.09 percent *ad valorem* for CY 2018 and a net subsidy rate for West Fraser of 5.71 percent *ad valorem* for CY 2017 and 5.96 of percent *ad valorem* for CY 2018.¹⁹⁷

2. British Columbia Log Export Restraints

Commerce found the British Columbia Log Export Restraints program countervailable in the investigation.¹⁹⁸ There are no new facts in this review regarding the manner in which the log export restraints operate. We preliminarily continue to determine that under the BC log export restraints, the GBC entrusts or directs private log suppliers to provide logs to mill operators within the meaning of section 771(5)(B)(iii) of the Act, and provide a financial contribution of logs, in accordance with section 771(5)(D)(iii) of the Act. Specifically, the laws and regulations

¹⁹⁵ See Resolute's Preliminary Calculation Memorandum.

¹⁹⁶ See GOA IQR at AB-II-98-99; see also Preliminary Calculation Memoranda for Canfor and West Fraser, which contain the companies' transactions for Crown-origin standing timber during the POR.

¹⁹⁷ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

¹⁹⁸ See *Lumber V* Final IDM at 10-11 and Comments 46-47.

that govern the provision of logs within British Columbia compel suppliers of BC logs to supply to BC consumers, including mill operators. As Commerce detailed during the investigation, 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 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.¹⁹⁹

The export restraints provide a benefit in accordance with section 771(5)(E)(iv) of the Act, to the 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. We preliminarily find that the BC 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.

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.²⁰⁰ As detailed above in Commerce's discussion regarding BC stumpage, we find that the stumpage market in British Columbia 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 has distorted the BC market by restricting log exports.²⁰¹ The demand and value of logs in the BC market is linked with demand and value of stumpage in British Columbia, 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

¹⁹⁹ See *Lumber V Prelim PDM* at 60-61, unchanged in *Lumber V Final IDM* at Comment 46; see also GBC IQR at Exhibit BC-AR1-ST-19.

²⁰⁰ See *CVD Preamble*, 63 FR at 65377.

²⁰¹ *Id.*

suppresses prices throughout British Columbia.²⁰² For these reasons, we preliminarily determine that prices of BC-sourced logs as well as the prices of imported logs cannot be used to measure the adequacy of remuneration 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.²⁰³

To construct tier-two, or world market price, benchmarks that match the logs purchased by the mandatory respondents in British Columbia, we are relying on the same benchmarks as described above in the BC Stumpage for LTAR sections (WDNR log price surveys for green timber and U.S. PNW pricing survey for beetle-killed timber). 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 purchases and the benchmark prices are on a “delivered” basis, as required by 19 CFR 351.511(a)(2)(iv).²⁰⁴ 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 next summed the benefits received in CY 2017 and CY 2018.

To calculate the net countervailable subsidy rate, we divided the total benefits received in CY 2017 and CY 2018 by the respondent companies’ total softwood lumber and total softwood co-product sales during CY 2017 and CY 2018. In this manner, we calculated a net subsidy rate for Canfor of 0.03 percent *ad valorem* for CY 2017 and 0.01 percent *ad valorem* for CY 2018 and a net subsidy rate for West Fraser of 0.01 percent *ad valorem* for CY 2017 and 0.04 percent *ad valorem* for CY 2018.²⁰⁵

3. *Grant Programs*

Commerce included certain grant programs in the Initial Questionnaire and initiated investigations of additional NSA programs. The respondents also self-reported grants, for which their respective provincial governments also provided program information. Based on the record evidence, we preliminarily determine that the grant programs 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, for the reasons described below. To calculate the net countervailable subsidy rate for a program used by a respondent, we applied the attribution rules 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 or total export sales denominator, where applicable. For grant programs listed below that were found countervailable in the

²⁰² See Petitioner Comments on IQRs at Exhibit 58; see also Petitioner Comments on IQRs at Exhibits 55, 56, and 57 and 61.

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

²⁰⁴ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

²⁰⁵ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

investigation or the *Lumber V Final Results of Expedited Review* and for which no new information has been provided, we refer to the PDMs and IDMs of those proceedings for the description of the program and specificity determination, and we provide a description of the benefit and net subsidy rate calculations performed in this review for each applicable respondent. For the remaining countervailable grant programs listed below, we provide a description of each grant program, the basis for specificity, and the benefit and net subsidy rate calculation for each applicable respondent.

Federal Grant Programs

1. SDTC

The Parliament of Canada established the Canadian Foundation for SDTC in 2001 as a non-profit corporation to fund sustainable development technology demonstration projects in Canada.²⁰⁶ SDTC is funded by the GOC through the government agency known as Innovation, Science and Economic Development of Canada.²⁰⁷ The GOC indicates that the SDTC is “accountable to Parliament” and indicates that its “governance, operations, performance requirements, accountability, and relationship” to the GOC are defined in funding agreements between the SDTC and Innovation, Science and Economic Development of Canada.²⁰⁸ In order for applicants to receive funds, the projects must address issues related to climate change, air quality, or clean water and soil. Eligible projects are primarily performed in Canada by an eligible recipient²⁰⁹ to develop and demonstrate new technologies to promote sustainable development, including technologies to address issues related to climate change and the quality of air, water and soil.²¹⁰ The SDTC receives funding from the GOC with the goal of supporting jobs and innovation in clean technology.²¹¹ West Fraser received SDTC funding, prior to the POR and in 2018, for a commercial scale kraft lignin²¹² production facility constructed in Canada.²¹³

Because the Parliament of Canada established the SDTC by statute and the SDTC’s operations (*e.g.*, governance, performance requirements, etc.) are subject to funding agreements between the SDTC and Innovation, Science and Economic Development of Canada (a GOC agency), we preliminarily determine that the SDTC is an “authority” and, thus, that the funds it disburses constitute a direct financial contribution under section 771(5)(D)(i) of the Act. Because funds

²⁰⁶ See GOC December 9, 2019 NSA QR Response at 31-32.

²⁰⁷ *Id.* at 34.

²⁰⁸ *Id.*

²⁰⁹ Eligible recipient is defined as an entity that: (1) is established in Canada and carries on, or in the opinion of the SDTC Board of Directors is capable of carrying on, eligible projects; (2) meets the criteria of eligibility established in any agreements entered into between Her Majesty in right of Canada and the Foundation for provision of funding by Her Majesty to the Foundation; and (3) has legal capacity, or is composed of organizations each of which has legal capacity. Additional eligibility criteria are established in Funding Agreements. See West Fraser’s Volume II IQR Response at WF-II-90.

²¹⁰ See West Fraser’s Volume II IQR Response at WF-II-89.

²¹¹ See GOC December 9, 2019 NSA QR Response at 32.

²¹² West Fraser states that lignin is recovered from black liquor, a waste product from the pulping process at West Fraser’s Hinton pulp mill. See West Fraser’s Volume II IQR Response at WF-II-84 to 85.

²¹³ *Id.* at WF-II-91-92.

under the program are limited to companies operating in the “cleantech” industry, which includes the forestry and forest products industries, we preliminarily determine that the program is *de jure* specific under section 771(5A)(D)(i) of the Act.²¹⁴

As discussed above, West Fraser received SDTC funding under this program for a commercial scale kraft lignin production facility constructed in Canada prior to the POR and in 2018.²¹⁵ West Fraser argues that the lignin plant at issue does not produce subject merchandise, nor does it produce an input into subject merchandise.²¹⁶ Under 19 CFR 351.525(b)(5)(i), “if a subsidy is tied to the production or sale of a particular product,” Commerce “will attribute the subsidy only to that product.” To determine whether a subsidy is “tied,” Commerce’s focus is on “the purpose of the subsidy based on information available at the time of bestowal” (that is, when the terms for the provision are set), and not on how a firm has *actually* used the subsidy.²¹⁷ Thus, under our tying practice, a subsidy is tied to particular products or operations only if the bestowal documents, *e.g.*, the application, contract or approval, explicitly indicate that an intended link to the particular products or operations was known to the government authority and so acknowledged prior to, or concurrent with, conferral of the subsidy.²¹⁸

In the investigation West Fraser claimed that grants for bioenergy production under the BPCP were tied to non-subject merchandise.²¹⁹ In the investigation, Commerce found that the BPCP program was not tied to non-subject merchandise, countervailed the BPCP program, and divided the benefit over West Fraser’s total sales for the POI.²²⁰ Specifically, Commerce stated there was no limitation on the type of production necessary to qualify for the program, as bioenergy is a by-product of the production process and that:

“the source for the bioenergy feed stocks of black liquor and hog fuel (residual wood fiber) is the wood fiber harvested from the Forest Management Areas (FMA’s) associated with the pulp mills and sawmills owned and operated by West Fraser Mills Ltd. throughout Alberta.” Accordingly, softwood lumber or pulp production may be used to produce the biofuels pursuant to the BPCP.²²¹

Additionally, Commerce found that, because biofuels produce electricity and electricity “is required to operate the production facilities of West Fraser, the benefit from the investigated program is attributed to all products produced by West Fraser under 19 CFR 351.525(a).”²²²

In this review, West Fraser argues that lignin is limited to the production of non-subject merchandise that is downstream from softwood lumber. However, information on the record of the review indicates that: (1) as with the BPCP examined in the investigation, the source of

²¹⁴ See West Fraser’s Volume II IQR Response at Exhibits WF-AR1-SDTC-1 to WF-AR1-SDTC-5.

²¹⁵ See West Fraser’s Volume II IQR Response at WF-II-84 to 85 and WF-II-91 to 92.

²¹⁶ See West Fraser’s Volume II IQR Response at WF-II-85.

²¹⁷ See *CVD Preamble*, 63 FR at 65403.

²¹⁸ *Id.*, 63 FR at 65402.

²¹⁹ See *Lumber V Prelim PDM* at 65; see also *Lumber V Final IDM* at Comment 57.

²²⁰ *Id.*

²²¹ See *Lumber V Final IDM* at 176.

²²² *Id.*

lignin is residual wood fiber harvested from West Fraser's FMAs; and (2) the funds provided under the SDTC program are for the production of lignin, which, like black liquor, can be used as a biofuel.²²³

Accordingly, consistent with Commerce's finding with respect to the attribution of subsidies for the BPCP program in the investigation, we preliminarily find the SDTC program to be untied and, thus, attributable to all of West Fraser's sales for the relevant period.

We preliminarily determine that the SDTC program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants. Accordingly, we applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by West Fraser passed the "0.5 percent test;" therefore we allocated each grant to the year of receipt. To calculate the net subsidy rate, we divided the grant amounts allocated to the relevant calendar year by the total sales of West Fraser during the relevant calendar year. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.04 percent *ad valorem* in 2018.²²⁴

2. IFIT

The IFIT program is a Canadian federal government initiative to support forest industry transformation by accelerating the use of innovative technologies at Canadian forest industry facilities.²²⁵ The IFIT program funds projects that include bioenergy, biomaterials, biochemicals, and next generation building products. IFIT was created in 2010 by NRCan, and under statutory authority of the *Department of Natural Resources Act* and the *Energy Efficiency Act*.²²⁶ In 2013, West Fraser began discussions with NRCan regarding the possible construction of a lignin recovery plant to be funded in part by a grant under the IFIT program.²²⁷ West Fraser reported receiving a single IFIT payment during 2017 as funding for the construction of a lignin recovery plant.²²⁸

Based on record evidence, we find IFIT grants are expressly limited to the forest industry, by law, to eligible projects that are primarily based on wood fiber and integrated with existing forest sector industrial processes.²²⁹ Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

²²³ See West Fraser Preliminary Calculation Memorandum, (citing West Fraser's Volume II IQR Response at Exhibit WF-AR1-SDTC-4 (at page 38 of 65) which contains BPI).

²²⁴ *Id.*

²²⁵ See GOC NSA QNR at 15-17.

²²⁶ *Id.* at 17.

²²⁷ See West Fraser's Volume II IQR Response at WF-II-84.

²²⁸ *Id.* at WF-II-83 and WF-II-85.

²²⁹ *Id.* at WF-II-84; see also GOC NSA QNR at 16-17.

As discussed above, West Fraser received SDTC funding prior to the POR and in 2018 for the construction of a commercial scale craft lignin production facility at West Fraser’s Hinton Pulp Mill. According to West Fraser, its lignin plant, which is the basis for both the IFIT project grant and SDTC grant, does not produce subject merchandise, nor does it produce an input into subject merchandise.²³⁰

Information on the record of the review indicates that: (1) as with the BPCP examined in the investigation, the source of lignin is residual wood fiber harvested from West Fraser’s FMAs; and (2) the funds provided under the IFIT program are for the production of lignin, which, like black liquor, can be used as biofuel.²³¹ Accordingly, consistent with Commerce’s finding with respect to the attribution of subsidies for the BPCP program in the investigation, we preliminarily find the IFIT program to be untied and, thus, attributable to all of West Fraser’s sales for the relevant period.

We preliminarily determine that the IFIT program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants. Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by West Fraser passed the “0.5 percent test,” therefore we allocated each grant to the year of receipt. We divided the 2017 grant payment by West Fraser’s total sales for 2017. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.03 percent *ad valorem* in 2017.²³²

3. BC ETG / Canada – BC Job Grant

The BC ETG program is the successor program to the Canada – BC Job Grant program. The program was established as part of a joint effort between the GOC and the provinces, in which the GOC provides funding to provincial governments to increase participation in the labor force by helping workers develop necessary skills.²³³ In 2018, the GBC replaced the Canada-BC Job Grant program with the BC ETG via the joint Workforce Development Agreement between the GOC and the GBC, and the program continues to be administered by the Ministry of Advanced Education, Skills, and Training.²³⁴ Record evidence indicates that the BC ETG successor program operates in effectively the same manner. Canfor and West Fraser reported receiving benefits under the BC ETG and its predecessor, the Canada – BC Job Grant, prior to and during the POR.²³⁵

²³⁰ See West Fraser’s Volume II IQR Response at WF-II-87.

²³¹ See West Fraser Preliminary Calculation Memorandum (citing West Fraser’s Volume II IQR Response at Exhibit WF-AR1-SDTC-4 (at page 38 of 65) which contains BPI).

²³² See West Fraser Preliminary Calculation Memorandum.

²³³ See GBC NSA SQR2 at ETG-1.

²³⁴ *Id.* at ETG-3-4.

²³⁵ See Canfor IQR Response at NS-40 and West Fraser’s Volume II IQR Response at WF-II-159.

Based on the record evidence, we preliminarily find this program to be countervailable, which is consistent with Commerce’s prior determination with respect to the Canada – BC Job Grant program in the *Groundwood Paper from Canada Final*.²³⁶ Accordingly, we find grants under the BC ETG and its predecessor provide a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act and are specific under section 771(5A)(D)(iv) of the Act because the funds provided by the GOC are limited to the province of British Columbia pursuant to the terms of the Workforce Development Agreement.²³⁷

The BC ETG program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. We preliminarily determine that the BC ETG program is recurring, in accordance with 19 CFR 351.524(c)(1). Accordingly, we expensed each grant to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount received in each calendar year by Canfor’s total sales during the corresponding calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net subsidy rate of 0.01 percent *ad valorem* in 2017 and a net subsidy rate of 0.01 percent *ad valorem* in 2018. We preliminarily determine that the grants received by West Fraser in 2017 and 2018 are not measurable.²³⁸

Alberta Grant Programs

1. BPP

The BPP was announced in October 2016 by the GOA as a transitional program from the BPCP.²³⁹ The 2016-2017 BPP was a short-term replacement program for the BPCP and the GOA states, “[t]he 2016-2017 BPP built off of the Alberta Energy-administered BPCP so we are reporting it {the BPP} here in response to the Department’s question about BPCP.”²⁴⁰ Furthermore, West Fraser states, “[b]ecause the Bioenergy Producer Program (‘BPP’) succeeded the Bioenergy Producer Credit Program identified in the Questionnaire, West Fraser submits full Appendices for that program.”²⁴¹ The 2016-2017 BPP included a reduced program budget and maximum funding caps for facilities across all sectors for the duration of the program as compared to the BPCP.²⁴² On October 1, 2017, the BPP was renewed and will run until March 31, 2020.²⁴³ West Fraser reported that the BPP program was extended through March 31, 2020, with a revised, narrower scope of participation.²⁴⁴ Under the revised scope of the program,

²³⁶ See *Groundwood Paper from Canada Final* IDM at Comment 78.

²³⁷ See GBC NSA SQR2 at Exhibit BC-AR1-ETG-7, page 1.

²³⁸ See Canfor and West Fraser Preliminary Calculation Memoranda; see also West Fraser’s Volume II IQR Response at WF-II-165.

²³⁹ See West Fraser’s Volume II IQR Response at WF-II-236; see also GOA IQR at ABI-21 and Exhibit AB-AR1-BPP-2.

²⁴⁰ See GOA IQR, Vol. I at ABI-2.

²⁴¹ See West Fraser’s Volume II IQR Response at WF-II-230; see also GOA IQR at ABI-21 and Exhibit AB-AR1-BPP-2.

²⁴² See West Fraser’s Volume II IQR Response at WF-II-230; see also GOA IQR at ABI-21 and Exhibit AB-AR1-BPP-2.

²⁴³ See GOA IQR, Vol. I at ABI-3.

²⁴⁴ See West Fraser’s Volume II IQR Response at Exhibit WF-AR1-BPP-2.

West Fraser reported that its biofuels production no longer qualifies for funding under the program; therefore, West Fraser received no further payments after March 2018.²⁴⁵ Canfor²⁴⁶ reported receiving grants under the BPP during the POR through March 2018.

In the investigation, Commerce determined that Alberta's BPCP is a recurring grant program expressly limited to bioenergy producers that confers a countervailable benefit equal to the amount of the grant received.²⁴⁷ We find interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation that the BPCP is countervailable.

Based on information on the record of this review, we preliminarily determine the BPP is a successor program to the BPCP. Consistent with Commerce's treatment of the BPCP in the investigation, we find the BPP constitutes a financial contribution in the form of a direct transfer of funds under 771(5)(D)(i) of the Act.²⁴⁸ Based on record evidence and consistent with Commerce's treatment of the BPCP in the investigation, we find the BPP grants are expressly limited to bioenergy producers and, therefore, *de jure* specific in accordance with 771(5A)(D)(i) of the Act.²⁴⁹

Consistent with Commerce's treatment of the BPCP in the investigation, the BPP confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because we preliminarily find this to be a recurring program, to calculate the benefit, we divided the 2017 and 2018 grant payments by the total sales of the respective respondent for the corresponding calendar year. On this basis, we preliminarily determine that Canfor received a net subsidy rate of 0.09 percent *ad valorem* in 2017 and a net subsidy rate of 0.03 percent *ad valorem* in 2018.²⁵⁰ We also preliminarily determine that West Fraser received a net subsidy rate of 0.18 percent *ad valorem* in 2017 and a net subsidy rate of 0.05 percent *ad valorem* in 2018.²⁵¹

2. ABF

The ABF is administered by the provincial government corporation, Alberta Innovates. Alberta Innovates was established pursuant to the *Alberta Research and Innovation Act* and the *Alberta Public Agencies Governance Act*.²⁵² The ABF launched in March 2015 and provides funding in three strategic priority areas: (1) research and innovation, (2) product and technology commercialization, and (3) equipment utilization. The program focuses on projects that enhance value to biomass in agriculture and forestry and create new bio-industrial products and bio-

²⁴⁵ See West Fraser's Volume II IQR Response at WF-II-238-239 and Exhibit WF-AR1-BPP-2.

²⁴⁶ See Canfor IQR Response, at NS-17 and Exhibits B-2, B-3, and B-4.

²⁴⁷ See *Lumber V Final IDM* at Comment 57.

²⁴⁸ See *Lumber V Prelim PDM* at 63-65; see also *Lumber V Final IDM* at Comment 57.

²⁴⁹ See *Lumber V Prelim PDM* at 63-65; *Lumber V Final IDM* at Comment 57, and West Fraser's Volume II IQR Response at Exhibit WF-AR1-BPP-3.

²⁵⁰ See Canfor Preliminary Calculation Memorandum.

²⁵¹ See West Fraser Preliminary Calculation Memorandum.

²⁵² See GOA December 10, 2019 2nd NSA QR Response at AB-SQ2-6.

industrial technologies.²⁵³ West Fraser received a grant from the ABF program to implement a kraft lignin recovery plant at West Fraser's Hinton Pulp Mill, receiving a grant payment in 2016 and 2017. West Fraser stated that the ABF program provides one-time payments for approved projects, and West Fraser must submit a new application for each project.²⁵⁴

Alberta Innovates invited industry, operating companies, and other organizations to submit an expression of interest (EOI) and received a total of 33 applications. All submissions were screened against six mandatory criteria contained in Section 3.2 (Eligibility) of the EOI Project Description.²⁵⁵ Nine proposals were reviewed by Alberta Innovates' team with expertise in biofuels, biocomposites, nanotechnology, and biorefining. Of the nine proposals, the ministry ultimately offered funding support to the four top-ranked projects. Of the four projects initially chosen for funding, three were successfully completed over the life of the program. One project was not executed, and two projects were accepted and completed at later dates.

We preliminarily determine that Alberta Innovates is an authority within the meaning of section 771(5)(B) of the Act because it is a provincial corporation, the GOA is responsible for the legislative, regulatory and policy frameworks in which the corporation operates, and its board is accountable to the Minister of Economic Development & Trade.²⁵⁶ Furthermore, its board is responsible for the governance of the corporation and overseeing the management of the corporation's business affairs.²⁵⁷ The grants it provides are a financial contribution in the form of a direct transfer of funds within the meaning of section 771(5)(D)(i) of the Act.

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Alberta Innovates offered funding for four projects based on a total of 33 applications. 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 in 2017.

West Fraser reported that kraft lignin, which is produced at the plant at issue, is not subject merchandise, nor an input in any subject merchandise.²⁵⁸ For this reason, West Fraser argues that grants received under the program are tied to non-subject merchandise.

For the same reasons discussed in the SDTC section above, we preliminarily determine that the ABF is not tied to non-subject merchandise. Information on the record of the review indicates that: (1) as with the BPCP examined in the investigation, the source of lignin is residual wood

²⁵³ See West Fraser's Volume II IQR Response at WF-II-231; see also GOA IQR at ABI-70; West Fraser 2nd NSA QR Response at NSA2-2.

²⁵⁴ See West Fraser 2nd NSA QR Response at NSA2-34.

²⁵⁵ See GOA December 10, 2019 2nd NSA QR Response at AB-SQ2-11, Exhibit AB-AR1-ABF-8 and Exhibit AB-AR1-ABF-9.

²⁵⁶ *Id.* at Exhibit AB-AR1-ABF-6 at 2-3.

²⁵⁷ *Id.* at Exhibit AB-AR1-ABF-6 at 2-3.

²⁵⁸ See West Fraser's Volume II IQR Response at WF-II-85; see also West Fraser 2nd NSA QR Response at NSA2-4.

fiber harvested from West Fraser's FMAs; and (2) the funds provided under the ABF program are for the production of lignin, which, like black liquor, can be used a biofuel.²⁵⁹ Accordingly, consistent with Commerce's finding with respect to the attribution of subsidies for the BPCP program in the investigation, we preliminarily find the ABF program to be untied and, thus, attributable to all of West Fraser's sales for the relevant period.

We preliminarily determine that the ABF program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because the receipt of assistance under the program is not automatic, as a company is required to submit a new application for consideration of a project,²⁶⁰ we preliminarily find that these grants are non-recurring subsidies in accordance with 19 CFR 351.524(c)(1) and (2). Accordingly, we conducted the "0.5 percent test" pursuant to 19 CFR 351.524(b) on the grant received by West Fraser. Because the grant amount did not pass the "0.5 percent test," we expensed the grant to the year of receipt, *i.e.*, 2017. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to 2017 by West Fraser's total sales for 2017. On this basis, we preliminarily determine that West Fraser received a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2017.²⁶¹

British Columbia Grant Programs

1. BC Hydro Power Smart: Energy Manager

Commerce found the BC Hydro Power Smart: Energy Manager countervailable in the investigation.²⁶² Under this program, BC Hydro pays a portion of the salary of one or more industrial energy managers who are West Fraser employees, as well as related training and other costs.²⁶³ In this review, we preliminarily determine there is no information on the record indicating that the eligibility criteria and approval process has changed from the investigation.²⁶⁴ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning the countervailability of the program. Therefore, we continue to find the Energy Manager program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.²⁶⁵ Canfor and West Fraser reported receiving grants under the Energy Manager program prior to and during the POR.²⁶⁶

²⁵⁹ See West Fraser Preliminary Calculation Memorandum (citing West Fraser's Volume II IQR Response at Exhibit WF-AR1-SDTC-4 (at page 38 of 65) which contains BPI).

²⁶⁰ See West Fraser 2nd NSA QR Response at NSA2-34.

²⁶¹ See West Fraser Preliminary Results Calculation Memorandum.

²⁶² See *Lumber V Final* IDM at 11 and Comment 59.

²⁶³ See West Fraser's Volume II IQR Response at WF-II-5.

²⁶⁴ See West Fraser's Volume II IQR Response at Exhibits WF-AR1-BHPS-14 and WF-AR1-BHPS-15; *see also* GBC IQR at Exhibit BCAR1-BCH-9.

²⁶⁵ See *Lumber V Final* IDM at 11 and Comment 59.

²⁶⁶ See Canfor IQR Response at NS-17 and West Fraser's Volume II IQR Response at WF-II-5 and Exhibits WF-AR1-BHPS-1 and WF-AR1-BHPS-2.

The Energy Manager program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. We find that the Energy Manager program is a recurring subsidy. Accordingly, we expensed each grant to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net subsidy rate, we divided the grant amounts allocated to the relevant calendar year by Canfor's and West Fraser's total sales during the relevant calendar year. On this basis, we preliminarily determine that West Fraser received a net subsidy of 0.01 percent *ad valorem* in 2018.²⁶⁷ We find that the grants received by Canfor in 2017 and 2018, and by West Fraser in 2017 are less than 0.005 percent *ad valorem* and, therefore, are not measurable.²⁶⁸

2. BC Hydro Power Smart: Incentives

Commerce found the BC Hydro Power Smart: Incentives program countervailable in the investigation.²⁶⁹ For the investigation, Canfor provided benefit data for each of the two Incentives subprograms, Load Displacement and Energy Studies and Audits, and we analyzed each separately.²⁷⁰ In this review, we preliminarily determine there is no information on the record indicating that the eligibility criteria and approval process for these two subprograms are distinct from one another. Therefore, in the preliminary results, we analyzed the Incentives program as a whole. We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning the countervailability of the program. Therefore, we continue to find the Incentives program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A) and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.²⁷¹ Canfor and West Fraser reported receiving grants under the Incentives program prior to and during the POR.²⁷²

The Incentives program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants. Accordingly, we applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by Canfor or West Fraser passed the "0.5 percent test;" therefore we allocated each grant to the year of receipt. To calculate the net subsidy rate, we divided the grant amounts allocated to the relevant calendar year by Canfor's and West Fraser's total sales during the relevant calendar year. On this basis, we preliminarily determine that Canfor received a net subsidy of 0.03 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018,²⁷³ and West

²⁶⁷ See West Fraser Preliminary Calculation Memorandum.

²⁶⁸ Because the benefit of the 2017 grant is less than 0.005 percent *ad valorem*, we have not included the grant in the preliminary subsidy rate calculation for Canfor and West Fraser. This approach is consistent with Commerce's practice. See, *e.g.*, *CFS from China* IDM at 15.

²⁶⁹ See *Lumber V Final* IDM at 12 and Comment 59.

²⁷⁰ *Id.* at Comment 60 and Canfor IQR Response at Exhibit B-3.

²⁷¹ See *Lumber V Final* IDM at Comment 60.

²⁷² See Canfor IQR Response at NS-18 and Exhibits B-2, B-3, and B-10; *see also* West Fraser's Volume II IQR Response at WF-II-12 and Exhibits WF-AR1-BHPS-1 and WF-AR1-BHPS-2.

²⁷³ See Canfor Preliminary Calculation Memorandum.

Fraser received a net subsidy of 0.03 percent *ad valorem* in 2017 and 0.11 percent *ad valorem* in 2018.²⁷⁴

3. Forest Enhancement Society

The FESBC is a Crown agency that operates under a mandate issued by the MFLNRO&RD of the GBC.²⁷⁵ Pursuant to the BC Societies Act, the FESBC provides funding for forest management and stewardship projects.²⁷⁶ West Fraser reported receiving a single payment from the FESBC in 2018 to help fund a project involving construction of a primary fuel break, across approximately 55 kilometers from Nimpo Lake to Anahim Lake, to reduce the wildfire threat in that area.²⁷⁷

Based on record evidence, we find the FESBC is not limited, by law, to funding certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether FESBC grants are specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GBC provided information on the number of recipients as well as the total amount provided for 2017 and 2018, the two years that the FESBC issued grants.²⁷⁸ The GBC data indicate that, in relation to the total number of companies in British Columbia, this program is limited in nature. Because the actual recipients of the subsidy are limited in number,²⁷⁹ we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act.

FESBC payments confer a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants.²⁸⁰ Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by West Fraser passed the “0.5 percent test;” therefore we allocated each grant to the year of receipt. To calculate the net subsidy rate, we divided the grant amounts allocated to the relevant calendar year by the total sales of West Fraser during the relevant calendar year. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.01 percent *ad valorem* in 2018.²⁸¹

4. Carbon Offset Grants

Under the *Climate Change Accountability Act*, the GBC requires BC public sector organizations to achieve carbon neutrality from 2010 onwards.²⁸² Under the Carbon Offset program, the GBC

²⁷⁴ See West Fraser Preliminary Calculation Memorandum.

²⁷⁵ See GBC IQR at BC-VI-2; see also GBC NSA SQR2 at FES-1 to FES-4.

²⁷⁶ See GBC NSA SQR2 at FES-1 to FES-8.

²⁷⁷ See West Fraser 2nd NSA QR Response at NSA2-31; see also GBC NSA SQR2 at FES-1.

²⁷⁸ See GBC NSA SQR2 at FES-1 to FES-4.

²⁷⁹ See GBC NSA SQR2 at FES-11 and FES-12.

²⁸⁰ See West Fraser 2nd NSA QR Response at NSA2-30.

²⁸¹ See West Fraser 2nd NSA QR Response at WF-AR1-GEN-20 to 25.

²⁸² See GBC NSA SQR2 at CO-3.

reviews applications submitted by parties that have conducted projects that reduce greenhouse gas emissions. For qualified projects, the GBC estimates a monetary value representing the amount of carbon reduction realized by a project and issues Offset Units representing that value to the BC Carbon Registry.²⁸³ Once Offset Units are issued to the BC Carbon Registry, the recipient company can freely transfer Offset Units to other parties or sell them to the GBC, which purchases Offset Units to meet the carbon neutrality requirement for the provincial public sector.²⁸⁴ Since 2014, the CIB of the Ministry of Environment and Climate Change Strategy has managed an offset portfolio on behalf of all BC public sector organizations.²⁸⁵ Canfor participated in this program by switching its fuel source from a higher greenhouse gas emitting fuel to one with lower emissions and selling its Offset Units to the GBC. Canfor reported receiving benefits under this program prior to and during the POR.²⁸⁶

Based on record evidence, we preliminarily determine the granting of Carbon Offsets by the GBC constitutes a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act. We further preliminarily determine the sale of Carbon Offsets is limited, by law, to certain enterprises of industries because eligibility is restricted to firms meeting key government objectives delineated in the CIB portfolio.²⁸⁷ Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act. We further note that the GBC has provided the number of entities from which it purchased Carbon Offsets during the POR and for the prior two years, as well as the number of companies operating in or established in BC during the POR.²⁸⁸ Based on this information we preliminarily determine the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act because the actual recipients are limited in number.²⁸⁹

We preliminarily determine that this program conferred a benefit in the form of a grant because the GBC ultimately reimbursed Canfor for expenditures related to the firm's environmental projects. Accordingly, we find the funds Canfor received from the GBC confer a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants. We applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. None of the grant amounts received by Canfor passed the "0.5 percent test;" therefore we allocated each grant to the year of receipt. To calculate the net subsidy rate, we divided the grant amounts allocated to the relevant calendar year by Canfor's total sales during the relevant calendar year. On this basis, we preliminarily determine that Canfor received a net subsidy rate of 0.03 percent *ad valorem* in 2017 and a net subsidy rate of 0.03 percent *ad valorem* in 2018.²⁹⁰

²⁸³ *Id.* at CO-1.

²⁸⁴ *Id.*

²⁸⁵ *Id.*

²⁸⁶ *See* Canfor IQR Response at NS-61.

²⁸⁷ *See* Canfor IQR Response at Exhibit F-10, page 11.

²⁸⁸ *See* GBC NSA SQR2 at CO-18.

²⁸⁹ *Id.*

²⁹⁰ *See* Canfor Preliminary Calculation Memorandum.

New Brunswick Grant Programs

1. New Brunswick Provision of Silviculture Grants

Commerce found this program countervailable in the investigation.²⁹¹ We find that interested parties have not submitted any new information or arguments that warrant reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find New Brunswick's Provision of Silviculture Grants constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. JDIL reported receiving grants under this program during both the 2017 and 2018 POR.²⁹²

The grants provided a benefit in the amount of the grant in accordance with 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because we are treating this as a recurring subsidy under 19 CFR 351.524(c)(2), we divided the total grant payments received by JDIL by JDIL's total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.30 percent *ad valorem* in 2017 and 0.33 percent *ad valorem* in 2018.

2. New Brunswick License Management Fees

Commerce found this program countervailable in the investigation.²⁹³ We find that interested parties have not submitted any new information or arguments that warrant reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find this program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. JDIL reported receiving grants under this program during both 2017 and 2018.²⁹⁴

The grants provided a benefit in the amount of the grant in accordance with 19 CFR 351.504(a) and section 771(5)(E) of the Act. Consistent with the investigation,²⁹⁵ we are treating this as a recurring subsidy under 19 CFR 351.524(c)(2). Therefore, we divided the total grant payments received by JDIL by JDIL's total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.32 percent *ad valorem* in 2017 and 0.28 percent *ad valorem* in 2018.

²⁹¹ See *Lumber V Prelim PDM* at 67, unchanged in *Lumber V Final IDM* at 12.

²⁹² See JDIL IQR at 12 and Exhibit JDIL-10.

²⁹³ See *Lumber V Prelim PDM* at 68, unchanged in *Lumber V Final IDM* at 12.

²⁹⁴ See JDIL IQR at 12 and Exhibit JDIL-10.

²⁹⁵ See *Lumber V Prelim PDM* at 68, unchanged in *Lumber V Final IDM* at 12.

3. Subsidies Provided by Opportunities New Brunswick

The New Brunswick RDC administers and approves funding for this program.²⁹⁶ The GNB reports that Opportunities New Brunswick, a government organization, also has a role in project approval.²⁹⁷ The GNB reports that the program was created to continue the economic development initiatives pursued by the Miramichi Regional Economic Development Innovation Fund.²⁹⁸ The funding for the latter expired in 2015 and new funding was approved under Opportunities New Brunswick until 2021.²⁹⁹ This program is focused on continuing to support economic opportunities in the Miramichi region by allocating funding to support new initiatives that can help diversify the local economy and create new jobs. The focus areas for funding are: Growth and Development Capital; Adoption of Information and Communication Technology; Research and Development; Improving Strategic Infrastructure; and Advanced Workforce Development.³⁰⁰ An enterprise may submit a project proposal to the administering authority, and if approved, may receive up to \$500,000 in funding towards the project.³⁰¹ JDIL reported receiving grants under this program in 2017.³⁰²

We preliminarily determine that the grants provided by Opportunities New Brunswick under this program constitute a financial contribution in the form of a direct transfer of funds and confers a benefit in the amount of the grant within the meaning of sections 771(5)(D)(i) and 771(5)(E) of the Act, and under 19 CFR 351.504(a). Because this program is available only to companies or projects within a designated geographical region within the jurisdiction of the authority providing the subsidy (*i.e.*, the Miramichi region), we preliminarily determine that this program is regionally specific, in accordance with section 771(5A)(D)(iv) of the Act. Because JDIL did not receive these benefits on an on-going basis, we are treating these subsidies as non-recurring grants. Accordingly, we performed the “0.5 percent test,” as described in 19 CFR 351.524(b)(2). Because the benefit was less than 0.5 percent of JDIL’s sales in the year the grant was approved, we expensed the benefit to the year of receipt, in this instance 2017. We divided the benefit received by JDIL by its total sales in 2017, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.03 percent *ad valorem* in 2017.

4. New Brunswick Workforce Expansion Program (One Job Pledge)

Commerce found this program countervailable in the investigation.³⁰³ We find that interested parties have not submitted any new information or arguments that warrant reconsideration of Commerce’s prior determination in the investigation concerning this program. Therefore, we continue to find this program constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.

²⁹⁶ See GBC IQR at 4-5.

²⁹⁷ *Id.*

²⁹⁸ *Id.* at 4.

²⁹⁹ *Id.*

³⁰⁰ See JDIL IQR at ONB-1.

³⁰¹ See GNB IQR Response at Exhibit NB-AR1-MRDF-1.

³⁰² See JDIL IQR at 29 and Exhibit JDIL-10.

³⁰³ See *Lumber V Prelim PDM* at 69-70, unchanged in *Lumber V Final IDM* at 13.

We find 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. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. 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 POR.³⁰⁴ Therefore, we continue to find 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. JDIL reported receiving grants under this program in 2017.³⁰⁵

The grants provide a benefit in the amount of the grant, as provided in 19 CFR 351.504(a) and section 771(5)(E) of the Act. Consistent with the investigation, we are treating grants received under the program as a recurring subsidy under 19 CFR 351.524(c)(1).³⁰⁶ Accordingly, we divided the total grant received in 2017 by JDIL's total sales in 2017, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017.³⁰⁷

Nova Scotia Grant Programs

1. Nova Scotia Provision of Silviculture Grants

The GNS silviculture program was established to "ensure sustainability of Nova Scotia's forests."³⁰⁸ Under the silviculture program, the GNS imposes two liabilities on Registered Buyers that acquire more than 5,000 cubic meters of wood per year from private forestlands in Nova Scotia. The Nova Scotia Forest Act and the Forest Sustainability Regulations define a Registered Buyer as a:

person who: (1) owns or operates a 'wood processing facility' which processes 'primary forest products'; (2) exports 'primary forest products' from the Province; (3) imports 'primary forest products' into the Province; or (4) acquires 'primary forest products' for use as fuel. These companies are assessed a fee of \$3.00 per cubic meter of softwood primary products purchased and \$6.00 per cubic meter of hardwood primary forest products purchased in a given year.³⁰⁹

Companies subject to these liabilities can either perform silviculture work on private lands that corresponds to the land tenure from which the forest products were acquired, or they can make cash payments to the GNS Sustainable Forest Fund (or a combination of both).³¹⁰ Under its silviculture program, the GNS may also provide additional funding for specific silviculture work

³⁰⁴ See GNB SQR 2 at Exhibit NB-AR1-WEP-3.

³⁰⁵ See JDIL IQR at 13 and Exhibit JDIL-10.

³⁰⁶ See *Lumber V Prelim* PDM at 69-70, unchanged in *Lumber V Final* IDM at 13.

³⁰⁷ See JDIL Preliminary Calculation Memorandum.

³⁰⁸ See GNS Supplemental Response at 1.

³⁰⁹ *Id.*

³¹⁰ *Id.* at 1-2.

to Registered Buyers who enter into a Forest Sustainability Agreement with the GNS Department of Lands and Forestry. Under these agreements, the Registered Buyer submits invoices and claim forms to the Department of Lands and Forestry to document the silviculture work that was performed, and the Department reimburses the company for eligible expenses.³¹¹

JDIL reported that it received payments in the form of reimbursements from the GNS for certain silviculture activities it conducted as a Registered Buyer on private land in Nova Scotia under its GNS-approved Forest Sustainability Agreement during the POR.³¹² We preliminarily determine that the silviculture grants that JDIL received from the GNS 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 (*i.e.* Registered Buyers that acquire more than 5,000 cubic meters of wood per year from private forestlands in Nova Scotia).

The benefit received by JDIL under this program is equal to the amount of the grant provided as reimbursement for silviculture expenses. As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the benefit JDIL received in 2017 by JDIL's total sales in 2017, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017.

Ontario Grant Programs

1. IESO Demand Response

Under the IESO's Demand Response program, participants that reduce their electricity consumption as directed by the IESO during peak times to maintain a reliable electricity system receive payments in their monthly invoices.³¹³ During the POR, Resolute altered its electricity consumption patterns upon the IESO's request and received payments in return.³¹⁴

Commerce found the IESO Demand Response program countervailable in *Groundwood Paper from Canada Final*.³¹⁵ Further, in *Groundwood Paper from Canada Final*, Commerce determined that the IESO is an authority within the meaning of section 771(5)(B) of the Act because it is an agency under the state, the government appoints its board of directors and executive leadership, and its sole mission is to carry out the energy policy of the GOO.³¹⁶ No new information has been presented in this administrative review to warrant a reconsideration of that finding. Therefore, on the basis of the record, we find that the interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood Paper from Canada Final* that the Demand Response constitutes a

³¹¹ *Id.* at 14 and Exhibit NS-SILV-2.

³¹² *See* JDIL IQR at Exhibit JDIL-10.

³¹³ *See* GOO July 15, 2019 Primary Non-Stumpage QNR Response at DR-9.

³¹⁴ *Id.* at DR-21 and DR-22; *see also* Resolute December 6, 2019 Non-Stumpage SQR - Grants at 7.

³¹⁵ *See Groundwood Paper from Canada Final* IDM at 14 at Comment 73; *see also Groundwood Paper from Canada Prelim PDM* at 68-69.

³¹⁶ *See Groundwood Paper from Canada Prelim PDM* at 68, unchanged in *Groundwood Paper from Canada Final*.

financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.³¹⁷

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOO reported that a limited number of recipients, *i.e.*, 19 participants, received payments from 2014 through 2018, under the Demand Response.³¹⁸ Because the actual recipients of the subsidy are limited in number, we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with Commerce's determination in *Groundwood Paper from Canada Final*.³¹⁹

With regard to benefit, we find that the IESO Demand Response program confers a benefit equal to the amount of payments received, as provided under section 771(5)(E) of the Act. Because the assistance is provided on an on-going basis, we are treating this program as a recurring subsidy under 19 CFR 351.524(c). We thus expensed the payments that Resolute received to the year of receipt. To calculate the benefit, we divided the payments by Resolute's total sales during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.14 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.08 percent *ad valorem* in 2018.³²⁰

2. IESO IEI

Under the IESO's IEI program, selected participants enter into commercial contracts with the IESO, pursuant to which eligible incremental electricity consumption is subject to energy use-based price adjustments.³²¹ Resolute entered into two commercial contracts with the IESO under the IEI relating to two sawmills owned by Resolute Growth, which are located in Atikokan and Ignace, Ontario.³²² Resolute stated that payments received under the IEI are received in exchange for undertaking capital investments in compliance with Ontario's energy goals and are ongoing for the duration of the contract.³²³ Resolute received payments under the program in 2016, 2017, and 2018.³²⁴

Commerce found the IEI countervailable in *Groundwood Paper from Canada Final*.³²⁵ On the basis of the record, we find that the interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood*

³¹⁷ See GOO July 15, 2019 Primary Non-Stumpage QNR Response at DR-1 through DR-32; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-DR-APP.

³¹⁸ See GOO July 15, 2019 Primary Non-Stumpage QNR Response at DR-23.

³¹⁹ See *Groundwood Paper from Canada Final* IDM at 14 and Comment 73; see also *Groundwood Paper from Canada Prelim PDM* at 68-69.

³²⁰ See Resolute Preliminary Calculation Memorandum.

³²¹ See GOO July 15, 2019 Primary Non-Stumpage QNR Response at IEI-1.

³²² *Id.* at IEI-7.

³²³ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IEI-APP, page 4.

³²⁴ *Id.* at Exhibit RES-NS-IEI-8; see also GOO July 15, 2019 Primary Non-Stumpage QNR Response at IEI-21.

³²⁵ See *Groundwood Paper from Canada Final* IDM at 14 at Comments 74 and 75; see also *Groundwood Paper from Canada Prelim PDM* at 69.

Paper from Canada Final that the IEI is *de jure* specific to large industrial customers, including Resolute, which is eligible based on its classification as a large industrial customer under NAICS 321110 for Sawmills and Wood Preservation,³²⁶ under section 771(5A)(D)(i) of the Act.³²⁷

With regard to benefit, the IEI confers a benefit equal to the amount of payments received by Resolute, as provided under section 771(5)(E) of the Act. Because the assistance is provided on an on-going basis, we are treating this program as a recurring subsidy under 19 CFR 351.524(c). We thus expensed the payments that Resolute received to the year of receipt. To calculate the benefit, we divided the payments by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.12 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.10 percent *ad valorem* in 2018.³²⁸

Québec Grant Programs

1. PCIP

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). Commerce found the PCIP countervailable in the investigation.³²⁹ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program.³³⁰ Therefore, we continue to find that the PCIP constitutes a financial contribution, is *de jure* specific to the forestry industry, and confers a benefit under sections 771(5)(D), 771(5A)(D), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.³³¹ Resolute and its responding cross-owned affiliate Mauricie received payments under the PCIP in 2017 and 2018.³³²

The PCIP confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. We find that the PCIP is a recurring subsidy. Accordingly, we expensed each grant to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily

³²⁶ See GOO July 15, 2019 Primary Non-Stumpage QNR Response at IEI-24 and IEI-25.

³²⁷ *Id.* at IEI-1 through IEI-30; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IEI-APP.

³²⁸ See Resolute Preliminary Calculation Memorandum.

³²⁹ See *Lumber V Prelim* PDM at 71; *see also Lumber V Final* IDM at 13 and Comment 63.

³³⁰ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-PCIP-A and Exhibits QC-PCIP-1 through PCIP-19; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PCIP-APP and Exhibits RES-NS-PCIP-1 through PCIP-10.

³³¹ See *Lumber V Final* IDM at 13 and Comment 63; *see also Lumber V Prelim* PDM at 71.

³³² See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PCIP-APP, page 1; *see also* Resolute July 30, 2019 QNR Response for Mauricie at 10-11 and 14; and GOQ July 15, 2019 Primary QNR Response at Exhibit QC-PCIP-3.

determine that Resolute received a net countervailable subsidy rate of 0.11 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.05 percent *ad valorem* in 2018.³³³

2. Paix des Braves

In 2002, the GOQ and the Cree Nation of Québec established the “Agreement Respecting a New Relationship Between the Cree Nation and the Government of Québec,” which requires forestry companies to conduct certain additional harvesting activities on Cree lands covered by the Agreement.³³⁴ Specifically, when harvesting on the territories covered by the agreement, forestry companies are required to perform additional activities, such as build additional roads and cut in a patchwork of smaller blocks.³³⁵ In order for forestry companies to maintain their activities on the Cree lands, the GOQ initiated a program in 2015, administered by the MFFP that compensates companies to offset these costs (*i.e.*, costs not already covered by Section 120 of the SFDA) incurred when complying with the Agreement.³³⁶ Resolute received payments under the program in 2017 and 2018.³³⁷

Commerce found the Paix des Braves countervailable in *Groundwood Paper from Canada Final*.³³⁸ On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Groundwood Paper from Canada Final* that the Paix des Braves program constitutes a financial contribution, and is *de jure* specific to the forestry industry under section 771(5A)(D)(i) of the Act.³³⁹

The Paix des Braves program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because benefits under this program are not provided on an on-going basis, but only when Resolute harvests on Paix des Braves land, we are treating these subsidies as non-recurring grants. This approach is consistent with *Groundwood Paper from Canada Final*.³⁴⁰ Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. Because the grants received did not pass the “0.5 percent test,” we expensed each grant in the year of receipt, *i.e.*, 2017 and 2018. To calculate the net

³³³ See Resolute Preliminary Calculation Memorandum.

³³⁴ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CA-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-PDB-APP.

³³⁵ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CA-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-PDB-APP.

³³⁶ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CA-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-PDB-APP.

³³⁷ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-PDB-APP, page 2; see also GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CA-4.

³³⁸ See *Groundwood Paper from Canada Final* IDM at 16 at Comment 82; see also *Groundwood Paper from Canada Prelim PDM* at 75-76.

³³⁹ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CA-A and Exhibits QC-CA-1 through CA-12; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PDB-APP.

³⁴⁰ See *Groundwood Paper from Canada Final* IDM at 16 at Comment 82; see also *Groundwood Paper from Canada Prelim PDM* at 75-76.

countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.03 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.06 percent *ad valorem* in 2018.³⁴¹

3. FDRCMO

The FDRCMO, also known as, the Workforce Skills Development and Recognition Fund, is administered by Emploi-Québec, which is a department within MTESS, a government ministry. The FDRCMO targets training in the workplace, raising skill levels, and the improvement of a business' competitiveness.³⁴² Resolute received payments under the FDRCMO in 2017 and 2018.³⁴³

Commerce found the FDRCMO countervailable in *Lumber V Final Results of Expedited Review*.³⁴⁴ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination that the FDRCMO constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.³⁴⁵

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOQ submitted usage information that covers the POR.³⁴⁶ Given the nature of this provincial program and the usage data submitted by the GOQ,³⁴⁷ it is reasonable to compare the number of companies that received FDRCMO grants to the total number of companies operating/established in the jurisdiction of the granting authority or to the total number of companies that filed an income tax return in Québec for the years 2014 through 2018, to determine whether the recipients of FDRCMO assistance were limited in number. Based on our analysis of that data, we preliminarily determine that a small number of companies received grants under the program in the years examined.³⁴⁸

Therefore, we preliminarily determine that the number of recipients of assistance under the FDRCMO was limited in number under section 771(5A)(D)(iii)(I) of the Act in 2017 and 2018. Because the record reflects that FDRCMO is not widely used throughout the provincial

³⁴¹ See Resolute Preliminary Calculation Memorandum.

³⁴² See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-FDRCMO-A, page 1.

³⁴³ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-FDRCMO-APP and RES-NS-FDRCMO-4; see also GOQ July 15, 2019 Primary QNR Response at Exhibit QC-FDRCMO-1.

³⁴⁴ See *Lumber V Final Results of Expedited Review* IDM at 7 and Comment 10; see also *Lumber V Prelim Results of Expedited Review* PDM at 21-22.

³⁴⁵ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-FDRCMO-A and Exhibits QC-FDRCMO-1 through FDRCMO-7; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-FDRCMO-APP and Exhibits RES-NS-FDRCMO-1 through FDRCMO-4.

³⁴⁶ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-FDRCMO-6.

³⁴⁷ *Id.*

³⁴⁸ The FDRCMO usage data and Québec company information are business proprietary information. See Québec Specificity Memorandum.

economy, the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with Commerce’s determination in *Lumber V Final Results of Expedited Review*.³⁴⁹

Concerning benefit, the FDRCMO confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. In accordance with 19 CFR 351.524(c)(1) and (2), we also continue to treat the FDRCMO as a non-recurring subsidy because separate, project-specific government approval was required to receive benefits and funding for projects under the FDRCMO. Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. We find that the grant received by Resolute in 2017 is not measurable.³⁵⁰ We find that the grant received by Resolute in 2018 was measurable, but less than 0.5 percent, and therefore expensed the grant to the year of receipt, *i.e.*, 2018. To calculate the net countervailable subsidy rate, we divided the 2018 grant amount by Resolute’s total sales for 2018. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2018.³⁵¹

4. MFOR

Similar to the FDRCMO, the MFOR, *aka* Manpower Training Measures, is a grant program administered by Emploi-Québec. The purpose of the MFOR is to support skills development for workers at risk of losing their jobs and to support low-skilled workers who want to improve basic training. Resolute and Mauricie received grants under the MFOR in 2017 and 2018.³⁵² Commerce found the MFOR countervailable in *Groundwood Paper from Canada Final*.³⁵³ On the basis of the record, we find that the interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Groundwood Paper from Canada Final* that the MFOR constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.³⁵⁴

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the

³⁴⁹ See *Lumber V Final Results of Expedited Review* IDM at 7 and Comment 10; see also *Lumber V Prelim Results of Expedited Review* PDM at 21-22.

³⁵⁰ Because the benefit of the 2017 grant is less than 0.005 percent *ad valorem*, we have not included the grant in the preliminary subsidy rate calculation for Resolute. This approach is consistent with Commerce’s practice. See, e.g., *CFS from China* IDM at Analysis of Programs, Programs Determined Not To Have Been Used or Not To Have Provided Benefits During the POI for GE.

³⁵¹ See Resolute Preliminary Calculation Memorandum.

³⁵² See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-MFOR-APP and Exhibit RES-NS-MFOR-2; see also Resolute July 30, 2019 QNR Response for Mauricie at 10-12; and GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MFOR-1.

³⁵³ See *Groundwood Paper from Canada Final* IDM at 16 (Emploi-Québec Grants) at Comments 79 and 80; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 12-13 (Emploi-Québec Grants).

³⁵⁴ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MFOR-A and Exhibits QC-MFOR-1 through MFOR-7; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-MFOR-APP.

Act. The GOQ submitted usage information that covers the POR.³⁵⁵ Given the nature of this provincial program and the usage data submitted by the GOQ,³⁵⁶ it is reasonable to compare the number of companies that received MFOR grants to the total number of companies operating/established in the jurisdiction of the granting authority or to the total number of companies that filed an income tax return in Québec for the years 2014 through 2018, to determine whether the recipients of MFOR assistance were limited in number. Based on our analysis of that data, we preliminarily determine that a small number of companies received grants under the program in the years examined.³⁵⁷ Therefore, we preliminarily determine that the number of recipients of assistance under the MFOR was limited in number under section 771(5A)(D)(iii)(I) of the Act in 2017 and 2018. Because the record reflects that MFOR is not widely used throughout the provincial economy, the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with Commerce’s determination in *Groundwood Paper from Canada Final*.³⁵⁸

With regard to benefit, the MFOR confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. In accordance with 19 CFR 351.524(c)(1) and (2), we continue to treat the MFOR as a non-recurring subsidy because separate, project-specific government approval was required to receive benefits and funding for projects under the MFOR. Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. We find that the grants received in 2017 and 2018 were less than 0.5 percent. We therefore expensed each grant to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2018.³⁵⁹

5. ÉcoPerformance

The objective of the ÉcoPerformance, which was launched in October 2013, is to reduce GHG emissions through measures related to energy consumption, energy production, and fugitive emissions with a view to sustainable development.³⁶⁰ The program is administered by TEQ, a division of MERN. Resolute received payments under the program during the POR and prior years of the AUL.³⁶¹ Commerce found the ÉcoPerformance countervailable in *Groundwood Paper from Canada Final*.³⁶² On the basis of the record, we find that interested parties have not

³⁵⁵ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MFOR-5.

³⁵⁶ *Id.*

³⁵⁷ The MFOR usage data and Québec company information are business proprietary information. See Québec Specificity Memorandum.

³⁵⁸ See *Groundwood Paper from Canada Final* IDM at 16 (Emploi-Québec Grants) at Comments 79 and 80.

³⁵⁹ See Resolute Preliminary Calculation Memorandum.

³⁶⁰ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ECO-A, page 1.

³⁶¹ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-ECP-APP, page 5; see also GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ECO-4.

³⁶² See *Groundwood Paper from Canada Final* IDM at 16 at Comment 87; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 16-17.

submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Groundwood Paper from Canada Final* that the ÉcoPerformance constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.³⁶³

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOQ reported that there were a limited number of participants that received grants under the ÉcoPerformance, and its two predecessor programs for the years 2007 through 2018.³⁶⁴ Because the actual recipients are limited in number on an enterprise basis, we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with Commerce’s determination in *Groundwood Paper from Canada Final*.³⁶⁵

With regard to benefit, the ÉcoPerformance confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. In accordance with 19 CFR 351.524(c)(1) and (2), we also continue to treat the ÉcoPerformance as a non-recurring subsidy because separate, project-specific government approval was required to receive benefits and funding for projects under the program. Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. We find that all grants received by Resolute prior to 2018 are either expensed in the year of receipt or not measurable.³⁶⁶ We find that the grant received by Resolute in 2018 was less than 0.5 percent, and therefore expensed the grant to the year of receipt. To calculate the net countervailable subsidy rate, we divided the 2018 grant amount by Resolute’s total sales for 2018. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* in 2018.³⁶⁷

6. Investment Program in Public Forests Affected by Natural or Anthropogenic Disturbances

The Investment Program in Public Forests Affected by Natural or Anthropogenic Disturbances, implemented in October 2014, allows for the performance of special interventions by the MFFP when a natural or anthropogenic disturbance causes significant destruction of the forest, such as fire, wind-throw, or insect epidemics, which increase the unit cost of harvesting because of the reduced per-hectare salvageable volume.³⁶⁸ Under the program, harvesters are compensated for

³⁶³ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ECO-A and Exhibits QC-ECO-1 through ECO-12; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-ECP-APP.

³⁶⁴ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ECO-A, page 14. The total number of participants for the years 2007-2018 is proprietary information. For more information, see Québec Specificity Memorandum.

³⁶⁵ See *Groundwood Paper from Canada Final* IDM at 16 at Comment 87; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 16-17.

³⁶⁶ See Resolute Preliminary Calculation Memorandum.

³⁶⁷ *Id.*

³⁶⁸ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-AD-A.

the additional costs associated with performing salvage operations to preserve the health of the forest.³⁶⁹ During the POR, Resolute received assistance under the program for spruce budworm, burned wood, and blowdown.³⁷⁰

Commerce found the Investment Program in Public Forests Affected by Natural or Anthropogenic Disturbances countervailable in *Groundwood Paper from Canada Final*.³⁷¹ On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood Paper from Canada Final* that this investment program constitutes a financial contribution, is *de jure* specific to the forestry industry, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively.³⁷²

This investment program confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because a harvester must submit a request in writing to MFFP to obtain financial assistance for each natural or anthropogenic disturbance,³⁷³ we find that the program is a non-recurring subsidy. Accordingly, we applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. Because the grants received did not pass the "0.5 percent test," we expensed each grant in the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.03 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.07 percent *ad valorem* in 2018.³⁷⁴

7. Special L Rate for Industrial Customers Affected by Spruce Budworm

In 2015, because of a destructive outbreak of the spruce budworm in the North Shore, Resolute approached the GOQ requesting financial assistance in response to the increased costs required to harvest certain forests affected by the epidemic.³⁷⁵ As a result, the GOQ established a fixed rate reduction in electricity rates (*i.e.*, modified Hydro-Québec's L-rate price structure), through Hydro-Québec, to mitigate the increased electricity costs affecting Resolute.³⁷⁶ In the

³⁶⁹ *Id.*

³⁷⁰ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-NADB-APP, TSORB-APP, and TSOBA-APP.

³⁷¹ See *Groundwood Paper from Canada Final* IDM at 15 at Comment 83; see also *Groundwood Paper from Canada Prelim PDM* at 74-75.

³⁷² See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-AD-A and Exhibits QC-AD-1 through AD-11; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-NADB-APP, TSORB-APP, and TSOBA-APP.

³⁷³ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-AD-A, page 6.

³⁷⁴ See Resolute Preliminary Calculation Memorandum.

³⁷⁵ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-SB-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-LRateB-APP.

³⁷⁶ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-SB-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-LRateB-APP.

investigation, Commerce determined that Hydro-Québec is an authority within the meaning of section 771(5)(B) of the Act because it is a state-owned utility, whose sole shareholder is the Québec government.³⁷⁷ No new information has been presented in this administrative review to warrant a reconsideration of that finding. The GOQ reported that there were no changes to Hydro-Québec's ownership structure post December 31, 2015, the last day of the POI of the investigation.³⁷⁸ Thus, because no new information has been presented in this administrative review regarding Hydro-Québec's ownership, Commerce continues to find that Hydro-Québec is an authority within the meaning of section 771(5)(B) of the Act.

Through Order in Council 1147-2015, Hydro-Québec agreed to a special rate contract with Resolute for two of its paper and pulp mills (*i.e.*, Clermont and Baie-Comeau) to provide a fixed rate for the distribution of electricity.³⁷⁹ These contracts, valid from January 1, 2016 through December 31, 2020, provide a 20 percent rate discount applicable to the first 63.5 and 83.8 megawatts of Resolute's Baie-Comeau and Clermont mills, respectively.³⁸⁰ Resolute received the electricity mitigation credits on its electricity invoices in 2017 and 2018.³⁸¹

Commerce found this special L rate program countervailable in *Groundwood Paper from Canada Final*.³⁸² On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood Paper from Canada Final* that this program constitutes a financial contribution, is *de jure* specific to Resolute, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively.³⁸³ The contracts concluded between Hydro-Québec and Resolute concern Resolute's pulp and paper mills in Baie-Comeau and Clermont. Commerce examined the same contracts in *Groundwood Paper from Canada* and determined that, at the point of bestowal, the assistance (electricity mitigation credits) were not tied to pulp/paper and, accordingly, attributed benefits under this program to Resolute's total sales.³⁸⁴ In these preliminary results, we have utilized the same approach.

This special L rate program confers a benefit equal to the amount of the electricity credits received, as provided under section 771(5)(E) of the Act.³⁸⁵ Because electricity credits are a recurring subsidy under 19 CFR 351.524(c), we expensed the electricity credits in the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the

³⁷⁷ See *Lumber V Prelim PDM* at 85, unchanged in *Lumber V Final*.

³⁷⁸ See GOQ July 15, 2019 Primary QNR Response at Volume III (Non-Stumpage – Hydro-Québec Programs) at 20.

³⁷⁹ *Id.* at Exhibit QC-SB-2.

³⁸⁰ *Id.* at Exhibit QC-SB-A; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-LRateB-APP.

³⁸¹ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-LRateB-APP, page 5-6.

³⁸² See *Groundwood Paper from Canada Final IDM* at 16 at Comment 72; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 17-18.

³⁸³ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-AD-A and Exhibits QC-AD-1 through AD-11; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-NADB-APP, TSOB-APP, and TSOBA-APP.

³⁸⁴ See *Groundwood Paper from Canada Final IDM* at 16 at Comment 72; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 17-18.

³⁸⁵ See *Groundwood Paper from Canada Final IDM* at 16 at Comment 72; see also *Groundwood Paper from Canada Post-Prelim Memorandum* at 17-18.

electricity credits to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.50 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.46 percent *ad valorem* in 2018.³⁸⁶

8. Hydro-Québec's ISEE

Hydro-Québec administers an industrial systems energy efficiency program to reduce the average amount of electricity used per unit produced for the participant.³⁸⁷ The ISEE consists of multiple components, including Prescriptive Measures, Retrofit, Electricity Consumption Analysis, and Empower.³⁸⁸ Any individual or corporation that owns, operates, or occupies an industrial building in Québec associated with a goods-producing industry is eligible for the program.³⁸⁹ Resolute received grants under the ISEE during the POR and prior years of the AUL.³⁹⁰ Commerce found the ISEE countervailable in *Groundwood Paper from Canada Final*.³⁹¹ On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood Paper from Canada Final* that the ISEE constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.³⁹²

Regarding specificity, based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOQ reported that a limited number of recipients, *i.e.*, 2,955, were approved for assistance under the ISEE from 2007 through 2018.³⁹³ Because the actual recipients are limited in number on an enterprise basis,³⁹⁴ we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with Commerce's determination in *Groundwood Paper from Canada Final*.³⁹⁵

With regard to benefit, the ISEE confers a benefit equal to the amount of the grant received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. In accordance with 19 CFR 351.524(c)(1) and (2), we continue to treat the ISEE as a non-recurring subsidy because separate, project-specific government approval was required to receive benefits and funding for

³⁸⁶ See Resolute Preliminary Calculation Memorandum.

³⁸⁷ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ISEE-A.

³⁸⁸ *Id.*

³⁸⁹ *Id.*

³⁹⁰ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IS-APP, page 5; *see also* GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ISEE-6.

³⁹¹ See *Groundwood Paper from Canada Final* IDM at 15 at Comment 73; *see also* *Groundwood Paper from Canada Prelim* PDM 69-70.

³⁹² See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ISSE-A and Exhibits QC-ISEE-1 through ISEE-15; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IS-APP.

³⁹³ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-ISSE-A, page 17.

³⁹⁴ For information on the total number of companies operating or established in Québec and the total number of corporate/business income tax files within the jurisdiction of the granting authority of the ISEE, which are proprietary data, *see* Québec Specificity Memorandum.

³⁹⁵ See *Groundwood Paper from Canada Final* IDM at 16 at Comment 71; *see also* *Groundwood Paper from Canada Post-Prelim* Memorandum at 15-16.

projects under the program. Accordingly, we applied the “0.5 percent test,” as discussed in the “Subsidies Valuation” section of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate benefits under the program to the year of receipt or across the years of the AUL. We find that all grants received by Resolute prior to the POR are either expensed in the year of receipt or not measurable.³⁹⁶ We find that the grants received by Resolute in 2017 and 2018 were less than 0.5 percent, respectively, and therefore expensed the grants to the year of receipt. To calculate the net countervailable subsidy rates, we divided each grant by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.04 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2018.³⁹⁷

9. Hydro-Québec’s IEO

As part of its mandate, Hydro-Québec operates the IEO, which is designed to help it meet increased power requirements during the winter period (*i.e.*, December 1 to March 31) when electricity demand in Québec peaks.³⁹⁸ All participants in the program must be able to curtail power on demand, or risk penalties assessed by Hydro-Québec.³⁹⁹ The power curtailment by major customers during peak demand periods allows Hydro-Québec to avoid purchasing power from other systems when prices spike, or installing additional, expensive generation capacity that would sit idle for most of the year.⁴⁰⁰ In return for complying with Hydro-Québec interruption notices, the IEO participants receive certain fixed and variable credits for the winter period.⁴⁰¹ The IEO is available to all Medium-Power Customers, Large-Power Customers on Rate L (industrial), and Rate LG Customers.⁴⁰² As such, the IEO limits access to the subsidy to industrial users with the technical capacity to curtail power on notice of interruption. Resolute received payments under the IEO during the POR.⁴⁰³

Commerce found the IEO countervailable in *Groundwood Paper from Canada Final*.⁴⁰⁴ On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Groundwood Paper from Canada Final* that the IEO constitutes a financial contribution, is *de jure* specific to industrial customers, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i) and 771(5)(E) of the Act, respectively.⁴⁰⁵

³⁹⁶ See Resolute Preliminary Calculation Memorandum.

³⁹⁷ *Id.*

³⁹⁸ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-IEO-A.

³⁹⁹ *Id.*

⁴⁰⁰ *Id.*

⁴⁰¹ *Id.*

⁴⁰² *Id.*

⁴⁰³ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IEO-APP, page 8; see also GOQ July 15, 2019 Primary QNR Response at Exhibit QC-IEO-A, page 7-8.

⁴⁰⁴ See *Groundwood Paper from Canada Final* IDM at 15 at Comment 73; see also *Groundwood Paper from Canada Prelim PDM* at 69-70.

⁴⁰⁵ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-IEO-A and Exhibits QC-IEO-1 through IEO-34; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-IEO-APP.

With regard to benefit, the IEO confers a benefit equal to the amount of electricity credits received, as provided under section 771(5)(E) of the Act. Because electricity credits are received on an on-going basis, we are treating this program as a recurring subsidy under 19 CFR 351.524(c). We thus expensed the electricity credits in the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the credits by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.08 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.08 percent *ad valorem* in 2018.⁴⁰⁶

10. Electricity Discount Program Applicable to Consumers Billed at Rate L

Under the March 2016 Québec Economic Plan, the GOQ implemented an electricity rate incentive discount to encourage large industrial power consumers (*i.e.*, those defined as Rate L customers) to undertake eligible investments to reduce electricity demand through improved efficiency and productivity, to make use of production assets otherwise in disuse, and reduce GHG.⁴⁰⁷ Rate L applies to an annual contract with Hydro-Québec where the minimum billing demand is 5,000 kilowatts or more, principally related to an industrial activity.⁴⁰⁸ Under the program, companies billed at Rate L that carry out one or more eligible investment projects can receive government assistance in the form of reduced electricity costs in their establishments billed at Rate L.⁴⁰⁹ The reduced electricity costs allows for the reimbursement of up to 50 percent of the eligible costs of an investment.⁴¹⁰ The maximum reduction of an establishment's Hydro-Québec electricity bill is 20 percent for a maximum period of four years or, in the case of an application concerning at least \$250 million, six years.⁴¹¹ The program is co-managed by the Ministry of Finance and Hydro-Québec.⁴¹² Under the program, Resolute submitted applications for three different investment projects and received investment incentives in 2017 and 2018.⁴¹³

We preliminarily determine that the assistance that Resolute received under this electricity discount program constitutes a financial contribution in the form of a direct transfer of funds from the government, pursuant to section 771(5)(D)(i) of the Act, and that the program bestows a benefit in the amount of grants, pursuant to section 771(5)(E) of the Act and 19 CFR 351.504(a). We also preliminarily determine that the program is *de jure* specific, under section 771(5A)(D)(i) of the Act because, pursuant to Decree 675-2016, the program is available only to large power industrial consumers subject to Hydro-Québec's published Rate L electricity tariff.⁴¹⁴

⁴⁰⁶ See Resolute Preliminary Calculation Memorandum.

⁴⁰⁷ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-EDL-A, page 1. The terms of the program are summarized in the published "Parameters and Terms and Conditions" provided at Exhibit QC-EDL-1; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-LRR-APP, page 1.

⁴⁰⁸ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-EDL-A, page 1.

⁴⁰⁹ *Id.*

⁴¹⁰ *Id.*

⁴¹¹ *Id.*

⁴¹² *Id.* at 2-3.

⁴¹³ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-LRR-APP, page 1 and 3.

⁴¹⁴ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-EDL-A, page 2, and Exhibit QC-EDL-2 (Decree 675-2016).

We consider the benefits under this program, consistent with our normal practice, to be non-recurring, as provided in 19 CFR 351.524(c)(2)(iii), because the benefits are tied to the company's capital assets. Accordingly, we conducted the "0.5 percent test" pursuant to 19 CFR 351.524(b) on the grants received by Resolute. Because the grant amounts did not pass the "0.5 percent test," we expensed the grants to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.36 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.46 percent *ad valorem* in 2018.⁴¹⁵

11. Hydro-Québec's New Demand-Side Management Program

The Gestion de la demande de puissance, as known as the GDP, is a demand response program similar to Hydro-Québec's IEO discussed above. Under the GDP, commercial, institutional, and small and medium-sized companies are encouraged to reduced power demand during the winter peak demand periods.⁴¹⁶ In exchange for curtailing power demand during the winter, Hydro-Québec provides to those electricity consumers financial assistance in proportion to their power reduction.⁴¹⁷ Resolute received a payment under the program during the POR.⁴¹⁸

We preliminarily determine there is a financial contribution in the form of a direct transfer of funds from the government to companies participating in the program, within the meaning of section 771(5)(D)(i) of the Act. We also preliminarily determine that the program is *de jure* specific, pursuant to 771(5A)(D)(i) of the Act, because only customers with a communicating meter whose electrical service contract is subject to Rate DM, G, G9, M, or LG are eligible to participate, as stated in the Participant Guides.⁴¹⁹

Concerning benefit, the GDP confers a benefit equal to the amount of electricity payments received by Resolute, as provided under section 771(5)(E) of the Act. Because the assistance is provided on an on-going basis, we are treating this program as a recurring subsidy under 19 CFR 351.524(c). To calculate the net countervailable subsidy rate, we divided the grant amount expensed to 2017 by Resolute's total sales for 2017. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of **0.03 percent** *ad valorem* in 2017.⁴²⁰

12. PIB

The March 2016 Québec Economic Plan announced budget allocations of \$22.5 million, over a five-year period, for the implementation of the PIB (also known as, the Wood Innovation Program) which is administered by MFFP.⁴²¹ The program provides grants to projects that

⁴¹⁵ See Resolute Preliminary Calculation Memorandum.

⁴¹⁶ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-GDP-A, page 1-2.

⁴¹⁷ *Id.*; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-DSM-APP, page 2.

⁴¹⁸ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-DSM-APP, page 6; see also GOQ July 15, 2019 Primary QNR Response at Exhibit QC-GDP-A, page 4.

⁴¹⁹ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-GDP-1 (April 2016 version) at "Eligible Customers" and Exhibit-QC-GDP-2 (May 2017 version) at "Eligible Customers."

⁴²⁰ See Resolute Preliminary Calculation Memorandum.

⁴²¹ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-PIB-A, page 2-3.

support innovation and diversification of forest products and promote the increased competitiveness of the forest products industry.⁴²² The program was implemented after the October 24, 2016, approval of the Forest Innovation Program Normative Framework (2016-2001).⁴²³ The GOQ stated that the program is open to companies registered in Québec that use or intend to use wood or wood biomass to develop or produce a new innovative product, develop or install a new transformation process, or build a pilot or demonstration plant to demonstrate a new technology's feasibility.⁴²⁴ Resolute reported that it met the eligibility criteria of the program for seven projects and received disbursements under the program during the POR.⁴²⁵

We preliminarily determine that the assistance which Resolute received under the PIB constitutes a financial contribution in the form of a direct transfer of funds from the government, pursuant to section 771(5)(D)(i) of the Act, and that the program bestows a benefit in the amount of the grants, pursuant to section 771(5)(E) of the Act and 19 CFR 351.504(a). We also preliminarily determine that the program is *de jure* specific, under section 771(5A)(D)(i) of the Act because, pursuant to the Normative Framework, only entities specializing in the forest products industry are eligible for the program.⁴²⁶

Financial assistance provided under the program is not automatically received as a company must submit a separate application for each project.⁴²⁷ We thus are treating the program as a non-recurring subsidy in accordance with 19 CFR 351.524(c). Accordingly, we conducted the "0.5 percent test" pursuant to 19 CFR 351.524(b) on the grant amounts received by Resolute.⁴²⁸ Because the grant amounts did not pass the "0.5 percent test," we expensed the grants to the year of receipt, *i.e.*, 2018. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to 2018 by Resolute's total sales for 2018. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.03 percent *ad valorem* in 2018.⁴²⁹

13. MCRP

The MCRP, implemented on April 1, 2016, and administered by MFFP, provides reimbursements of up to 90 percent of the costs of construction, improvement, and repairs of multi-use public access roads in forest areas.⁴³⁰ The GOQ stated that eligibility for the program is limited to supply guarantee holders, buyers of timber on the open market, holders of a forestry permit stipulated in section 73 of the SFDA, Rexforet, and holders of an over-the-counter contract for timber.⁴³¹ Resolute reported that it and Mauricie completed road and infrastructure

⁴²² *Id.* at 1-2.

⁴²³ *Id.* at 2 and Exhibit QC-PIB-1.

⁴²⁴ *Id.* at Exhibit QC-PIB-A, page 7, and Exhibit QC-PIB-1, page 5.

⁴²⁵ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PIB-APP, page 2-3.

⁴²⁶ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-PIB-1, page 5 (section 5 "Eligible Applicant").

⁴²⁷ *Id.* at Exhibit QC-PIB-A, page 10.

⁴²⁸ We used "date of receipt" as a proxy for "date of approval."

⁴²⁹ See Resolute Preliminary Calculation Memorandum.

⁴³⁰ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MCRP-A, page 1-3, and Exhibits QC-MCRP-1 and MCRP-2.

⁴³¹ *Id.* at Exhibit QC-MCRP-A, page 11; see also Exhibit QC-MCRP-2 (page 1 of the Regulatory Framework (section 4 "Eligibility")).

works under the MCRP since its implementation and received payments under the program during the POR.⁴³²

We preliminarily determine that the assistance that Resolute received under the MCRP constitutes a financial contribution in the form of a direct transfer of funds from the government, pursuant to section 771(5)(D)(i) of the Act, and that the program bestows a benefit in the amount of the grants, pursuant to section 771(5)(E) of the Act and 19 CFR 351.504(a). We also preliminarily determine that the program is *de jure* specific, under section 771(5A)(D)(i) of the Act because, pursuant to the Regulatory Framework, recipients are limited on an industry basis to those in the forestry sector.⁴³³

Financial assistance provided under the program is not automatically received as a participant must have a signed agreement with MFFP and submit implementation and activity reports for consideration of assistance.⁴³⁴ We thus are treating the program as a non-recurring subsidy in accordance with 19 CFR 351.524(c). Accordingly, we conducted the “0.5 percent test” pursuant to 19 CFR 351.524(b) on the grants received by Resolute. Because the grant amounts did not pass the “0.5 percent test,” we expensed the grants to the year of receipt, *i.e.*, 2017 and 2018. To calculate the net countervailable subsidy rates, we divided the grant amount expensed to the relevant calendar year by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.34 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.19 percent *ad valorem* in 2018.⁴³⁵

4. *Tax and Other Revenue Forgone Programs*

Commerce included certain income tax and other revenue forgone programs in the Initial Questionnaire and initiated investigations of additional NSA programs. The respondents also self-reported tax *and* other revenue forgone programs, for which their respective provincial governments also provided program information. Based on the record evidence, we preliminarily determine that the programs described below constitute financial contributions in the form of revenue forgone, within the meaning of section 771(5)(D)(ii) of the Act. We also preliminarily determine that the programs below confer benefits under section 771(5)(E) of the Act and 19 CFR 351.509(a)(1) 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. We calculated the benefit as the difference between what the firm would have paid absent the program and what the firm paid as a result of participating in the program. Unless otherwise noted, we calculated the benefit based on the information contained in the income tax return filed during the POR or in the case of non-income tax-based programs on the savings realized during the POR. To calculate the net countervailable subsidy rate for a program used by a respondent, we divided the benefit the by sales denominator of the relevant calendar year. Additionally, unless otherwise stated, we preliminarily determine that the following

⁴³² See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-MCRP-APP, page 3; *see also* Resolute July 30, 2019 QNR Response for Mauricie at 11 and 22.

⁴³³ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MCRP-2 (page 1 of the Regulatory Framework (section 4 “Eligibility”).

⁴³⁴ *Id.* at Exhibit QC-MCRP-A, page 8-9.

⁴³⁵ See Resolute Preliminary Calculation Memorandum.

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 or total export sales denominator, where applicable. For the tax programs listed below that were found countervailable in the investigation or the *Lumber V Final Results of Expedited Review* and for which no new information has been provided, we refer to the PDMs and IDMs of those proceedings for the description of the program and specificity determination, and we provide a description of the benefit and net subsidy rate calculations performed in this review for each applicable respondent. For the remaining countervailable tax programs listed below, we provide a description of each tax program, the basis for specificity, and the benefit and net subsidy rate calculation for each applicable respondent.

Federal Tax Programs

1. Accelerated Capital Cost Allowance for Class 29 and Class 53 Assets

Commerce found the Accelerated Capital Cost Allowance for Class 29 Assets program countervailable in the investigation.⁴³⁶ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find the Accelerated Capital Cost Allowance for Class 29 Assets constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴³⁷ The Accelerated Capital Cost Allowance for Class 53 Assets program operates in a manner that is nearly identical to the Class 29 program. However, the Class 53 program involves property covered by Class 29 but acquired after 2015 and before 2026. Therefore, we preliminarily determine the Class 53 tax program to be countervailable on the same basis as the Class 29 tax program. Further, we have treated the tax savings provided under Class 29 and Class 53 as falling under a single program.⁴³⁸ Canfor, JDIL, Resolute, and West Fraser reported reductions in their taxable incomes under Class 29 and/or Class 53 during the POR.⁴³⁹

The tax program 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 program, as provided in 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor, JDIL, Resolute, and West Fraser received, by their respective total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.28 percent *ad valorem* in 2017 and 0.14 percent *ad valorem* in 2018, Resolute received a benefit that was not measurable in 2017 and received a net countervailable

⁴³⁶ *See Lumber V Prelim PDM* at 72, unchanged in *Lumber V Final IDM* at 13.

⁴³⁷ *See Lumber V Prelim PDM* at 72.

⁴³⁸ Resolute and JDIL claimed Class 29 and/or 53 assets on its Québec tax returns. These are based on tax schedules established by and under the jurisdiction of Revenue Québec. However, as the depreciation schedules used are analogous to the federal depreciation rates and the asset classes are defined in the same manner, we are treating this program as a single subsidy.

⁴³⁹ *See Canfor IQR Response* at NS-19; *see also JDIL IQR* at 14-15; and *West Fraser's Volume II IQR Response* at WF-II-24.

subsidy of 0.01 percent *ad valorem* in 2018, and JDIL received a net countervailable subsidy of 0.28 percent *ad valorem* in 2017 and 0.11 percent *ad valorem* in 2018. We preliminarily determine that, for West Fraser the benefit of the Accelerated Capital Cost Allowance for Class 29 and Class 53 Assets program in 2017 and 2018 is not measurable.⁴⁴⁰

2. Apprenticeship Job Creation Tax Credit

Commerce found the Apprenticeship Job Creation Tax Credit countervailable in the investigation.⁴⁴¹ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find the Apprenticeship Job Creation Tax Credit constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁴² JDIL and West Fraser reported receiving a tax credit under the Apprenticeship Job Creation Tax Credit during both the 2017 and 2018 calendar years, while Canfor reported receiving it during the 2018 calendar year only.⁴⁴³

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor, JDIL and West Fraser received, by its total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.04 percent *ad valorem* in 2018, and JDIL received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017.⁴⁴⁴ We preliminarily determine that, for West Fraser, the benefit of the Apprenticeship Job Creation Tax Credit in 2017 and 2018 is not measurable.⁴⁴⁵

3. Atlantic Investment Tax Credit

Commerce found the Atlantic Investment Tax Credit countervailable in the investigation.⁴⁴⁶ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find the Atlantic Investment Tax Credit constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁴⁷ JDIL reported receiving a tax credit under the Atlantic Investment Tax Credit during both the 2017 and 2018 POR.⁴⁴⁸

⁴⁴⁰ See Canfor Preliminary Calculation Memorandum, Resolute Preliminary Calculation Memorandum, JDIL Preliminary Calculation Memorandum, and West Fraser Preliminary Calculation Memorandum.

⁴⁴¹ See *Lumber V Prelim* PDM at 73, unchanged in *Lumber V Final* IDM at 14.

⁴⁴² See *Lumber V Prelim* PDM at 73.

⁴⁴³ See Canfor IQR Response at NS-20; *see also* JDIL IQR at 15; *see also* West Fraser's Volume II IQR Response at WF-II-31.

⁴⁴⁴ See Canfor Preliminary Calculation Memorandum; *see also* JDIL Preliminary Calculation Memorandum.

⁴⁴⁵ See West Fraser Preliminary Calculation Memorandum.

⁴⁴⁶ See *Lumber V Prelim* PDM at 73, unchanged in *Lumber V Final* IDM at 14.

⁴⁴⁷ See *Lumber V Prelim* PDM at 73.

⁴⁴⁸ See JDIL IQR at 15.

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings JDIL received by its total sales for the relevant POR, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.54 percent *ad valorem* during the 2017 POR and 0.11 percent *ad valorem* during the 2018 POR.⁴⁴⁹

4. Capital Cost Allowance for Class 1 Assets

Class 1 assets, listed in Schedule II of the ITR, include most buildings acquired after 1987 (unless they specifically belong in another class) and the cost of certain additions or alterations made after 1987.⁴⁵⁰ Buildings classified under Class 1 are usually depreciated at the CCA rate of 4 percent.⁴⁵¹ However, if at least 90 percent of the floor space of an eligible non-residential building is used for the manufacturing or processing of goods for sale or lease, a tax payer may apply for an additional 6 percent deduction (for a total depreciation rate of 10 percent).⁴⁵² Further, if the eligible non-residential building does not qualify for the additional six percent CCA, it may still qualify for an additional two percent deduction (for a total depreciation rate of six percent).⁴⁵³ Canfor, JDIL, Resolute, and West Fraser all claimed assets under the six percent and/or 10 percent depreciation schedules during the POR.⁴⁵⁴

We preliminarily determine that this program constitutes a financial contribution in the form of revenue forgone, within the meaning of section 771(5)(D)(ii) of the Act. Further, this additional deduction provides a benefit under section 771(5)(E) of the Act in the amount of the difference between the tax the company paid and the tax the company would have paid absent the tax program, as provided in 19 CFR 351.509(a)(1).

Based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOC reported that 31,950 companies claimed this additional deduction in 2017, while 33,420 companies claimed it in 2018, out of approximately 2.2 million tax filers.⁴⁵⁵ As such, we find the actual recipients, relative to total corporate tax filers, are limited in number on an enterprise basis. Because the actual recipients, relative to total corporate tax filers, are limited in number

⁴⁴⁹ See JDIL Preliminary Calculation Memorandum.

⁴⁵⁰ See GOC December 9, 2019 NSA QR Response at 3. Québec taxes are administered by Revenu Québec. According to the GOQ, Québec’s Class 1 eligibility and depreciation schedules are “harmonized with federal legislation and regulations.” As such, we are treating it as a single program. See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-CCAB-A.

⁴⁵¹ See GOC December 9, 2019 NSA QR Response at 3.

⁴⁵² *Id.*

⁴⁵³ *Id.* at 3-4.

⁴⁵⁴ See Canfor IQR Response at NS-57 and Exhibits F-3 and F-4; see also Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-GEN-5 and Exhibits RES-NS-GEN-6; West Fraser’s Second NSA Response at NSA2-41; and JDIL IQR at 35 and at Exhibits CCA1-01 and CCA1-02.

⁴⁵⁵ See GOC December 9, 2019 NSA QR Response at 21; see also GOC IQR at GOC-ARI-CRA-ACCA-6.

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.

In accordance with 19 CFR 351.524(c)(1), we are treating this subsidy as a recurring subsidy. As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor, JDIL, Resolute, and West Fraser received by its total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018, JDIL received a net countervailable subsidy of 0.05 percent *ad valorem* in 2017 and 0.05 percent *ad valorem* in 2018, and Resolute received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018. We preliminarily determine that the net countervailable subsidy West Fraser received during in 2017 and 2018 is not measurable.⁴⁵⁶

5. Federal Logging Tax Credit

Commerce found the FLTC countervailable in *Lumber V Final Results of Expedited Review*.⁴⁵⁷ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Lumber V Final Results of Expedited Review* concerning this program. Therefore, we continue to find the FLTC constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see Lumber V Final Results of Expedited Review*.⁴⁵⁸ Canfor reported receiving a tax credit under the FLTC in 2018, and West Fraser reported receiving a tax credit under the FLTC in 2017 and 2018.⁴⁵⁹

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). For purposes of determining the timing of receipt of the benefit, we relied upon the income tax return filed during the relevant POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor and West Fraser received, by its respective total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.33 percent *ad valorem* in 2018,⁴⁶⁰ and West Fraser received a net countervailable subsidy of 0.06 percent *ad valorem* in 2017 and 0.26 percent *ad valorem* in 2018.⁴⁶¹

⁴⁵⁶ See Canfor Preliminary Calculation Memorandum, JDIL Preliminary Calculation Memorandum, Resolute Preliminary Calculation Memorandum, and West Fraser Preliminary Calculation Memorandum.

⁴⁵⁷ See *Lumber V Final Results of Expedited Review* IDM at Comment 7.

⁴⁵⁸ See *Lumber V Prelim Results of Expedited Review* PDM at 25; *see also Lumber V Final Results of Expedited Review* IDM at Comment 7.

⁴⁵⁹ See Canfor IQR Response at NS-20; *see also* West Fraser’s Volume II IQR Response at WF-II-41.

⁴⁶⁰ See Canfor Preliminary Calculation Memorandum.

⁴⁶¹ See West Fraser Preliminary Calculation Memorandum.

6. SR&ED – GOC

Commerce found the SR&ED tax credit countervailable in the investigation.⁴⁶² We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the investigation concerning this program. Therefore, we continue to find the SR&ED tax credit constitutes a financial contribution and confers a benefit under sections 771(5)(D), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁶³

Based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOC reported that 19,610 firms claimed this tax credit during the POR, out of approximately 2.2 million tax filers.⁴⁶⁴ As such, we find the actual recipients, relative to total corporate tax filers, are limited in number on an enterprise basis. Therefore, we continue to find that this program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act. Canfor, Resolute, and West Fraser reported receiving a tax credit under the SR&ED Tax Credit in 2018.⁴⁶⁵

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings of Canfor, West Fraser, and Resolute by their total sales for 2018, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.31 percent *ad valorem* in 2018; Resolute received a net countervailable subsidy of 0.76 percent *ad valorem* in 2018; and West Fraser received a net countervailable subsidy of 0.05 percent *ad valorem* in 2017 and 0.06 percent *ad valorem* in 2018.⁴⁶⁶

Alberta Tax Programs

1. Alberta TEFU

Commerce found the TEFU countervailable in the investigation.⁴⁶⁷ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the investigation concerning this program.⁴⁶⁸ Therefore, we continue to find the TEFU program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁶⁹ West Fraser reported receiving a tax exemption

⁴⁶² *See Lumber V Prelim PDM* at 74, unchanged in *Lumber V Final IDM* at 14.

⁴⁶³ *See Lumber V Prelim PDM* at 74.

⁴⁶⁴ *See GOC IQR* at Exhibit GOC-AR1-CRA-SRED-4 and GOC-AR1-CRA-SRED-7.

⁴⁶⁵ *See Canfor IQR Response* at NS-20.

⁴⁶⁶ *See Canfor Preliminary Calculation Memorandum, Resolute Preliminary Calculation Memorandum, and West Fraser Preliminary Calculation Memorandum.*

⁴⁶⁷ *See Lumber V Prelim PDM* at 75; *see also Lumber V Final IDM* at Comment 73.

⁴⁶⁸ *See West Fraser’s Volume II IQR Response* at WF-II-50.

⁴⁶⁹ *See Lumber V Prelim PDM* at 75; *see also Lumber V Final IDM* at Comment 73.

under the TEFU program during the POR.⁴⁷⁰

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 under 19 CFR 351.509(c), we divided the sum of the tax savings West Fraser received by its total sales for the relevant calendar year as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that West Fraser received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018.⁴⁷¹

2. SR&ED – GOA

Commerce found the SR&ED tax credit countervailable in the investigation.⁴⁷² We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the investigation concerning this program. Therefore, we continue to find the SR&ED tax credit constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁷³ West Fraser reported receiving a tax credit under the SR&ED-GOA in 2017 and 2018,⁴⁷⁴ and Canfor reported receiving a tax credit under the SR&ED-GOA in 2018.⁴⁷⁵

Based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOA provided the number of firms in Alberta that claimed this tax credit in 2017 and 2018 as well as the total number of tax filers in Alberta in 2017 and 2018.⁴⁷⁶ The total number of corporate/business income tax filers within Alberta in Government of Alberta fiscal year 2017-2018 was 160,373 and in fiscal year 2016-2017 the total number was 164,831.⁴⁷⁷ 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.

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). For purposes of determining the timing of receipt of the benefit, we relied upon the income tax return filed during the relevant POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings received by Canfor and West Fraser by their respective total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that the benefit Canfor received in 2018 is not measurable. We

⁴⁷⁰ See West Fraser’s Volume II IQR Response at WF-II-51.

⁴⁷¹ See West Fraser Preliminary Calculation Memorandum.

⁴⁷² See *Lumber V Final* IDM at Comment 64.

⁴⁷³ See *Lumber V Prelim* PDM at 77 and *Lumber V Final* IDM at Comment 64.

⁴⁷⁴ See West Fraser’s Volume II IQR Response at WF-II-53.

⁴⁷⁵ See Canfor IQR Response at NS-20.

⁴⁷⁶ See GOA IQR at ABI-58 and Exhibit AB-AR1-SRED-5.

⁴⁷⁷ See GOA IQR at ABI-13; *see also* West Fraser Preliminary Calculation Memorandum.

preliminarily determine that West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018.⁴⁷⁸

3. Alberta Property Tax – EOA

West Fraser received property tax abatement benefits in the form of reduced property taxes for three of its Alberta production facilities in 2017 and 2018, Hinton Pulp mill, West Fraser’s Slave Lake Pulp facility, and Sundre’s Rocky Mountain LVL facility. The abatement benefits are provided in the form of property tax allowances reflecting diminished economic value for certain facilities and relate to the value for property tax purposes only.⁴⁷⁹ The depreciation for machinery and equipment in Alberta is governed by the Alberta Machinery & Equipment Minister’s Guidelines.⁴⁸⁰ The Guidelines provide that an assessor “may adjust for additional depreciation provided acceptable evidence of such loss in value exists” for any depreciation not reflected in normal schedules. This additional depreciation is commonly referred to as economic obsolescence. For West Fraser’s two aforementioned pulp facilities, the tax allowances are in recognition of declining value stemming from global competition and lower prices in pulp markets. For West Fraser’s Sundre facility, the economic allowance relates to a loss in value for the facility arising from low utilization and depressed market conditions.⁴⁸¹ Each individual property tax abatement is determined through discussions with municipal assessors. The calculations for the valuation of the economic allowance agreements for 2017 and 2018 are based on the agreements with individual municipalities relating to property taxes assessed by those jurisdictions.

The financial support provided under this program is administered by the municipal government in Alberta, which meets the definition of an “authority” within the meaning of section 771(5)(B) of the Act. Therefore, we preliminarily determine that this program constitutes a financial contribution in the form of revenue forgone, within the meaning of section 771(5)(D)(ii) of the Act. Because the tax abatements are limited to the properties reflecting diminished economic value located within the municipality in question, we preliminarily determine the program is regionally specific under section 771(5A)(D)(iv) of the Act. Further, we preliminarily determine that the tax allowance confers a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1) and section 771(5)(E) of the Act.

The tax program conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings West Fraser received, by its respective total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that West Fraser received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018.⁴⁸²

⁴⁷⁸ See West Fraser Preliminary Calculation Memorandum.

⁴⁷⁹ See West Fraser’s Volume II IQR Response at WF-II-198.

⁴⁸⁰ *Id.* at WF-II-200.

⁴⁸¹ *Id.* at WF-II-199.

⁴⁸² See West Fraser Preliminary Calculation Memorandum.

British Columbia Tax Programs

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

Commerce found the Lower Tax Rates for Coloured Fuel program countervailable in the investigation.⁴⁸³ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program.⁴⁸⁴ Therefore, we continue to find the Lower Tax Rates for Coloured Fuel program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁸⁵ Canfor⁴⁸⁶ and West Fraser⁴⁸⁷ reported receiving a tax exemption under the Lower Tax Rates for Coloured Fuel program during the POR.

Under the program, participants pay a lower tax rate for coloured fuel at the time of purchase than they would otherwise pay on purchase of clear fuel absent the program.⁴⁸⁸ Accordingly, 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 under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor and West Fraser received by each company's total sales for each calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy rate of 0.07 percent *ad valorem* in 2017 and 0.07 percent *ad valorem* in 2018,⁴⁸⁹ and West Fraser received a net countervailable subsidy of 0.03 percent *ad valorem* in 2017 and 0.03 percent *ad valorem* in 2018 POR.⁴⁹⁰

2. SR&ED – GBC

Commerce found the SR&ED tax credit countervailable in the investigation.⁴⁹¹ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find the SR&ED tax credit constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁴⁹² West Fraser reported receiving a tax credit under the SR&ED - GBC in 2017 and 2018,⁴⁹³ and Canfor reported receiving a tax credit under the SR&ED - GBC in 2018.⁴⁹⁴

⁴⁸³ *See Lumber V Final IDM* at 206 and Comment 74.

⁴⁸⁴ *See GBC IQR Vol. III* at BC-III-1 to BC-III-22; *see also West Fraser's Volume II IQR Response* at WF-II-62.

⁴⁸⁵ *See Lumber V Final IDM* at 206 and Comment 74.

⁴⁸⁶ *See Canfor IQR Response* at NS-20.

⁴⁸⁷ *See West Fraser's Volume II IQR Response* at WF-II-59.

⁴⁸⁸ *See West Fraser's Volume II IQR Response* at WF-II-62.

⁴⁸⁹ *See Canfor Preliminary Calculation Memorandum*.

⁴⁹⁰ *See West Fraser Preliminary Calculation Memorandum*.

⁴⁹¹ *See Lumber V Final IDM* at Comment 64.

⁴⁹² *See Lumber V Prelim PDM* at 77; *see also Lumber V Final IDM* at Comment 64.

⁴⁹³ *See West Fraser's Volume II IQR Response* at WF-II-64 and Exhibits WF-AR1-GEN-8 and WF-AR1-GEN-13.

⁴⁹⁴ *See Canfor IQR Response* at NS-20.

Based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GBC provided the number of firms in British Columbia that claimed this credit in 2017 and 2018 as well as the total number of companies operating in or established in British Columbia in 2017 and 2018 (e.g. 162,036 and 166,304, respectively).⁴⁹⁵ Based on this information, we find the actual recipients, relative to total companies operating in British Columbia, are limited in number on an enterprise basis. Therefore, we continue to find that this program is *de facto* specific within the meaning of 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). For purposes of determining the timing of receipt of the benefit, we relied upon the income tax return filed during the relevant calendar year, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings received by Canfor and West Fraser by their respective total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.10 percent *ad valorem* in 2018, and West Fraser received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018.⁴⁹⁶

3. PLTC – GBC

Commerce found the PLTC countervailable in *Lumber V Final Results of Expedited Review*.⁴⁹⁷ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Lumber V Final Results of Expedited Review* concerning this program.⁴⁹⁸ Therefore, we continue to find the PLTC constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, see *Lumber V Final Results of Expedited Review*.⁴⁹⁹ Canfor and West Fraser reported receiving a tax credit under the PLTC in 2017 and 2018.⁵⁰⁰

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). For purposes of determining the timing of receipt of the benefit, we relied upon the income tax return filed during the relevant calendar year, as provided under 19 CFR

⁴⁹⁵ See GBC IQR at BC-V-9.

⁴⁹⁶ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

⁴⁹⁷ See *Lumber V Final Results of Expedited Review* IDM at Comment 7.

⁴⁹⁸ The *Lumber V Final Results of Expedited Review* addressed tax benefits received under the PLTC by a respondent firm located in Québec. In this review, we are examining tax benefits received under the PLTC by respondent firms located in British Columbia. The information on the record of the review leads us to preliminarily determine that the PLTC program examined in the instant review is the same as the PLTC program examined in *Lumber V Final Results of Expedited Review* in terms of whether the program constitutes a financial contribution and is specific under the statute.

⁴⁹⁹ See *Lumber V Prelim Results of Expedited Review* PDM at 31; see also *Lumber V Final Results of Expedited Review* IDM at Comment 7.

⁵⁰⁰ See Canfor IQR Response at NS-20 and West Fraser's Volume II IQR Response at WF-II-187 and Exhibits WF-AR1-GEN-8 and WF-AR1-GEN-13.

351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor and West Fraser received by their total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.06 percent *ad valorem* in 2017 and 0.17 percent *ad valorem* in 2018, and West Fraser received a net countervailable subsidy of 0.03 percent *ad valorem* in 2017 and 0.13 percent *ad valorem* in 2018.⁵⁰¹

4. IPTC⁵⁰²

The GBC establishes the tax rates applicable to non-residential taxable property within the province. For properties classified under Class 4 – Major Industry, the tax collecting authority is required to apply the IPTC on the tax collection notice, and the taxpayer then pays the net amount.⁵⁰³ Industries eligible for property classification under Class 4 – Major Industry include coal mining, petroleum and natural gas, manufacturing of lumber products, chemicals, synthetic resins, cement, insulation, and glass, ship-building, and cargo loading/storage.⁵⁰⁴ Pursuant to sections 119 and 120 of the *School Act*, the IPTC is set to 60 percent of the provincial school tax payable.⁵⁰⁵ This credit is automatically applied to all properties classified as Class 4 – Major Industry.⁵⁰⁶ Canfor and West Fraser reported receiving tax savings under the IPTC during the POR.⁵⁰⁷

We preliminarily determine that this program constitutes a financial contribution in the form of revenue forgone, within the meaning of section 771(5)(D)(ii) of the Act. Further, this credit provides a benefit under section 771(5)(E) of the Act 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).

Based on record evidence, we find the IPTC is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the IPTC is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GBC provided information on the number of Class 4 properties in the province as well as the total number of companies operating in or established in British Columbia in 2017 and 2018 (*e.g.* 162,036 and 166,304, respectively).⁵⁰⁸ Based on this information, we preliminarily determine the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act because the actual recipients are limited in number.⁵⁰⁹

⁵⁰¹ See Canfor Preliminary Calculation Memorandum; *see also* West Fraser Preliminary Calculation Memorandum.

⁵⁰² The IPTC may also be referred to as the British Columbia School Tax Credit, or the Class 4 Major Industry Property School Tax Credit.

⁵⁰³ See GBC NSA SQR2 at SCH-1.

⁵⁰⁴ *Id.* at SCH-I2 and Exhibit BC-AR1-SCH-5.

⁵⁰⁵ *Id.*

⁵⁰⁶ *Id.*

⁵⁰⁷ See Canfor IQR Response at NS-44, *see also* West Fraser's Volume II IQR Response at WF-II-233.

⁵⁰⁸ See GBC NSA SQR2 at SCH-10. The GBC could not provide the total number of corporate tax filers in British Columbia for the 2017 and 2018 POR. However, based on the total number of corporate tax filers in 2016, the number of companies operating or established in British Columbia is a conservative estimate.

⁵⁰⁹ *Id.*

For purposes of determining the timing of receipt of the benefit, we relied upon the property tax bills paid during the relevant POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings Canfor and West Fraser received, by their respective total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy of 0.02 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018, and West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018.⁵¹⁰

New Brunswick Tax and Other Revenue Forgone Programs

1. New Brunswick LIREPP

Commerce found this program countervailable in the investigation.⁵¹¹ We find that interested parties have not submitted any new information or arguments that warrant reconsideration of Commerce’s prior determination in the investigation concerning this program. Therefore, we continue to find this program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. JDIL reported receiving energy bill credits under this program in 2017 and 2018.⁵¹²

The bill credits provide a benefit in the amount of the credit, as provided in section 771(5)(E) of the Act. As a recurring subsidy under 19 CFR 351.524(c), to calculate the benefit from the electricity credits that JDIL received under the LIREPP, we summed the total amount of monthly energy subsidies reported by JDIL for each calendar year. We divided this total by the company’s total sales during the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.08 percent *ad valorem* in 2017 and 0.08 percent *ad valorem* in 2018.⁵¹³

2. New Brunswick R&D Tax Credit

Commerce found this program countervailable in the investigation.⁵¹⁴ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in in the investigation concerning this program. Therefore, we continue to find this program constitutes a financial contribution and confers a benefit under sections 771(5)(D), and 771(5)(E) of the Act, respectively.

Based on record evidence, we find the R&D tax credit is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined

⁵¹⁰ See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

⁵¹¹ See *Lumber V Prelim PDM* at 79; see also *Lumber V Final IDM* at 16 and Comment 76, where Commerce determined that the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

⁵¹² See JDIL IQR at Exhibit LIREPP-12.

⁵¹³ See JDIL Preliminary Calculation Memorandum.

⁵¹⁴ See *Lumber V Prelim PDM* at 80, unchanged in *Lumber V Final IDM* at 16-17.

whether the R&D tax credit is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GNB reported that a limited number of companies, relative to the amount of companies registered in New Brunswick, received assistance under this program during the 2017 and 2018 POR.⁵¹⁵ As such, we find the actual recipients of benefits under this program to be limited in number on an industry basis. Therefore, we continue to find that this program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act. JDIL reported receiving a tax credit under this program in 2017 and 2018.⁵¹⁶

The tax credit conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings JDIL received, by JDIL's total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018.⁵¹⁷

3. GNB Gasoline & Fuel Tax Exemptions and Refund Program

Commerce found this program countervailable in the investigation.⁵¹⁸ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation concerning this program. Therefore, we continue to find this program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. JDIL reported receiving a tax credit under this program in 2017 and 2018.⁵¹⁹

As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings JDIL received, by JDIL's total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.05 percent *ad valorem* in 2017 and 0.02 percent *ad valorem* in 2018.⁵²⁰

4. New Brunswick Property Tax Incentives for Private Forest Producers

Commerce found this program countervailable in *Lumber V Final Results of Expedited Review*.⁵²¹ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Lumber V Final Results of Expedited Review* concerning this program. Therefore, we continue to find this program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D),

⁵¹⁵ The number of companies that received assistance under this program is proprietary in nature. The number of taxable corporations in New Brunswick is also proprietary in nature. See GNB SQR 2 at RDTC-10 to 12.

⁵¹⁶ See JDIL IQR at 17 and Exhibits NBRD-06 and NBRD-08.

⁵¹⁷ See JDIL Preliminary Calculation Memorandum.

⁵¹⁸ See *Lumber V Prelim PDM* at 81, unchanged in *Lumber V Final IDM* at 17.

⁵¹⁹ See JDIL IQR at 17 and Exhibits GFT NB-04.a 2017 and NB-04.b 2018.

⁵²⁰ See JDIL Preliminary Calculation Memorandum.

⁵²¹ See *Lumber V Final Results of Expedited Review IDM* at 9 and Comment 20; see also *Lumber V Prelim Results of Expedited Review PDM* at 27.

771(5A), and 771(5)(E) of the Act, respectively. JDIL reported receiving benefits under this program in 2017 and 2018.⁵²²

The tax savings conferred a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the sum of the tax savings JDIL received, by JDIL's total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.11 percent *ad valorem* in 2017 and 0.09 percent *ad valorem* in 2018.⁵²³

Québec Tax Programs

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

Commerce found Credits for the Construction and Major Repair of Public Access Roads and Bridges in Forest Areas countervailable in the investigation.⁵²⁴ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the investigation. Therefore, we continue to find this program constitutes a financial contribution, is specific, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. Resolute reported receiving refundable tax credits under the program in 2017, for the 2008 and 2012 year-end tax returns, and in 2018, for the 2012 and 2013 year-end tax returns.⁵²⁵

The tax credits confer a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because the program is recurring under 19 CFR 351.509(c), we divided the sum of the tax savings Resolute received, by its total sales for the relevant calendar year, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.17 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.05 percent *ad valorem* in 2018.⁵²⁶

2. 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.⁵²⁷ The property tax refund is a refundable tax credit

⁵²² See JDIL IQR at 17 and Exhibit JDIL-10.

⁵²³ See JDIL Preliminary Calculation Memorandum.

⁵²⁴ See *Lumber V Final IDM* at 17 and Comment 78; see also *Lumber V Prelim PDM* at 82-83.

⁵²⁵ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-CPARB-APP, page 4.

⁵²⁶ See Resolute Preliminary Calculation Memorandum.

⁵²⁷ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-C07-A, page 1.

and is claimed on a company's annual income tax return. Resolute reported that it received a property tax refund in 2017 and 2018.⁵²⁸

Commerce found this property tax refund countervailable in *Groundwood Paper from Canada Final*.⁵²⁹ On the basis of the record, we find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Groundwood Paper from Canada Final* that the program constitutes a financial contribution, is *de jure* specific to certified private forest producers under the SFDA and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively.⁵³⁰

The tax refunds received by Resolute 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 19 CFR 351.509(c), we divided the sum of the tax savings by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2017.⁵³¹ We preliminarily determine that the benefit of the property tax refund received in 2018 is not measurable.⁵³²

3. SR&ED – GOQ

Commerce found Québec's SR&ED, a refundable tax credit, countervailable in the investigation.⁵³³ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.⁵³⁴ Therefore, we continue to find that the program constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively. For additional information, *see* the investigation.⁵³⁵ Resolute reported receiving tax refunds the program in 2017 and 2018.⁵³⁶

Based on record evidence, we find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. We preliminarily find that the number of recipients that received benefits under the SR&ED-Québec, compared to total corporate tax filers in the province, is limited in number on an enterprise basis.⁵³⁷ Therefore, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act.

⁵²⁸ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-PRIV-APP, page 4.

⁵²⁹ See *Groundwood Paper from Canada Final* IDM at 11 and Comment 5.

⁵³⁰ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-MFOR-A and Exhibits QC-MFOR-1 through MFOR-7; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-MFOR-APP.

⁵³¹ See Resolute Preliminary Calculation Memorandum.

⁵³² *Id.*

⁵³³ See *Lumber V Final* IDM at 17 and Comments 64 and 65; *see also Lumber V Prelim* PDM at 83.

⁵³⁴ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-C02-A and Exhibits QC-C02-1 through C02-22; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-QSRED-APP.

⁵³⁵ See *Lumber V Final* IDM at 17 and Comments 64 and 65; *see also Lumber V Prelim* PDM at 82-83.

⁵³⁶ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-QSRED-APP, page 5.

⁵³⁷ See Québec Specificity Memorandum.

The program confers a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because this program is recurring under 351.509(c), we divided the sum of the tax savings that Resolute received by its total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.08 percent *ad valorem* in 2017.⁵³⁸ We preliminarily determine that the benefit of the tax refund received in 2018 is not measurable.⁵³⁹

4. Research Consortium Tax Credit

Commerce found Québec’s Research Consortium Tax Credit, which is a refundable tax credit, countervailable in *Groundwood Paper from Canada Final*.⁵⁴⁰ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination concerning this program.⁵⁴¹ Therefore, we continue to find that the program constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively. For additional information, *see Groundwood Paper from Canada Final*.⁵⁴² Resolute reported receiving tax refunds under the program in 2017 and 2018.⁵⁴³

Based on record evidence, we find that the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. We preliminarily find that the number of recipients that received benefits under the program, compared to total corporate tax filers in the province, is limited in number on an enterprise basis.⁵⁴⁴ Therefore, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act.

The program confers a benefit equal to the amount of the tax savings pursuant to 19 CFR 351.509(a)(1). Because this program is recurring under 351.509(c), we divided the sum of the tax savings that Resolute received by its total sales for the relevant calendar year, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.06 percent *ad valorem* in 2017.⁵⁴⁵ We preliminarily determine that the benefit of the tax refund which Resolute received

⁵³⁸ See Resolute Preliminary Calculation Memorandum.

⁵³⁹ *Id.*

⁵⁴⁰ See *Groundwood Paper from Canada Final* IDM at 11 (Fees and Dues Paid to a Research Consortium) and Comment 64; *see also* *Groundwood Paper from Canada Post-Prelim Memorandum* at 7 (Fees and Dues Paid to a Research Consortium).

⁵⁴¹ See GOQ July 15, 2019 Primary QNR Response at Exhibit QC-C16-A and Exhibits QC-C16-1 through C16-21; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-RESCON-APP.

⁵⁴² See *Groundwood Paper from Canada Final* IDM at 11 (Fees and Dues Paid to a Research Consortium) and Comment 64; *see also* *Groundwood Paper from Canada Post-Prelim Memorandum* at 7 (Fees and Dues Paid to a Research Consortium).

⁵⁴³ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibits RES-NS-RESCON-APP, page 3.

⁵⁴⁴ See Québec Specificity Memorandum.

⁵⁴⁵ See Resolute Preliminary Calculation Memorandum.

in 2018 is not measurable.⁵⁴⁶ We preliminarily determine that West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018.⁵⁴⁷

5. Refund of Fuel Tax Paid on Fuel Used for Certain Purposes and Stationary Purposes

The Refund of Fuel Tax Paid on Fuel Used is a program administered by Revenu Québec, which provides refunds of fuel taxes paid under two elements. The first element, Certain Purposes, allows businesses to receive a refund of the taxes paid on fuel used to operate motor vehicles used for farming, forest, or mining operations on private land or roads.⁵⁴⁸ The second element, Stationary Purposes, provides a tax refund for fuel required to operate the stationary equipment of a vehicle (*i.e.*, power shovels, cranes, drilling machines) used for commercial or public purposes.⁵⁴⁹

Commerce preliminarily determines that this program constitutes a financial contribution in the form of revenue forgone, within the meaning of section 771(5)(D)(ii) of the Act. The tax credit provides a benefit equal to the amount of the tax refund derived from this program in accordance with section 771(5)(E) of the Act and 19 CFR 351.509(a)(1). We preliminarily determine that both elements of this program, Certain Purposes and Stationary Purposes, are *de jure* specific within the meaning of section 771(5A)(D)(i) of the Act because they expressly limit companies who are entitled to refunds on fuel tax paid for certain specified activities. Resolute reported that it and Mauricie received benefits under both elements of this program during the POR.⁵⁵⁰

In accordance with 19 CFR 351.509(c), we are treating this subsidy as a recurring subsidy. We calculated the countervailable subsidy rate by dividing the amount of refunds received under this program during each calendar year of the POR by Resolute's total sales during the corresponding calendar year, as described in the "Attribution of Subsidies" section of this memorandum, to arrive at a total countervailable subsidy rate for each respective element of this program. On this basis, we preliminarily determine the countervailable subsidy rate for Resolute under the Stationary Purposes element to be 0.01 percent *ad valorem* in 2017 and 0.01 percent *ad valorem* in 2018, and we preliminarily determine that there are no measurable benefits for Resolute under the Certain Purposes element.⁵⁵¹

⁵⁴⁶ *Id.*

⁵⁴⁷ See West Fraser Preliminary Calculation Memorandum.

⁵⁴⁸ See GOQ July 15, 2019 Primary QNR Response at Volume 5 at 7.

⁵⁴⁹ *Id.* at 7-8.

⁵⁵⁰ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-FUELSP-APP at 1; see also Resolute July 30, 2019 QNR Response for Mauricie at 13.

⁵⁵¹ See Resolute Preliminary Calculation Memorandum.

5. *Purchase of Goods for MTAR*

1. BC Hydro EPAs

Commerce found BC Hydro's purchase of electricity for MTAR via EPAs to be countervailable in the investigation.⁵⁵² Under EPAs, BC Hydro purchases electricity from IPPs. West Fraser reported that it had EPAs for its Fraser Lake and Chetwynd sawmills.⁵⁵³ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program as it regards financial contribution and benefit.⁵⁵⁴ Therefore, we continue to find that the program constitutes a financial contribution and confers a benefit under sections 771(5)(D)(iv) and 771(5)(E)(iv) of the Act, respectively.⁵⁵⁵

Regarding specificity, based on record evidence, we continue to find the program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we next examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. In the investigation, we found that the number of EPAs BC Hydro had with IPPs was limited in number and, thus, *de facto* specific under section 771(5A)(D)(iii)(I) of the Act.⁵⁵⁶ Based on information in this review indicating that BC Hydro maintained 131 EPAs with IPPs, we continue to find the program recipients are limited in number and, therefore, the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act.⁵⁵⁷

Concerning benefit, the SAA explains that section 771(5)(E) of the Act provides the standard for determining the existence and amount of a benefit conferred through the provision of a subsidy.⁵⁵⁸ Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.⁵⁵⁹ During the POR, as in the investigation, West Fraser did not merely sell electricity to BC Hydro at an administratively-set price,⁵⁶⁰ but also purchased electricity from BC Hydro.⁵⁶¹ For an MTAR program such as this one, where the government is acting on both sides of the transaction—*i.e.*, both selling a good to, and purchasing that good back from, a respondent—the benefit to the respondent is the difference between the price at which the government is selling the good to the company, and the price at which the government is purchasing that good back from the company.⁵⁶²

To calculate the benefit, we compared the unit price for electricity that West Fraser paid to BC Hydro to the unit price of electricity that BC Hydro paid to West Fraser for each month of 2017 and 2018. We multiplied the difference by the total volume of electricity purchased by West

⁵⁵² See *Lumber V Prelim PDM* at 84-85; see also *Lumber V Final IDM* at Comments 48-51.

⁵⁵³ See West Fraser's Volume II IQR Response at WF-II-71.

⁵⁵⁴ See GBC IQR at BC-II (BC Hydro Programs), at 39 – 87 and Exhibits BC-AR1-BCH 1-2 and 33-88; see also West Fraser's Volume II IQR Response at Exhibits WF-AR1-EPA-1 through 19.

⁵⁵⁵ See GBC IQR at BC-II (BC Hydro Programs) at Exhibits BC-AR1-BCH-35 and BC-AR1-BCH -36.

⁵⁵⁶ See *Lumber V Prelim PDM* at 84-85; see also *Lumber V Final IDM* at Comment 50.

⁵⁵⁷ See GBC IQR at BC-II-83.

⁵⁵⁸ See SAA at 927.

⁵⁵⁹ See section 771(5)(E) of the Act.

⁵⁶⁰ See West Fraser's Volume II IQR Response at Exhibits WF-AR1-EPA-12 and WF-AR1-EPA-13.

⁵⁶¹ *Id.* at Exhibits WF-AR1-EPA-18 and WF-AR1-EPA-19.

⁵⁶² See *Lumber V Final IDM* at Comment 54.

Fraser for each month and then summed those amounts. We divided the sum of the benefits by the total sales of West Fraser during the relevant calendar year. On this basis, we preliminarily calculate a net countervailable subsidy of 0.25 percent *ad valorem* for West Fraser in 2017 and 0.24 percent *ad valorem* in 2018.⁵⁶³

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

Commerce found Hydro-Québec's purchase of electricity for MTAR via purchase agreements under the PAE 2011-01 to be countervailable in the investigation.⁵⁶⁴ Under the PAE 2011-01, Hydro-Québec Distribution⁵⁶⁵ purchases electricity generated from biomass at a set contractual price. During the POR, Hydro-Québec Distribution had purchase agreements with two of Resolute's pulp and paper mills (*i.e.*, Dolbeau and Gatineau) for the purchase of electricity under the PAE 2011-01.⁵⁶⁶ We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.⁵⁶⁷ Therefore, we continue to find that the program constitutes a financial contribution and confers a benefit under sections 771(5)(D)(iv) and 771(5)(E)(iv) of the Act, respectively. For more information, *see Lumber V Final*.⁵⁶⁸ The GOQ reported that there were 15 PAE 2011-01 purchase agreements with 13 companies in place during the POR.⁵⁶⁹ Therefore, we also continue to find that the contracts for the sale of electricity to Hydro-Québec under the PAE-2011-01 are *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act because the recipients of the subsidy are limited in number.

Concerning benefit, the SAA explains that section 771(5)(E) of the Act provides the standard for determining the existence and amount of a benefit conferred through the provision of a subsidy.⁵⁷⁰ Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.⁵⁷¹ During the POR, as in the investigation, Resolute did not merely sell electricity to Hydro-Québec at an administratively-set price,⁵⁷² but also purchased electricity from Hydro-Québec.⁵⁷³ For an MTAR program such as this one, where the government is acting on both sides of the transaction—*i.e.*, both selling a good to, and purchasing that good back from, a respondent—the benefit to the respondent is the difference between the price at which the government is selling the good to the company, and the price at which the government is

⁵⁶³ See West Fraser Preliminary Calculation Memorandum.

⁵⁶⁴ See *Lumber V Final* IDM at 18 and Comment 52; *see also Lumber V Prelim* PDM at 85-86.

⁵⁶⁵ 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. *See* GOQ July 15, 2019 Primary QNR Response at Volume III (Non-Stumpage - Hydro-Québec Programs), page 2.

⁵⁶⁶ See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PAE-APP.

⁵⁶⁷ See GOQ July 15, 2019 Primary QNR Response at Volume III (Non-Stumpage - Hydro-Québec Programs), pages 1-20, Exhibit QC-BIO-A, and Exhibits QC-BIO-1 through BIO-52; *see also* Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PAE-APP.

⁵⁶⁸ See *Lumber V Final* IDM at 18 and Comment 52; *see also Lumber V Prelim* PDM at 85-86.

⁵⁶⁹ See GOQ July 15, 2019 Primary QNR Response at Exhibits QC-BIO-10 and BIO-50.

⁵⁷⁰ See SAA at 927.

⁵⁷¹ See section 771(5)(E) of the Act.

⁵⁷² See Resolute July 23, 2019 Primary Non-Stumpage QNR Response at Exhibit RES-NS-PAE-1.

⁵⁷³ *Id.* at Exhibit RES-NS-USAGE at Table 8.3 (Electricity Purchases).

purchasing that good back from the company.⁵⁷⁴ This analysis is consistent with the approach taken in the investigation.⁵⁷⁵

To calculate the benefit, we compared the unit price for electricity that Resolute paid to Hydro-Québec to the unit price of electricity that Hydro-Québec paid to Resolute for each month of 2017 and 2018. We multiplied the difference by the total volume of electricity purchased by Hydro-Québec for each month and then summed those amounts. We divided the sum of the benefits by the total sales of Resolute during the relevant calendar year. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.98 percent *ad valorem* in 2017, and a net countervailable subsidy rate of 0.92 percent *ad valorem* in 2018.⁵⁷⁶

3. Purchase of Electricity for MTAR by AESO

AESO is a not-for-profit corporation established under Alberta's Electric Utilities Act.⁵⁷⁷ AESO is a public agency within the meaning of the Alberta Public Agency Governance Act, and its board of directors is appointed by the Minister of Energy.⁵⁷⁸ Through its Energy Trading System, AESO receives offers from market participants who wish to sell electricity to meet the instantaneous demand for electricity by market participants who wish to purchase electricity.⁵⁷⁹ Canfor participated in this program as a seller of electricity during the POR.⁵⁸⁰ Based on this information, we preliminarily determine that the program constitutes a financial contribution under section 771(5)(D)(iv) of the Act in the form of the purchase of goods and a benefit under section 771(5)(E)(iv) of the Act. We also preliminarily determine that the sales of electricity to AESO are *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act because participants in the program are limited in number.⁵⁸¹

Concerning benefit, the SAA explains that section 771(5)(E) of the Act provides the standard for determining the existence and amount of a benefit conferred through the provision of a subsidy.⁵⁸² Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.⁵⁸³ During the POR, Canfor not only sold electricity to AESO, but also purchased electricity from AESO.⁵⁸⁴ For an MTAR program such as this one, where the government is acting on both sides of the transaction—*i.e.*, both selling a good to, and purchasing that good back from, a respondent—the benefit to the respondent is the difference between the price at which the government is selling the good to the company, and the price at which the government is purchasing that good back from the company.⁵⁸⁵

⁵⁷⁴ See *Lumber V Final IDM* at Comment 54.

⁵⁷⁵ *Id.* at Comment 55.

⁵⁷⁶ See Resolute Preliminary Calculation Memorandum.

⁵⁷⁷ See GOA AESO SQR at AB-SQ4-4.

⁵⁷⁸ *Id.*

⁵⁷⁹ *Id.*

⁵⁸⁰ See Canfor IQR at NS-22.

⁵⁸¹ See GOA AESO SQR at Exhibit AB-AR1-AESO-23.

⁵⁸² See SAA at 927.

⁵⁸³ See section 771(5)(E) of the Act.

⁵⁸⁴ See Canfor NS SQR at Exhibits D-03 and D-04.

⁵⁸⁵ See *Lumber V Final IDM* at Comment 54.

To calculate the benefit, we compared the unit price for electricity that Canfor paid to AESO to the unit price of electricity that AESO paid to Canfor for each month of 2017 and 2018. We multiplied the difference by the total volume of electricity purchased by AESO for each month and then summed those amounts. We divided the sum of the benefits by the total sales of Canfor during the relevant calendar year. On this basis, we preliminarily determine that Canfor received a net countervailable subsidy rate of 0.01 percent *ad valorem* in 2018.⁵⁸⁶ We find that the benefit received by Canfor in 2017 is less than 0.005 percent *ad valorem* and, therefore, is not measurable.

B. Programs Preliminarily Determined To Be Not Countervailable

Alberta

1. FRIP and CRP Sub-Programs Under FRIAA

FRIP is a sub-program that operates under the FRIAA program, which is a non-profit association with the purpose of carrying out initiatives geared toward public forest resources.⁵⁸⁷ Commerce determined that the FRIP was not countervailable in *Lumber IV*.⁵⁸⁸ Information on the record of the review indicates that firms contribute to a FRIP fund from which they draw funds to conduct various forestry operations.⁵⁸⁹ Based on this information we preliminarily determine that the FRIP does not constitute a financial contribution under section 771(5)(D)(i) of the Act.

We also preliminarily find that the CRP, a separate sub-program under FRIAA, does not confer benefit to West Fraser under 771(5)(E) of the Act. Rather it confers benefit to small timber harvesters. Specifically, we find the CRP activities West Fraser engaged in dealt with reforestation efforts on the timber cut blocks of small timber harvesters (*e.g.*, harvest areas that do not encompass West Fraser's timber operations).⁵⁹⁰ Therefore, we preliminarily determine that this program is not countervailable.

British Columbia

1. WorkSafe BC's WLB

WorkSafe BC administers the Workers Compensation Act for the British Columbia Ministry of Labour.⁵⁹¹ WorkSafe BC's WLB program compensates workers who lose wages due to short-term or long-term disabilities resulting from work-related injuries or illnesses.⁵⁹² The program functions as government-managed short-term and long-term disability insurance for workers with work-related injuries.⁵⁹³ Benefits paid under the program are paid directly to eligible

⁵⁸⁶ See Canfor Preliminary Calculation Memorandum.

⁵⁸⁷ See West Fraser's Volume II IQR Response at Exhibit WF-AR1-ALBOA-75.

⁵⁸⁸ See *Lumber IV Final IDM* at "Forest Resource Improvement Program" section at 155-156.

⁵⁸⁹ See West Fraser's Volume II IQR Response at WF-II-110.

⁵⁹⁰ See West Fraser's Volume II IQR Response at WF-II-110.

⁵⁹¹ See West Fraser's Volume II IQR Response at Exhibit WF-AR1-WSER-1 and Exhibit WF-AR1-WLB-1.

⁵⁹² See West Fraser's Volume II IQR Response at Exhibit WF-AR1-WLB-1.

⁵⁹³ See West Fraser's Volume II IQR Response at WF-II-150.

workers and not to the company.⁵⁹⁴ There is no eligibility criteria because the program is mandatory for all employers in British Columbia, except federal employees.⁵⁹⁵ West Fraser has been participating in the WorkSafe BC Wage-Loss program since registering as a company in the province in 1968. West Fraser pays a premium, based on its loss history in prior years, to participate in the program, and the program compensates workers with short-term or long-term disabilities due to work-related injuries.⁵⁹⁶ Canfor also reported that funds were paid directly to its eligible workers from the WLB during the POR.⁵⁹⁷

We preliminarily find that the WLB program is similar to the ESDC program, which is a program that Commerce previously determined did not provide a countervailable benefit, and also, was not initiated in the instant review. Specifically, concerning the ESDC Commerce stated in its New Subsidy Allegation Analysis memorandum that:

“{a}ssistance is provided following an approved application from an employer, but the actual funds are paid directly from the Federal Government to the individual employees. No funds are received by the employer, and there is no reduction in the employer’s obligations to its employees. In the first lumber investigation, Commerce found that this program did not provide a countervailable benefit because the program did not relieve participating employers of any contractual obligations. We recommend finding that the record of the first review supports the same conclusion.”⁵⁹⁸

Based on West Fraser’s response, we find that the funds the WLB program provides are paid to the employees and not to the company. There is no reduction in the financial obligation the firm would otherwise have to its employees. Accordingly, we preliminarily find that this program is not countervailable because no benefit is provided to the respondent firms.

2. BC Hydro PowerSmart: TMP

BC Hydro created this subprogram in July 2014. The TMP program provides grants to BC Hydro customers who own TMP facilities and is designed to facilitate energy efficiency and load displacement. The TMP program was open to British Columbia customers that owned and operated TMP mills within BC Hydro’s service area.⁵⁹⁹ Commerce found the BC Hydro Power Smart TMP program countervailable in the *Supercalendered Paper Expedited Review*.⁶⁰⁰ In finding the TMP program countervailable in the *Supercalendered Paper Expedited Review*

⁵⁹⁴ *Id.*

⁵⁹⁵ *Id.*

⁵⁹⁶ *Id.*

⁵⁹⁷ Canfor reported the amounts it received under the WLB program are combined with amounts it received under other GBC programs. Thus, while we preliminarily determine that the WLB is not countervailable, at this time we are unable to determine the precise amounts Canfor received under the program during the POR. We intend to solicit information from information from Canfor that will enable us to identify the amount of funds it received under the WLB program.

⁵⁹⁸ See NSA Memorandum - RE 1st and 2nd NSA Submissions (citing *Lumber I*, 48 FR 24159).

⁵⁹⁹ See GBC IQR at Exhibit BC-AR1-BCH-12 and Exhibit BC-AR1-BCH-21.

⁶⁰⁰ See *SC Paper from Canada - Expedited Review Prelim PDM* at “6. BC Hydro Power Smart Program,” unchanged in *SC Paper from Canada - Expedited Review Final Results IDM* at Comment 8.

Commerce determined that the program was *de jure* specific under section 771(5A)(D)(i) of the Act because the program limits eligibility to operators of TMP mills.⁶⁰¹ West Fraser received a grant under the TMP program in 2018 for the implementation of a single-stage refiner upgrade at Quesnel River Pulp.⁶⁰²

Based on information on the record of this review, we find there is no new information or argument that warrants reconsideration of Commerce's prior specificity determination in *Supercalendered Paper Expedited Review*.⁶⁰³ Because we find eligibility of this program is limited to firms that own and operate a TMP mill, we preliminarily determine that the program is tied to TMP production. Pursuant to 19 CFR 351.525(b)(5), when a subsidy is tied to the sale or production of a particular product, Commerce will attribute the subsidy only to that product. Because TMP is outside the scope of the *Order* and is a product that is downstream from softwood lumber production, we preliminarily determine that benefits under the TMP program are tied to non-subject merchandise. Accordingly, in this review we have not included benefits West Fraser received under the TMP program in our subsidy analysis.

C. Programs Preliminarily Determined Not To Provide Measurable Benefits During the POR

The respondents reported receiving benefits under various programs, some of which Commerce 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 POR 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 Commerce's practice,⁶⁰⁴ we have not included those programs in our preliminary subsidy rate calculations for the respondents. We also determine that it is unnecessary for Commerce to make a preliminary determination as to the countervailability of those programs.

For the subsidy programs that do not provide a numerically significant benefit for each respondent, *see* the Preliminary Calculation Memoranda.

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

Each respondent reported non-use of programs under examination. For a list of the subsidy programs not used by each respondent, *see* the Preliminary Calculation Memoranda.

VIII. PRELIMINARY AD VALOREM RATE FOR NON-SELECTED COMPANIES UNDER REVIEW

The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limited its

⁶⁰¹ *See SC Paper from Canada - Expedited Review Final Results* IDM at Comment 8; *see also Groundwood Paper Final* IDM at Comment 67.

⁶⁰² *See* West Fraser's Volume II IQR Response at Exhibit WF-AR1-BHPS-2.

⁶⁰³ *See* GBC IQR at BC-II-13 and Exhibit BC-AR1-BCH-12.

⁶⁰⁴ *See, e.g., CFS from China* IDM at 15; *Steel Wheels from China* IDM at 36; *Aluminum Extrusions from China First Review* IDM at 14; and *CRS from Russia* IDM at 31.

examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. We also note that section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section {705(c)(5) of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by using the weighted average countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. As indicated in the accompanying *Federal Register* notice of the preliminary results, dated concurrently with this preliminary decision memorandum, we preliminarily determine that Canfor, JDIL, Resolute, and West Fraser received countervailable subsidies that are above *de minimis*.

We, therefore, are applying to the non-selected companies the weighted average of the net subsidy rates calculated for Canfor, JDIL, Resolute, and West Fraser during CY 2017 and CY 2018.⁶⁰⁵ Accordingly, for each of the 247 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, we are applying a preliminary subsidy rate of 6.71 percent *ad valorem* for 2017 and a preliminary subsidy rate of 6.55 percent *ad valorem* for 2018, consistent with section 705(c)(5) of the Act.⁶⁰⁶

IX. PROGRAMS TO BE ADDRESSED AFTER THE PRELIMINARY RESULTS

Commerce will address the following programs in a post-preliminary decision memorandum:

Canfor

- Class 9 Farm Property Assessment Rates
- FRPA Section 108 Payments
- FRIAA
- LBIP and Successor Program (B.C.)
- Schedule D Depreciation
- Training Tax Credit
- Worksafe BC
- Payments for Services⁶⁰⁷

Resolute

- GOO Pension Plan Funding Relief
- GOO Debt Forgiveness for Resolute (Fort Frances Mill)
- Payments Made by the GOO to Resolute Based on Fraud or “Gaming” of the IESO System
- IESO Purchase of Biomass-Cogenerated Electricity for MTAR

⁶⁰⁵ Consistent with *MacLean-Fogg*, we included the net subsidy rate calculated for JDIL, a voluntary respondent, in the non-selected rate calculation.

⁶⁰⁶ See Calculation of Non-Selected Rate Memorandum.

⁶⁰⁷ The GBC pays Canfor to perform certain services including Aerial Inventory Photography, Fire Suppression Services, Road Maintenance Activities, Bridge Installation and Repair Projects, and Cruising and Block Layout.

- TargetGHG Program Support from Ontario Centres of Excellence
- Ontario Forest Access Roads Funding Program
- Scaling Reimbursements (Ontario)
- SR&ED – GOO
- Ontario Tax Credit for Manufacturing and Processing
- Hydro-Québec Industrial Revitalization Rate Program
- Rexforet – Silviculture Works (Road Construction/Maintenance) (Québec)
- Society for the Protection of Forests Against Insects and Diseases and Society for the Protection of Forests Against Fire (Québec)

West Fraser

- FRIAA (Alberta)
- LBIP and Successor Program (B.C.)
- Other Miscellaneous Payments from British Columbia
- Payments for Fire Suppression Services (B.C.)
- Water and Sewage Treatment Payments - Hinton
- WorkSafeBC - PIR and Surplus Distribution (B.C.)

Commerce will address the following NSAs after the preliminary results:

- Entrustment or Direction of Crown-Origin Logs for LTAR in Alberta
- Entrustment or Direction of Crown-Origin Logs for LTAR in New Brunswick
- Entrustment or Direction of Crown-Origin Logs for LTAR in Ontario
- Entrustment or Direction of Crown-Origin Logs for LTAR in Québec

X. RECOMMENDATION

Based on our analysis, we recommend adopting the above positions. If this recommendation is accepted, we will publish the preliminary results of this review in the *Federal Register*.

Agree

Disagree

1/31/2020

X 

Signed by: JAMES MAEDER
James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

APPENDIX I

ACRONYM AND ABBREVIATION TABLE

This section is sorted by Acronym/Abbreviation.

Acronym/Abbreviation	Complete Name
AAC	Annual Allowable Cut
ABF	Alberta Bio Future
Abitibi-Bowater	Abitibi-Bowater Canada Inc.
ACE	Automated Commercial Environment
ACOA	Atlantic Canada Opportunities Agency
Act	Tariff Act of 1930, as amended
AD	Antidumping Duty
AFoA	Alberta Forests Act
AFRIR	Alberta Forests Resources Improvement Regulation – AR 38/2013
AJCTC	Apprenticeship Job Creation Tax Credit
ALB	Atlantic Lumber Board
AMAF	Alberta Ministry of Agriculture and Forestry
AOP	Annual Operating Plans
ARTT	Arrangement and Reduction of Work Time
ASR	Alberta Scaling Regulation – AR 195/2002
ATMR	Alberta Timber Management Regulation – AR 404/1992
AUL	Average Useful Life
Barrette	Barrette Wood, Inc.
BC	British Columbia
BCAA	British Columbia Assessment Authority
BCLTC	British Columbia Lumber Trade Council
BCTS	B.C. Timber Sales
BMMB	Quebec Timber Marketing Board (<i>Bureau de mise en Marché des bois</i>)
Bowater	Bowater Canadian Ltd.
BPCP	Bioenergy Producer Credit Program
BPP	Bioenergy Producer Program
Canfor	Canfor Corporation, Canfor Wood Products Marketing Ltd. and, Canadian Forest Products, Ltd.
Canfor Pulp	Canfor Pulp Products Inc.
CAR	Reclassification of Assistance Committee
CBP	U.S. Customs and Border Protection
CCA	Capital Cost Allowance
CCTP	Coniferous Community Timber Permit (and License)
Central Canada Alliance	Central Canadian Alliance of the Ontario Forest Industries Association and the CIFQ
CEP	Consultation for Employment Program

CFP	Canadian Forest Products, Ltd.
CIB	Climate Investment Branch
CIFQ	Conseil de l'Industrie Forestiere du Québec
cm	Centimeter
Commerce	U.S. Department of Commerce
CRA	Canada Revenue Agency
CRP	Community Reforestation Program
CTP	Commercial Timber Permits
CVD	Countervailing Duty
CWPM	Canfor Wood Products Marketing, Ltd.
CY	Calendar Year
D&G	Les Produits Forestiers D&G Ltee
DBH	Diameter at Brest Height
Deloitte	Deloitte LLP
DFATD	Department of Foreign Affairs, Trade and Development
E&C	Enforcement & Compliance
EDC	Export Development Canada
EFAR	Electronic Facility Annual Return (eFAR)
EIPA	Export and Import Permits Act
EOA	Economic Obsolescence Allowance
EPA	Electricity Purchase Agreement
ESDC	Employment and Social Development Canada
ETG	Employer Training Grant
F2M	Forest2Market
FDRCMO	Fonds de développement et de reconnaissance des competences de la main d'oeuvre (translated as Workforce Skills Development and Recognition Fund)
FESBC	Forest Enhancement Society of British Columbia
FHP	Forest Harvest Plans
FLTC	Federal Logging Tax Credit
FMA	Forest Management Agreement
FMP	Forest Management Plans
FMU	Forest Management Unit
FortisBC	FortisBC Inc.
FRIAA	Forest Resource Improvement Association of Alberta
FRIP	Forest Resource Improvement Program
FRPA	Forest Resources and Planning Act
FSPF	Forest Sector Prosperity Fund
FTEAC	Federal Timber Export Advisory Committee
FY	Fiscal Year
GBC	Government of British Columbia
GDP	Gestion de la demande de puissance
GHG	Greenhouse Gases
GNB	Government of New Brunswick
GNS	Government of Nova Scotia
GOA	Government of Alberta
GOC	Government of Canada

GOM	Government of Manitoba
GOO	Government of Ontario
GOQ	Government of Québec
GOS	Government of Saskatchewan
HTSUS	Harmonized Tariff Schedule of the United States
IDM	Issues and Decision Memorandum
IEI	Industrial Electricity Incentive
IEO	Interruptible Electricity Option
IESO	Independent Electricity System Operator
IFIT	Federal Forestry Industry Transformation Program
IKEA	IKEA Supply AG and IKEA Distribution Services Inc.
IMF	International Monetary Fund
IPL	Irving Paper Limited
IPP	Independent Power Producer
IPTC	Industrial Property Tax Credit
ISEE	Industrial Systems Energy Efficiency
ITA	Income Tax Act
ITC	U.S. International Trade Commission
ITR	Income Tax Regulations
JDIL	JDIL Limited
LBIP	Land-Based Investment Program and Successor Programs
Lemay	Scierie Alexandre Lemay & Fils Inc.
LIREPP	Large Industrial Renewable Energy Purchase Program
LMF	License Management Fee
LTAR	Less than adequate remuneration
M&P	Manufacturing and Processing Tax Credit
M&P ITC	Manufacturing and Processing Investment Tax Credit
Mauricie	Produits Forestiers Mauricie S.E.C.
MBF	Thousands of Board Feet
MCRP	Multi-resource Road Cost Reimbursement Program
MERN	Ministry of Energy and Natural Resources
MFFP	Ministry of Forests, Wildlife and Parks
MFLNRO&RD	Minister of Forests, Lands, Natural Resource Operations and Rural Development
MFOR	Manpower Training Measures
MITC	Manitoba's Manufacturing Investment Tax Credit
MLI	Marcel Lauzon Inc.
Montana Lumber	Montana Reclaimed Lumber Co.
MPS	Market Pricing System
MTAR	More Than Adequate Remuneration
MTESS	Ministry of the Work, Employment and Social Solidarity
MW	Megawatts
NAFP	North American Forest Products Ltd.
NAICS	North American Industry Classification System
NB Power	New Brunswick Power
NBDNR	New Brunswick Department of Natural Resources
NBLP	New Brunswick Lumber Producers

NFI	New Factual Information
NIER	Northern Industrial Electricity Rate
NRCan	Natural Resources Canada
NSA	New Subsidy Allegations
OCFP	Oregon-Canadian Forest Products
ODNR	Oregon Department of Natural Resources
OIC	Order in Council
PAE 2011-01	Purchase Power Program 2011-01
PCIP	Partial Cut Investment Program
PDM	Preliminary Decision Memorandum
Petitioner	Committee Overseeing Action for Lumber International Trade Investigations or Negotiations <i>a.k.a.</i> COALITION –
PIB	Program Innovation Bois
PIR	Partnerships in Injury Reduction
PNW	Pacific Northwest
POI	Period of Investigation
POR	Period of Review
PPI	Producer Price Index
QNR	Questionnaire
QR	Questionnaire Response
Quota	Coniferous Timber Quota Certificates
R&D	Research and Development
RDC	Regional Development Corporation
RDTC	Research and Development Tax Credit
Resolute	Resolute FP Canada Inc.
Resolute Forest Products	Resolute Forest Products Inc.
Resolute Growth	Resolute Growth Canada Inc.
RILA	Retail Industry Leaders Association
Roland	Roland Boulanger & Cie Ltee
SDTC	Sustainable Development Technology Canada
SFDA	Sustainable Forest Development Act
SFL	Sustainable Forest License
SMB	Small and Medium-Sized Businesses
Softwood Lumber	Certain softwood lumber products
SPF	Spruce-Pine-Fir
SPFL	Spruce-Pine-Fir-Larch
SQ	Supplemental Questionnaire
SQNR	Supplemental Questionnaire Response
SR&ED	Scientific Research and Experimental Development
SR&ED – GBC	Scientific Research and Experimental Development – GBC
SR&ED – GOA	Scientific Research and Experimental Development – GOA
SR&ED – GOO	Scientific Research and Experimental Development – GOO
SR&ED – GOQ	Scientific Research and Experimental Development – GOQ

TDA	Timber Damage Assessment
TEAC	Timber Export Advisory Committee
TEFU	Tax-Exempt Fuel Program for Marked Fuel
TEQ	Transition Énergétique Québec
Terminal	Terminal Forest Products Ltd.
TMP	Thermo-Mechanical Pulp
Tolko	Tolko Marketing and Sales Ltd.
TSG	Timber Supply Guarantee
TSL	Timber Sale License
U.S. Cubic Scale	U.S. Forest Service Product Cubic Scale
UFP	UFP Western Division, Inc. and UFP Eastern Division, Inc., and their various operating affiliates and subsidiaries within the U.S.
USFS	United States Forest Service
VLM	Vancouver Log Market
WDNR	Washington Department of Natural Resources
West Fraser	West Fraser Mills Ltd.
Woodtone	W.I. Woodtone Industries Inc.

APPENDIX II

ADMINISTRATIVE DETERMINATIONS/NOTICES, REGULATORY, AND COURT CASES TABLE

This section is sorted by Short Citation.

Short Citation	Administrative Case Determinations
<i>Aircraft from Canada Final</i>	<i>100- to 150-Seat Large Civil Aircraft from Canada: Final Affirmative Countervailing Duty Determination</i> , 82 FR 61252 (December 27, 2017).
<i>Aircraft from Canada Prelim</i>	<i>100- to 150-Seat Large Civil Aircraft from Canada: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination</i> , 82 FR 45807 (October 2, 2017).
<i>Aluminum Extrusions from China 1st AR</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 China</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 from China</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>CORE CVD Order</i>	<i>Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People’s Republic of China: Countervailing Duty Order</i> , 81 FR 48387 (July 25, 2016).
<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 Order</i>	<i>Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order</i> , 83 FR 347 (January 3, 2018).
<i>CVD Preamble</i>	<i>Countervailing Duties; Final Rule</i> , 63 FR 65348 (November 25, 1998).
<i>FFC</i>	<i>Fabrique de Fer de Charleroi, SA v. United States</i> , 166 F. Supp. 2d 593, 600-604 (CIT 2001).
<i>Groundwood Paper from Canada Final</i>	<i>Certain Uncoated Groundwood Paper from Canada: Final Affirmative Countervailing Duty Determination</i> , 83 FR 39414 (August 9, 2018).
<i>Groundwood Paper from Canada Post-Prelim Memorandum</i>	Memorandum, “Post-Preliminary Analysis of Countervailing Duty Investigation: Certain Uncoated Groundwood Paper from Canada,” dated June 18, 2018.
<i>Groundwood Paper from Canada Prelim</i>	<i>Certain Uncoated Groundwood Paper from Canada: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination</i> , 83 FR 2133 (January 16, 2018).
<i>Initiation Notice</i>	<i>Initiation of Antidumping and Countervailing Duty Administrative Reviews</i> , 84 FR 12209 (April 1, 2019).

<i>Lumber V Final</i>	<i>Certain Softwood Lumber Products from Canada: Final Affirmative Countervailing Duty Determination, and Final Negative Determination of Critical Circumstances</i> , 82 FR 51814 (November 8, 2017).
<i>Lumber I</i>	<i>Final Negative Countervailing Duty Determinations; Certain Softwood Lumber Products from Canada</i> , 48 FR 24159 (May 31, 1983) (<i>Lumber I</i>).
<i>Lumber V Prelim</i>	<i>Certain Softwood Lumber Products from Canada: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination with Final Antidumping Duty Determination</i> , 82 FR 19657 (April 28, 2017).
<i>Lumber V Final Results of Expedited Review</i>	<i>Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review</i> , 84 FR 32121 (July 5, 2019).
<i>Lumber V Prelim Results of Expedited Review</i>	<i>Certain Softwood Lumber Products from Canada: Preliminary Results of Countervailing Duty Expedited Review</i> , 84 FR 1051 (February 1, 2019).
<i>Lumber IV Final</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>Lumber IV 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>Lumber IV Preliminary Results of 1st AR</i>	<i>Notice of Preliminary Results of Countervailing Duty Review: Certain Softwood Lumber from Canada</i> , 69 FR 33204, (June 14, 2004).
<i>Lumber IV 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 (December 12, 2005).
<i>Lumber IV Preliminary Results of 2nd AR</i>	<i>Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada</i> , 70 FR 33088 (June 7, 2005).
<i>MacLean-Fogg</i>	<i>MacLean-Fogg Co. v. United States</i> , 753 F.3d 1237 (Federal Circuit 2014).
<i>OCTG from China</i>	<i>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>Opportunity Notice</i>	<i>Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review</i> , 84 FR 2816 (February 8, 2019).
<i>Preamble</i>	<i>Antidumping Duties; Countervailing Duties; Final Rule</i> , 62 FR 27296 (May 19, 1997).
<i>SAA</i>	Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol 1 (1994).
<i>SC Paper from Canada – Expedited Review – Final Results</i>	<i>Supercalendered Paper from Canada: Final Results of Countervailing Duty Expedited Review</i> , 82 FR 18896 (April 24, 2017).
<i>SC Paper from Canada – Expedited Review – Preliminary Results</i>	<i>Supercalendered Paper from Canada: Preliminary Results of Countervailing Duty Expedited Review</i> , 81 FR 85520 (November 28, 2016).

<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 Wheels from China</i>	<i>Certain Steel Wheels from the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination, 77 FR 17017 (March 23, 2012).</i>
<i>Wire Rod from Italy</i>	<i>Final Affirmative Countervailing Duty Determination: Certain Stainless Steel Wire Rod from Italy, 63 FR 40474 (July 29, 1998).</i>

APPENDIX III

CASE-RELATED DOCUMENTS

Document Citation Table for Preliminary Results: Lumber CVD - First Administrative Review

Date	Submitting Party	Short Citation	Document Title	Pertaining To
January 16, 2019	Canfor	Canfor Request for Review	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Request for Administrative Review," dated January 16, 2019.	Canfor
April 1, 2019	Commerce	<i>Initiation Notice</i>	Certain Softwood Lumber Products from Canada: Initiation of Antidumping and Countervailing Duty Administrative Reviews, 84 FR 12209 (April 1, 2019).	Interested Parties
April 1, 2019	Petitioner	NSA First Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Subsidy Allegation on Government of Canada's Softwood Lumber Aid Package," dated April 1, 2019.	GOC
April 2, 2019	Commerce	CBP Data Query Results	Memorandum, "First Administrative Reviews of the Antidumping and Countervailing Duty Orders on Certain Softwood Lumber Products from Canada: Results of Customs and Border Protection Queries," dated April 2, 2019.	Interested Parties
April 9, 2019	Canfor	Canfor Respondent Selection Comments	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Comments on CBP Data and Respondent Selection," dated April 9, 2019.	Commerce
April 9, 2019	Petitioner	Petitioner Respondent Selection Comments	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on CBP Import Data and Respondent Selection," dated April 9, 2019.	Commerce
April 9, 2019	Resolute	Resolute Respondent Selection Comments	Resolute's Letter, "Softwood Lumber from Canada: Respondent Selection - Comments on CBP Data," dated April 9, 2019.	Commerce
April 9, 2019	J.D. Irving	J.D. Irving Respondent Selection Comments	J.D. Irving's Letter, "Certain Softwood Lumber Products from Canada: Respondent Selection Comments," dated April 9, 2019.	Commerce
April 9, 2019	West Fraser	West Fraser Respondent Selection Comments	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Comments on CBP Data and Respondent Selection," dated April 9, 2019.	Commerce
April 11, 2019	GOC	GOC NSA Comments	GOC's Letter, "Countervailing Duty First Administrative Review of Certain Softwood Lumber Products from Canada: Response to Petitioner's New Subsidy Allegations," dated April 11, 2019.	Petitioner
April 15, 2019	Brunswick Valley, et al.	Brunswick Valley Rebuttal to Petitioner's Respondent Selection Comments	Brunswick Valley Lumber Inc., Chaleur Sawmills LP, Delco Forest Products Ltd., Devon Lumber Co. Ltd., Fornebu Lumber Co. Ltd., H.J. Crabbe & Sons Ltd., Langevin Forest Products Inc., Marwood Ltd., North American Forest Products Ltd., and Twin Rivers Paper Co. Inc.'s Letter, "Certain Softwood Lumber Products from Canada: Rebuttal to Petitioner's Comments on CBP Import Data and Respondent Selection," dated April 15, 2019.	Petitioner
April 16, 2019	J.D. Irving	J.D. Irving Rebuttal to Petitioner's Respondent Selection Comments	J.D. Irving's Letter, "Certain Softwood Lumber Products from Canada: Rebuttal Respondent Selection Comments," dated April 16, 2019.	Petitioner
April 16, 2019	Canadian Parties	Canadian Parties Rebuttal to Petitioner's Respondent Selection Comments	GOC and the Governments of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, Québec, and Saskatchewan, as well as industry associations Alberta Softwood Lumber Trade Council, British Columbia Lumber Trade Council, Conseil de l'industrie forestière du Québec, Ontario Forest Industry Association, and New Brunswick Lumber Producers, and Canfor, J.D. Irving, Resolute, Tolko, and West Fraser's Letter, "Countervailing Duty Administrative Review of Certain Softwood Lumber Products from Canada: Canadian Parties' Rebuttal to Petitioner's Comments on CBP Import Data and Respondent Selection," dated April 16, 2019.	Petitioner
April 26, 2019	Canadian Parties	Canadian Parties Comments on Stumpage Benchmark	Governments of Québec, Ontario, and Alberta as well as the Conseil de l'industrie forestière du Québec and the Ontario Forest Industries Association's Letter, "Certain Softwood Lumber Products from Canada: Request that the Department Collect Evidence Relating to the Government of Nova Scotia's Decision to Not Use the September 2016 Deloitte Private Stumpage Survey," dated April 26, 2019.	GONS
May 16, 2019	Commerce	<i>Ex Parte</i> Meeting with Sierra Pacific	Memorandum, "First Administrative Review; Antidumping and Countervailing Duty Orders on Softwood Lumber from Canada: Ex Parte Meeting with Sierra Pacific," dated May 16, 2019.	Sierra Pacific

May 17, 2019	Commerce	Respondent Selection Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Respondent Selection," dated May 17, 2019.	Interested Parties
May 21, 2019	Commerce	Initial Questionnaire	Commerce's Letter, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Initial Questionnaire," dated May 21, 2019.	Interested Parties
May 24, 2019	Commerce	Assessment Rate Memorandum	Memorandum, "Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada: Clarification of Information Contained in Initial Questionnaire," dated May 24, 2019.	Interested Parties
May 28, 2019	Commerce	Economic Diversification Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Economic Diversification Memorandum," dated May 28, 2019.	Interested Parties
May 28, 2019	Commerce	Loan Appendix Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Loan Benchmark and Loan Guarantee Appendix," dated May 28, 2019.	Interested Parties
May 29, 2019	Canadian Governmental Parties	Canadian Governmental Parties Request for Questionnaire Clarification	GOC and the Governments of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, Québec, and Saskatchewan's Letter, "Certain Softwood Lumber Products from Canada: Requests for Clarification of Issues Identified in the Department's May 21, 2019 Questionnaire," dated May 29, 2019.	Commerce
May 29, 2019	J.D. Irving	J.D. Irving Request for Questionnaire Clarification	J.D. Irving's Letter, "Certain Softwood Lumber Products from Canada: Request for Clarification of the Questionnaire," dated May 29, 2019.	Commerce
May 29, 2019	Resolute	Resolute Request for Questionnaire Clarification	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Request For Clarification Of May 21, 2019 Questionnaire," dated May 29, 2019.	Commerce
June 3, 2019	GOC and GBC	GOC/GBC Reporting Difficulties	GOC and GOBC's Letter, "Certain Softwood Lumber Products from Canada: Identification of Additional Difficulties in Responding to the Department's May 21, 2019 Questionnaire," dated June 3, 2019.	Commerce
June 3, 2019	Commerce	Canfor Extension	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Request for Extension to Identify Difficulty in Responding," dated June 3, 2019.	Canfor
June 3, 2019	Canfor	Canfor Reporting Difficulty	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Notification of Reporting Difficulty Extension Request," dated June 3, 2019.	Commerce
June 4, 2019	ARTB	ARTB Affiliation Response	ARTB's Letter, "Certain Softwood Lumber Products from Canada: Response to Section III Identifying Affiliated Companies," dated June 4, 2019	ARTB
June 4, 2019	Commerce	Clarification of Initial Questionnaire Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Clarification of Initial Questionnaire," dated June 4, 2019.	Interested Parties
June 4, 2019	Canfor	Canfor Affiliation Response	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Affiliated Companies Response," dated June 4, 2019.	Canfor
June 5, 2019	Resolute	Resolute Company Affiliation Response	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Response to Affiliated Companies Questionnaire," dated June 5, 2019.	Resolute
June 5, 2019	J.D. Irving	J.D. Irving Company Affiliation Response	J.D.'s Irving's Letter, "Certain Softwood Lumber Products from Canada: Response to Section III Question Identifying Affiliated Companies," dated June 5, 2019.	J.D. Irving
June 5, 2019	Commerce	Meeting with Interested Parties regarding Questionnaire	Memorandum, "Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada: Meeting with Interested Parties," dated June 5, 2019.	Interested Parties
June 7, 2019	Commerce	Addendum to the Initial Questionnaire	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Addendum to the Initial Questionnaire," dated June 7, 2019.	Interested Parties
June 11, 2019	Canfor	Canfor Difficulty Reporting and Request for Modification	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Notification of Reporting Difficulty and Request to Modify Reporting Instructions," dated June 11, 2019.	Canfor

June 12, 2019	Petitioner	Petitioner Response to Canfor's Request for Modification	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Canfor's Request to Modify Reporting," dated June 12, 2019.	Canfor
June 18, 2019	Petitioner	Petitioner Comments on Canfor's Affiliation Response	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Canfor's Affiliated Companies Questionnaire Response," dated June 18, 2019.	Canfor
June 19, 2019	Petitioner	Petitioner Comments on Resolute's Affiliation Response	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Resolute's Affiliated Companies Questionnaire Response," dated June 19, 2019.	Resolute
June 19, 2019	Petitioner	Petitioner Comments on West Fraser's Affiliation Response	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on West Fraser's Affiliated Companies Questionnaire Response," dated June 19, 2019.	West Fraser
June 19, 2019	Petitioner	Petitioner Withdrawal of Review Requests	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Withdrawal of Request for Administrative Review," dated June 19, 2019.	Interested Parties
June 19, 2019	ARTB	ARTB Request for Questionnaire Clarification	ARTB's Letter, "Certain Softwood Lumber Products from Canada: Request for Clarification of the Initial Questionnaire," dated June 19, 2019.	ARTB
June 20, 2019	Petitioner	Petitioner Comments on ARTB's Request for Clarification	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on ARTB's Request for Clarification," dated June 20, 2019.	ARTB
June 24, 2019	Petitioner	Petitioner Corrected Withdrawal of Review Requests	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Correction to Withdrawal of Request for Administrative Review," dated June 24, 2019.	Interested Parties
June 4, 2019	West Fraser	West Fraser Affiliation Response	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Affiliated Company Response," dated June 4, 2019.	West Fraser
June 25, 2019	West Fraser	West Fraser Response to Petitioner's Comments on West Fraser's Affiliated Companies Questionnaire Response	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Mills Ltd.'s Response to Petitioners' Comments on West Fraser Mills Ltd.'s Affiliated Companies Questionnaire Response," dated June 25, 2019.	West Fraser
June 26, 2019	Resolute	Resolute Comments to Petitioner's Letter on Resolute's Affiliation Response	Resolute's Letter, "Softwood Lumber from Canada: Response to Petitioner's Comments on Resolute's Affiliated Companies Questionnaire Response," dated June 26, 2019.	Petitioner
June 27, 2019	Commerce	Memorandum on the Withdrawal of Review Requests	Memorandum, "Deadlines Applicable to Voluntary Respondents and Withdrawal of Requests for Review," dated June 27, 2019.	Interested Parties
June 28, 2019	Clermond Hamel Ltee. and Busque & Laflamme Inc.	Clarification of Review Request	Clermond Hamel Ltee. and Busque & Laflamme Inc.'s Letter, "Softwood Lumber from Canada: Clarification of Clermond Hamel Ltee. And Busque & Laflamme Inc.'s Requests for Administrative Review," dated June 28, 2019.	Commerce
July 1, 2019	Fontaine	Fontaine Withdraw of Review Request	Fontaine's Letter, "Softwood Lumber from Canada: Withdrawal of Request for Countervailing Duty Administrative Review (4/28/2017 - 12/31/2018)," dated July 1, 2019	Commerce
July 1, 2019	Mobilier Rustique	Mobilier Rustique Withdraw of Review Request	Mobilier Rustique's Letter, "Certain Softwood Lumber from Canada - Mobilier Rustique Withdrawal of Request for Administrative Review," dated July 1, 2019	Commerce
July 1, 2019	Commerce	Extension of Deadline to Withdraw Review Requests	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Extension of Time to Withdraw Requests for Administrative Review," dated July 1, 2019.	Interested Parties
July 2, 2019	Commerce	Response to Canfor Letter	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada," dated July 2, 2019.	Canfor
July 5, 2019	ARTB	ARTB's Withdraw of Voluntary Respondent Treatment	ARTB's Letter, "Certain Softwood Lumber Products from Canada: Withdrawal of Request for Treatment as a Voluntary Respondent," dated July 5, 2019.	Commerce
July 8, 2019	GOS	GOS July 8, 2019 Primary QNR Response	GOS' Letter, "Certain Softwood Lumber Products from Canada - Response of the Government of Saskatchewan to the Department's May 21, 2019 Questionnaire," dated July 8, 2019.	GOS
July 8, 2019	GOM	GOM July 8, 2019 Primary QNR Response	GOM's Letter, "Certain Softwood Lumber Products from Canada - Response of the Government of Manitoba to the Department's May 21, 2019 Questionnaire," dated July 8, 2019	GOM
July 9, 2019	NAFP	NAFP's Request to Rescind Review	NAFP's Letter, "Certain Softwood Lumber Products from Canada: NAFP's Request to Rescind Administrative Review," dated July 9, 2019.	Commerce

July 9, 2019	Commerce	Resolute July 9, 2019 Company Affiliation (Mauricie) SQ	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Affiliated Company—Forest Products Mauricie L.P./Produits Forestiers Mauricie S.E.C.," dated July 9, 2019.	Resolute
July 9, 2019	Commerce	GOC July 9, 2019 SQ (Mauricie)	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Resolute FP Canada Inc.'s Affiliated Company—Forest Products Mauricie L.P./Produits Forestiers Mauricie S.E.C.," dated July 9, 2019.	GOC
July 11, 2019	GOQ	Marshall Report	GOQ's Letter, "Certain Softwood Lumber Products from Canada: Submission of the Expert Report of Robert C. Marshall, Ph.D.," dated July 11, 2019.	Commerce
July 15, 2019	West Fraser	West Fraser's Volume II IQR Response	West Fraser's Letter "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to the Department of Commerce Countervailing Duty Initial Questionnaire," dated July 15, 2019.	West Fraser
July 15, 2019	J.D. Irving	JDIL IQR	J.D. Irving's Letter "Certain Softwood Lumber Products from Canada: Response to Section III of the Questionnaire for Producers/Exporters," dated July 15, 2019.	J.D. Irving
July 15, 2019	Resolute	Resolute July 15, 2019 Primary Stumpage QNR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Response to Initial Stumpage Questionnaire," dated July 15, 2019.	Resolute
July 15, 2019	GOQ	GOQ July 15, 2019 Primary QNR Response	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's May 21, 2019 Initial Questionnaire," dated July 15, 2019.	GOQ
July 15, 2019	GOO	GOO July 15, 2019 Primary Stumpage QNR Response	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's May 21, 2019 Questionnaire," dated July 15, 2019.	GOO
July 15, 2019	GOO	GOO July 15, 2019 Primary Non-Stumpage QNR Response	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's May 21, 2019 Non-Stumpage Questionnaire," dated July 15, 2019.	GOO
July 15, 2019	GOA	GOA July 15, 2019 Primary Non-Stumpage QNR Response	GOA's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Alberta to Section II of the Department's May 21, 2019 Initial Questionnaire," dated July 15, 2019.	GOA
July 15, 2019	GOA	GOA IQR	GOA's Letter, "Response to Questionnaire Part 2: Provision of Stumpage for Less Than Adequate Remuneration," dated July 15, 2019.	GOA
July 15, 2019	GBC	GBC IQR	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada; 2017-2018: Government of British Columbia's Initial Questionnaire Response," dated July 15, 2019.	GBC
July 15, 2019	GNB	GNB IQR Response	GNB's Letter "Certain Softwood Lumber Products from Canada: Initial Questionnaire Response by the Government of the Province of New Brunswick," dated July 15, 2019.	GNB
July 15, 2019	GNS	GNS J.D. Irving Response	GNS's Letter "Softwood Lumber from Canada: Response of the Government of Nova Scotia to the Department's Initial Questionnaire for the Government of Canada concerning Voluntary Respondent J.D. Irving Limited," dated July 15, 2019.	J.D. Irving
July 15, 2019	GNS	GNS IQR	GNS's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to the Department's Initial Questionnaire," dated July 15, 2019.	GNS
July 15, 2019	Canfor	Canfor IQR Response	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Stumpage and Non-Stumpage Initial Questionnaire Response," dated July 15, 2019	Canfor
July 16, 2019	GOC	GOC IQR	GOC's Letter, "Countervailing Duty Administrative Review of Certain Softwood Lumber Products from Canada: Initial Questionnaire Response of the Government of Canada," dated July 16, 2019.	GOC
July 17, 2019	Commerce	Resolute Reporting of Non-Recurring Subsidies	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Reporting of Non-Recurring Subsidies," dated July 17, 2019.	Resolute

July 18, 2019	Commerce	Voluntary Respondent Selection Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Selection of JD Irving, Ltd. as a voluntary respondent," dated July 18, 2019.	J.D. Irving
July 19, 2019	West Fraser	Clarification of BPI Treatment of West Fraser Reporting Entities	West Fraser's Letter "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Clarification Regarding Business Proprietary Treatment of Certain Information Related to West Fraser's Reporting Entities," dated July 29, 2019.	West Fraser
July 23, 2019	Resolute	Resolute July 23, 2019 Primary Non-Stumpage QNR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Response to Initial Non-Stumpage Questionnaire," dated July 23, 2019.	Resolute
July 23, 2019	Commerce	Canfor SAQNR	Commerce's Letter, "Certain Softwood Lumber from Canada: Affiliated Companies Section Questionnaire Response," dated July 23, 2019.	Canfor
July 30, 2019	GOQ	GOQ July 30, 2019 QNR Response regarding Mauricie	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's Direction to Provide a Questionnaire Response for Forest Products Mauricie L.P./Produits Forestiers Mauricie S.E.C.," dated July 30, 2019.	Resolute
July 30, 2019	Resolute	Resolute July 30, 2019 QNR Response for Mauricie	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Response of Resolute FP Canada Inc. to Section III Questionnaire for Producers/Exporters Part I NonStumpage and Part II Stumpage for Forest Products Mauricie L.P./Produits Forestiers Mauricie S.E.C.," dated July 30, 2019.	Resolute
July 30, 2019	GOC and GOO	GOC/GOO July 30, 2019 QNR Response on Mauricie	GOC/GOO's Letter, "Countervailing Duty Administrative Review of Certain Softwood Lumber Products from Canada: Supplemental Questionnaire Response," dated July 30, 2019.	Resolute
July 30, 2019	Commerce	<i>Ex Parte</i> Meeting with U.S. Lumber Coalition	Memorandum, "First Administrative Reviews; Antidumping and Countervailing Duty Orders on Softwood Lumber from Canada: Ex Parte Meeting with U.S. Lumber Coalition," dated July 30, 2019.	Petitioner
July 31, 2019	Canfor	Canfor SAQNR Response	Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Supplemental Affiliated Companies Response," dated July 31, 2019.	Canfor
August 1, 2019	Commerce	NSA Deferred from Investigation	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Additional Subsidy Allegations Deferred to the First Administrative Review," dated August 1, 2019.	Commerce
August 1, 2019	Canfor	Canfor Supplemental Affiliated Companies Response	Canfor's Letter "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Supplemental Affiliated Companies Response," August 1, 2019.	Canfor
August 6, 2019	Petitioner	NSA Second Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Certain New Subsidy Allegations," dated August 6, 2019.	Interested Parties
August 7, 2019	Commerce	Resolute August 7, 2019 Sales Information SQ	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire regarding Sales Information," dated August 7, 2019.	Resolute
August 8, 2019	Commerce	NSA Questionnaire for Petitioner	Letter, "Certain Softwood Lumber from Canada: Supplemental Questionnaire for April 1, 2019 Subsidy Allegation," dated August 8, 2019.	Petitioner
August 9, 2019	Commerce	Memorandum on NSA Questionnaire for Petitioner	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Call to Counsel representing the petitioner (COALITION)," dated August 9, 2019.	Petitioner
August 12, 2019	GOC, GOQ, and GOO	Canadian Government Comments on NSAs Deferred to ARI	GOC, GOQ, and GOO's Letter, "Countervailing Duty Administrative Review of Certain Softwood Lumber Products from Canada: Additional Subsidy Allegations Deferred to the First Administrative Review," dated August 12, 2019 .	Commerce
August 12, 2019	Petitioner	Petitioner Comments on Canfor's SAQNR Response	Petitioner's Letter, Certain Softwood Lumber Products from Canada: Comments on Canfor's Supplemental Affiliated Companies Response," dated August 12, 2019.	Canfor
August 13, 2019	Petitioner	Petitioner August 13, 2019 NSA SQR Response	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Response to Supplemental Questionnaire on Subsidy Allegation," dated August 13, 2019.	Commerce

August 13, 2019	Petitioner	Petitioner Comments on IQRs	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Initial Questionnaire Responses," dated August 13, 2019.	Interested Parties
August 15, 2019	Petitioner	Request for Verification	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Request for Verification of Information for the First Administrative Review Period (2017-2018)," dated August 15, 2019.	Commerce
August 15, 2019	Resolute	Resolute August 15, 2019 Sales SQR Response	Resolute's Letter, "Softwood Lumber from Canada: Response of Resolute FP Canada Inc. to Supplemental Questionnaire Regarding Sales Information," dated August 15, 2019.	Resolute
August 15, 2019	Canadian Governmental Parties	Response to Petitioner's August 5, 2019 NSAs	Canadian Governmental Parties' Letter, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Response to Petitioner's New Subsidy Allegations," dated August 15, 2019.	Interested Parties
August 20, 2019	Canfor	Canfor Response to Petitioner Comments on Canfor SAQNR Resp	Csnfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Petitioner's Comments on Supplemental Affiliated Companies Response, dated August 20, 2019.	Canfor
August 20, 2019	Petitioner	NSAs Regarding Resolute	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Certain New Subsidy Allegations for Resolute FP Canada Inc.," dated August 20, 2019.	Resolute
August 22, 2019	GOC	GOC Comments on Petitioner's August 13, 2019 NSA Response	GOC's Letter, "Countervailing Duty Administrative Review of Certain Softwood Lumber Products from Canada: Comments on Petitioner's Response to Supplemental Questionnaire on Subsidy Allegation," dated August 22, 2019.	Petitioner
August 29, 2019	GNS	GNS Comments on GOC NFI on Nova Scotia Private Price Survey	GNS Letter, "Softwood Lumber from Canada: Factual Information Submitted by the Government of Nova Scotia to Clarify Factual Information Concerning Nova Scotia's Forestry System," dated August 29, 2019.	GNS
August 30, 2019	Commerce	September 3, 2019 Resolute Sales SQ	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Second Supplemental Questionnaire regarding Sales Information," dated August 30, 2019.	Resolute
August 30, 2019	Resolute	Resolute Response to NSAs Regarding Resolute	Resolute's Letter, "Softwood Lumber from Canada: Countervailing Duty First Administrative Review Resolute's Response to Petitioner's August 19, 2019 New Subsidy Allegations," dated August 30, 2019.	Resolute
September 3, 2019	Resolute	Resolute September 6, 2019 Sales SQR Response	Resolute's Letter, "Softwood Lumber from Canada: Response of Resolute FP Canada Inc. to Second Supplemental Questionnaire Regarding Sales Information," dated September 3, 2019.	Resolute
September 6, 2019	Commerce	NSA Memorandum - Resolute Allegations	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Subsidy Allegations - Resolute FP Canada Inc.," dated September 6, 2019.	Resolute
October 9, 2019	Petitioner	Petitioner Rebuttal to Canfor's August 19 Comments	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Response to Canfor's Response to Petitioner's Comments on Supplemental Affiliated Companies Response," dated October 9, 2019.	Canfor
October 31, 2019	Commerce	October 31, 2019 NSA Questionnaire for GOO/GOQ re: Resolute Allegations	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: New Subsidies Questionnaire - Allegations against Resolute FP Canada Inc.," dated October 31, 2019.	GOO/GOQ
October 31, 2019	Commerce	October 31, 2019 NSA Questionnaire for Resolute	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: New Subsidies Questionnaire - Allegations against Resolute," dated October 31, 2019.	Resolute
November 6, 2019	Commerce	NSA Memorandum - RE 1st and 2nd NSA Submissions	Memorandum, "Analysis of New Subsidy Allegations," dated November 6, 2019.	Various Respondents
November 6, 2019	Commerce	November 8, 2019 NSA Questionnaire for Resolute	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: New Subsidy Allegation Questionnaire," dated November 6, 2019.	Resolute

November 8, 2019	Commerce	November 12, 2019 SQ for GOO	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for the Government of Ontario," dated November 8, 2019.	GOO
November 8, 2019	Commerce	Canfor NSA QNR	Commerce's Letter, "New Subsidy Allegation (NSA) Questionnaire," dated November 8, 2019.	Canfor
November 12, 2019	GOQ	GOQ November 14, 2019 NSA SQR Response (Resolute Specific Allegations)	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the New Subsidies Questionnaire – Allegations Against Resolute FP Canada Inc.," dated November 12, 2019.	GOQ
November 12, 2019	Commerce	November 12, 2019 SQ for GOQ	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for the Government of Quebec," dated November 12, 2019.	GOQ
November 12, 2019	Commerce	November 12, 2019 SQ for Resolute	Commerce's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for Resolute," dated November 12, 2019.	Resolute
November 14, 2019	Canfor	Canfor's Resubmission of Exhibit STUMP-B-3	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Resubmission of the Microsoft Excel Version of Exhibit STUMP-B-3 of Canfor's Initial Questionnaire Response," dated November 14, 2019.	Canfor
November 15, 2019	Resolute	Resolute November 15, 2019 Stumpage SQR Response	Resolute's Letter, "Softwood Lumber from Canada: Response of Resolute FP Canada Inc. to First Supplemental Stumpage Questionnaire," dated November 15, 2019.	Resolute
November 15, 2019	GOO	GOO November 21, 2019 NSA SQR Response (Resolute Specific Allegations)	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's New Subsidies Questionnaire," dated November 15, 2019.	GOO
November 15, 2019	Commerce	Canfor 2nd NSA QNR	Commerce's Letter, "Second New Subsidy Allegations (NSA) Questionnaire," dated November 15, 2019.	Canfor
November 21, 2019	Resolute	Resolute November 21, 2019 NSA SQR Response (Resolute Specific Allegations)	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Response to New Subsidies Questionnaire (NSA) - Allegations Against Resolute," dated November 21, 2019.	Resolute
November 21, 2019	Resolute	Resolute November 22, 2019 NSA SQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD First Administrative Review Resolute's Response to New Subsidies Questionnaire," dated November 21, 2019.	Resolute
November 22, 2019	GOO	GOO November 22, 2019 NSA SQR Response	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's Second New Subsidies Questionnaire," dated November 22, 2019.	GOO
November 22, 2019	GOQ	GOQ November 22, 2019 NSA SQR Response	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's November 8, 2019 New Subsidies Allegation Questionnaire," dated November 22, 2019	GOQ
November 22, 2019	Petitioner	Petitioner Comments on GOQ's November 14, 2019 SQ Response	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on the Government of Quebec's Response to the New Subsidies Questionnaire – Allegations Against Resolute FP Canada Inc.," dated November 22, 2019.	GOQ
November 22, 2019	GBC	GBC NSA SQR1	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's New Subsidy Allegation Questionnaire Response," dated November 22, 2019.	GBC
November 22, 2019	Canfor	Canfor's 2nd Resubmission of Exhibit STUMP-B-3	Canfor's Letter, "Certain Softwood Lumber Products from Canada. Case No. C-122-858: Canfor's Resubmission of the Microsoft Excel Version of Exhibit STUMP-B-3 of Canfor's Initial Questionnaire Response," dated November 22, 2019.	Canfor
November 25, 2019	GOQ	GOQ November 26, 2019 SQR Response	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's November 12, 2019 Second Supplemental Questionnaire," dated November 25, 2019.	GOQ

November 25, 2019	Canfor	Canfor NSA SQR	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's New Subsidy Allegations Questionnaire Response," dated November 25, 2019.	Canfor
November 25, 2019	GOC	GOC NSA QNR Response	GOC's Letter "Countervailing Duty Investigation of Certain Softwood Lumber from Canada: Response of the Government of Canada to the New Subsidy Allegation Questionnaire," dated November 25, 2019.	
November 26, 2019	Petitioner	Petitioner Comments on Commerce's LER Questionnaire	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Response to Information Requested on Log Export Restraints Programs," dated November 26, 2019.	Commerce
December 2, 2019	GOO	GOO December 3, 2019 SQR Response	GOO's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Ontario to the Department's Third Supplemental Questionnaire," dated December 2, 2019.	GOO
December 6, 2019	Canfor	Canfor NSA SQR2	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Second New Subsidy Allegations Questionnaire Response," dated December 6, 2019.	Canfor
December 6, 2019	Commerce	<i>Ex Parte</i> Meeting with Senate Finance Staff	Memorandum, "First Administrative Reviews; Antidumping and Countervailing Duty Orders on Softwood Lumber from Canada; Ex Parte Meeting with U.S. Senate Finance Staff," dated December 6, 2019.	Commerce
December 6, 2019	GBC	GBC NSA SQR2	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Second New Subsidy Allegation Questionnaire Response," dated December 6, 2019.	GBC
December 6, 2019	Resolute	Resolute December 6, 2019 Non-Stumpage SQR - Grants	Resolute's Letter, "Softwood Lumber from Canada: Response of Resolute FP Canada Inc. to Supplemental (Non-Stumpage) Questionnaire," dated December 6, 2019.	Resolute
December 6, 2019	Petitioner	Petitioner Comments on Resolute's and GOO's November 21, 2019 SQR Responses	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Questionnaire Responses Concerning Subsidy Programs Used by Resolute," dated December 6, 2019.	Resolute, GOO
December 9, 2019	GOC	GOC December 9, 2019 NSA QR Response	GOC's Letter "Countervailing Duty Investigation of Certain Softwood Lumber from Canada: Response of the Government of Canada to the Second New Subsidy Allegation Questionnaire," dated December 9, 2019.	GOC
December 9, 2019	West Fraser	West Fraser 2nd NSA QR Response	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Mills Ltd.'s Response to Second New Subsidy Allegations Questionnaire for Mandatory Respondents," dated December 9, 2019.	West Fraser
December 10, 2019	Commerce	GOA December 10, 2019 Supplemental QR	Commerce's Letter, "Certain Software Lumber from Canada: Alberta Supplemental Questionnaire," dated December 10, 2019.	GOA
December 10, 2019	Commerce	Canfor NS SQNR	Commerce's Letter, "Supplemental Questionnaire for Affiliation and Initial Questionnaire Responses," dated December 10, 2019.	Canfor
December 10, 2019	Commerce	GOA AESO Electricity Purchase Supplemental QNR	Commerce's Letter, "Supplemental Questionnaire for Alberta Energy Systems Operator (AESO) Purchase of Electricity," dated December 10, 2019.	GOA
December 10, 2019	GOA	GOA December 10, 2019 2nd NSA QR Response	GOA's Letter, "Certain Softwood Lumber Products from Canada: Government of Alberta's Second New Subsidy Allegation Questionnaire Response," dated December 10, 2019.	GOA
December 10, 2019	GBC	GBC SQR1	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Supplemental Questionnaire Response," dated December 10, 2019.	GBC
December 11, 2019	Commerce	GNB December 13, 2019 Supplemental QNR	Commerce's Letter, "Administrative Review of Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for the Government of New Brunswick," dated December 11, 2019.	GNB
December 11, 2019	J.D. Irving	J.D. Irving Comments on Petitioner's Response to November 22, 2019 Supplemental QR	J.D. Irving's Letter, "Certain Softwood Lumber Products from Canada: J.D. Irving's Comments on Petitioner's Response to the November 22, 2019, Supplemental Questionnaire," dated December 11, 2019.	J.D. Irving

December 11, 2019	Canadian Parties	Canadian Parties Comments on Petitioner's Comments on Commerce's LER Questionnaire	Canadian Parties' Letter, "Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada: Comments on Petitioner's Questionnaire Response Relating to Purported Log Export Restraints," dated December 11, 2019.	Canadian Parties
December 13, 2019	Petitioner	Petitioner Comments on GOQ, GOO, GOA, West Fraser, and Resolute Supplemental QR Responses	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Supplemental Questionnaire Responses," dated December 13, 2019.	Canadian Parties
December 16, 2019	Commerce	Canfor Stumpage SQR	Commerce's Letter, "Certain Softwood Lumber for Canada: Canfor Corporation Responses," dated December 16, 2019.	Canfor
December 16, 2019	GOA	GOA December 10, 2019 Supplemental QR Response	GOA's Letter, "Certain Softwood Lumber Products from Canada: Government of Alberta's Stumpage Supplemental Questionnaire Response," dated December 16, 2019.	GOA
December 23, 2019	GOA	GOA AESO SQR	GOA's Letter, "Certain Softwood Lumber Products from Canada: Government of Alberta's AESO Supplemental Questionnaire Response," dated December 23, 2019.	GOA
December 23, 2019	Commerce	GBC December 27, 2019 Supplemental Stumpage QR	Commerce's Letter, "Certain Softwood Lumber from Canada: Supplemental Questionnaire on Government of British Columbia Stumpage Responses," dated December 23, 2019.	GBC
December 27, 2019	GNB	GNB December 13, 2019 Supplemental QNR Response	GNB's Letter, "Certain Softwood Lumber Products from Canada: Supplemental Questionnaire Response," dated December 27, 2019.	GNB
December 27, 2019	Resolute	Resolute December 30, 2019 NFI Submission	Resolute's Letter, "Countervailing Duty First Administrative Review of Certain Softwood Lumber Products from Canada New Factual Information," dated December 27, 2019.	Resolute
December 30, 2019	Petitioner	Petitioner Benchmark Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Benchmark Information," dated December 30, 2019.	Canadian Parties
December 31, 2019	Commerce	GNS December 31, 2019 Supplemental QR	Commerce's Letter, "Administrative Review of Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for the Government of Nova Scotia," dated December 31, 2019.	GNS
December 31, 2019	Commerce	J.D. Irving December 31, 2019 Supplemental QR	Commerce's Letter, "Administrative Review of Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for J.D. Irving, Ltd.," dated December 31, 2019.	J.D. Irving
December 31, 2019	GBC	GBC Benchmark Submission	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia Benchmark Information," dated December 31, 2019.	GBC
January 2, 2020	BCLTC	BLTC Benchmark Submission	BCLTC's Letter, "Certain Softwood Lumber Products from Canada: Submission of Factual Evidence Potentially Relevant to Measurement of Adequacy of Remuneration," dated January 2, 2020.	GBC
January 2, 2020	GNB	GNB Benchmark Submission	GNB's Letter, "Certain Softwood Lumber Products from Canada: Submission of Factual Information," dated January 2, 2020	GNB
January 3, 2020	Canfor	Canfor NS SQR	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Non-Stumpage Supplemental Questionnaire Response," dated January 3, 2020.	Canfor
January 6, 2020	Petitioner	Petitioner Pre-Prelim Comments	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Pre-Preliminary Comments," dated January 6, 2020.	Commerce
January 7, 2020	Canfor	Canfor Stumpage SQR	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Stumpage Supplemental Questionnaire Response," dated January 7, 2020.	Canfor
January 8, 2020	GOO	GOO Pre-Prelim Comments	GOO's Letter, "Certain Softwood Lumber Products from Canada: Pre-Preliminary Comments," dated January 8, 2020.	Commerce
January 8, 2020	Canfor	Canfor's Pre-Prelim Comments	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Pre-Preliminary Comments," dated January 8, 2020.	Canfor
January 9, 2020	Petitioner	Petitioner's Comments on Resolute's December 30, 2019 NFI Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Response to Resolute FP Canada Inc. New Factual Information," dated January 9, 2020.	Commerce
January 13, 2020	GBC	GBC SQR2	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Response to the Department's December 27, 2019 Supplemental Questionnaire," dated January 13, 2020.	GBC

January 15, 2020	GNS	GNS Supplemental Response	GNS Letter, "Softwood Lumber from Canada: Questionnaire Response Concerning Silviculture Reimbursement to J.D. Irving, Ltd.," dated January 15, 2020.	GNS
January 15, 2020	Commerce	Intent to Rescind In Part Memorandum	Memorandum, "Intent to Rescind the 2017/2018 Administrative Review, in Part," dated January 15, 2020.	Interested Parties
January 15, 2020	Commerce	Clarification of Company Names Memorandum	Memorandum, "Administrative Reviews of the Antidumping and Countervailing Duty Orders on Certain Softwood Lumber Products from Canada: Clarification of Company Names & Addresses," dated January 15, 2020.	Interested Parties
January 15, 2020	West Fraser	WF SQR	West Fraser Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Mills Ltd.'s Response to the Department of Commerce's Supplemental Questionnaire for West Fraser's Responses Dated January 3, 2020," dated January 15, 2020.	West Fraser
January 16, 2020	GBC	GBC SQR3	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Response to the Department's January 6, 2020 Supplemental Questionnaire," dated January 16, 2020.	GBC
January 21, 2020	GBC	GBC SQR4	GBC's Letter, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Response to the Department's January 14, 2020 Supplemental Questionnaire," dated January 21, 2020.	GBC
January 22, 2020	Tolko	Tolko Comments on Intent to Rescind In Part Memorandum	Tolko's Letter, "Certain Softwood Lumber Products from Canada: Comments on Notice of Intent to Rescind Memorandum," dated January 22, 2020.	Commerce
January 31, 2020	Commerce	Québec Specificity Memorandum	Memorandum, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Specificity Analysis of Québec Grant & Tax Programs," dated January 31, 2020.	GOQ
January 31, 2020	Commerce	Resolute Preliminary Calculation Memorandum	Memorandum, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Preliminary Results Calculations for Resolute FP Canada Inc.," dated January 31, 2020.	Resolute
January 31, 2020	Commerce	Canfor Preliminary Calculation Memorandum	Memorandum, "Preliminary Results Calculations for Canfor," dated January 31, 2020.	Canfor
January 31, 2020	Commerce	West Fraser Preliminary Calculation Memorandum	Memorandum, "Preliminary Results Calculations for West Fraser Mills Ltd.," dated January 31, 2020.	West Fraser
January 31, 2020	Commerce	JDIL Preliminary Calculation Memorandum	Memorandum, "First Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Preliminary Results Calculations for J.D. Irving, Ltd.," dated January 31, 2020.	J.D. Irving
January 31, 2020	Commerce	Nova Scotia Benchmark Calculation Memorandum for Preliminary Results	Memorandum, "Nova Scotia Benchmark Calculation Memorandum for the Preliminary Results," dated January 31, 2020.	GNS
January 23, 2020	GNB	GNB SQR 2	GNB's Letter, "Certain Softwood Lumber Products from Canada: Supplemental Questionnaire Responses," dated January 23, 2020.	GNB
January 31, 2020	Commerce	Alberta 1st AR Market Memorandum	Memorandum, "Alberta 1st AR Market Memorandum," dated January 31, 2020.	GOA