



C-122-858

Administrative Review

POR: 01/01/2019 – 12/31/2019

**Public Document**

E&C/OIII: Team

May 20, 2021

**MEMORANDUM TO:** Ryan Majerus  
Deputy Assistant Secretary  
for Policy and Negotiations

**FROM:** James Maeder  
Deputy Assistant Secretary  
for 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; 2019

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## I. SUMMARY

Commerce is conducting an administrative review of the *CVD Order* covering the POR January 1, 2019, through December 31, 2019. Commerce initiated an administrative review of several hundred companies<sup>1</sup> and selected the following companies for individual review: Canfor, Resolute, and West Fraser.<sup>2</sup> Commerce also selected JDIL as a voluntary respondent.<sup>3</sup>

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, particularly with respect to programs we are investigating for the first time in this review, such as the CES Program, the Alberta Carbon Levy Rebate, and the CleanBC Program for Industry. 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.

## II. BACKGROUND

On January 3, 2018, Commerce published the *CVD Order*.<sup>4</sup> On January 2, 2020, we published a notice of “Opportunity to Request Administrative Review” of the *CVD Order*.<sup>5</sup> Commerce received timely requests to conduct an administrative review of the *CVD Order* from the

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<sup>1</sup> See *Initiation Notice*.

<sup>2</sup> See Respondent Selection Memorandum. The complete name of each respondent is identified in Appendix I to this document below.

<sup>3</sup> See Voluntary Respondent Selection Letter.

<sup>4</sup> See *CVD Order*.

<sup>5</sup> See *Opportunity Notice*.

petitioner,<sup>6</sup> Canfor, JDIL, Resolute, West Fraser, and several hundred additional companies.<sup>7</sup> Based upon these requests, Commerce initiated an administrative review of the *CVD Order* on March 10, 2020, covering all companies for which a review was requested.<sup>8</sup>

On May 19, 2020, Commerce selected the following firms as mandatory respondents: Canfor, Resolute, and West Fraser.<sup>9</sup> On September 14, 2020, we also determined to treat JDIL as a voluntary respondent because: (1) it was the first firm to submit a request for voluntary treatment;<sup>10</sup> (2) it met the filing deadlines for all information requests; and (3) Commerce found that it was not unduly burdensome to include JDIL as a voluntary respondent.<sup>11</sup>

Commerce tolled all deadlines in administrative reviews by 50 days on April 24, 2020, and by an additional 60 days on July 21, 2020,<sup>12</sup> thereby extending the deadline for these preliminary results until January 21, 2021. On December 2, 2020, Commerce extended the deadline for the preliminary results of this administrative review from January 21, 2021, to May 20, 2021, in accordance with 19 CFR 351.213(h)(2).<sup>13</sup>

On September 16, 2020, the petitioner filed an NSA submission.<sup>14</sup> On April 1, 2021, Commerce initiated investigations of additional subsidy programs based on the petitioner's NSAs.<sup>15</sup>

On February 11, 2021, we received comments from Fornebu Lumber Company Inc. stating that it had inadvertently referred to itself as Fornebu Lumber Co. Ltd. in its request for a review.<sup>16</sup> Based on the review request, we initiated a review of Fornebu Lumber Co. Ltd. and not Fornebu Lumber Company Inc.<sup>17</sup> Fornebu Lumber Company Inc. submitted U.S. entry documentation to support its request for a name correction.<sup>18</sup> After reviewing the documentation submitted, we are amending the name of the company under review from Fornebu Lumber Co. Ltd. to Fornebu Lumber Company Inc.

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

### **III. PERIOD OF REVIEW**

The POR is January 1, 2019, through December 31, 2019.

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<sup>6</sup> 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.; PotlatchDeltic; 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.

<sup>7</sup> *See Initiation Notice*; *see also* company-specific requests submitted in ACCESS.

<sup>8</sup> *See Initiation Notice*.

<sup>9</sup> *See* Respondent Selection Memorandum.

<sup>10</sup> *Id.* at 8-11.

<sup>11</sup> *See* Voluntary Respondent Selection Letter.

<sup>12</sup> *See* First Tolling Memorandum; *see also* Second Tolling Memorandum.

<sup>13</sup> *See* Extension of Preliminary Results Memorandum.

<sup>14</sup> *See* NSA Submission.

<sup>15</sup> *See* NSA Memorandum.

<sup>16</sup> *See* Fornebu Clarification of Company Name.

<sup>17</sup> *See Initiation Notice*, 85 FR at 13869.

<sup>18</sup> *See* Fornebu Clarification of Company Name.

#### IV. NON-SHIPMENT CLAIM AND PARTIAL RESCISSION OF REVIEW

On April 7, 2020, West Wind Hardwood submitted a claim of non-shipment of subject merchandise during the POR.<sup>19</sup> However, the customs data contained in the CBP data query results, released on March 30, 2020, indicate that a shipment of subject merchandise produced and/or exported by West Wind Hardwood entered the United States during the POR.<sup>20</sup> West Wind Hardwood did not submit any comments on the CBP data.<sup>21</sup> Based on the CBP data, we preliminarily find that subject merchandise produced and/or exported by West Wind Hardwood entered the United States during the POR and, therefore, we are not rescinding the review with regard to West Wind Hardwood.

Pursuant to 19 CFR 351.214(k)(3)(iv), we determined in the *Lumber V Final Results of Expedited Review* that D&G, Lemay, MLI, NAFP, and Roland were excluded from the CVD Order. On May 6, 2021, Commerce issued a memorandum stating our intention to rescind this administrative review with respect to D&G, Lemay, MLI, NAFP, and Roland, consistent with our determination in the *Lumber V Final Results of Expedited Review*.<sup>22</sup> We did not receive any comments from interested parties on our intention to rescind the review for the excluded companies. Therefore, we are rescinding the administrative review of D&G, Lemay, MLI, NAFP, and Roland.

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.<sup>23</sup> 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, Lemay, MLI, NAFP, and Roland, 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).<sup>24</sup> 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, Lemay, MLI, NAFP, and Roland, and to refund all cash deposits of estimated countervailing duties collected on all such shipments.<sup>25</sup> Merchandise which D&G, MLI, NAFP, Roland, and Lemay exports but does not produce, as well as merchandise D&G, MLI, NAFP, Roland, and Lemay produces but is exported by another company, remains subject to the CVD order. For this administrative review, we are also rescinding the review of D&G, MLI, NAFP, Roland, and Lemay where they may have been the producer or exporter given that there were no such entries during the POR.

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<sup>19</sup> See West Wind Hardwood No Shipment Claim.

<sup>20</sup> See CBP Data Query Results Memorandum.

<sup>21</sup> As noted in the *Initiation Notice*, Commerce provided an opportunity for interested parties to comment on the CBP data. See *Initiation Notice*, 85 FR at 13860. The deadline to submit comments was April 6, 2020.

<sup>22</sup> See *Intent to Rescind Review in Part Memorandum*.

<sup>23</sup> See *Lumber V Final Results of Expedited Review*, 84 FR at 32122 (citing *CORE CVD Order*, 81 FR 48387).

<sup>24</sup> *Id.*; see also CBP Message Number 9214302, dated August 2, 2019.

<sup>25</sup> See *Lumber V Final Results of Expedited Review*, 84 FR at 32122; see also CBP Message Number 9234309, dated August 22, 2019.

## **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 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; 4418.50.00.10; 4418.50.00.30; 4418.50.00.50; and 4418.99.10.00.<sup>26</sup>

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.

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<sup>26</sup> The following HTSUS numbers have been deleted, deactivated, replaced, or are invalid:

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; 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.

Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.<sup>27</sup>

## **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.<sup>28</sup> Commerce notified the respondents of the 10-year AUL in the Initial Questionnaire and requested data accordingly.<sup>29</sup> 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 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.<sup>30</sup> According to the *CVD Preamble*, relationships captured by the cross-ownership definition include those where:

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<sup>27</sup> See *CVD Order*, 83 FR at 349.

<sup>28</sup> See *Lumber V Final IDM* at 8; see also *Lumber V Prelim PDM* at 11.

<sup>29</sup> See Initial Questionnaire at AUL Appendix.

<sup>30</sup> See *CVD Preamble*, 63 FR at 65401-02.

{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.<sup>31</sup>

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.<sup>32</sup>

### 1. *Canfor*

Canfor Corporation identified the following companies as cross-owned and provided questionnaire responses on their behalf:<sup>33</sup>

- Canfor Corporation;
- CFP;
- CWPM

Canfor Corporation reports the following roles for each of the companies:<sup>34</sup>

- 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

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<sup>31</sup> *Id.*, 63 FR at 65401.

<sup>32</sup> *See FFC*, 166 F. Supp. 2d at 600-04.

<sup>33</sup> *See Canfor Affiliation Response* at 4.

<sup>34</sup> *Id.* at 3.

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).

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.<sup>35</sup> Canfor Corporation, via CFP, owns 54.8 percent of Canfor Pulp's shares.<sup>36</sup> 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).<sup>37</sup> 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.<sup>38</sup> 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.<sup>39</sup>

## 2. *JDIL*

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

- 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,<sup>43</sup> in accordance with 19 CFR 351.525(b)(6)(i). For subsidies received by the cross-owned input suppliers, we are attributing

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<sup>35</sup> *Id.* at 3.

<sup>36</sup> *Id.* at 3.

<sup>37</sup> *Id.* at Exhibit 3 ("Canfor List of Affiliated Companies").

<sup>38</sup> *Id.* at 15 – 20.

<sup>39</sup> See Response to Canfor's Reporting Difficulty Letter.

<sup>40</sup> See JDIL Company Affiliation Response at Exhibit 1.

<sup>41</sup> The identity of these holding companies is business proprietary information.

<sup>42</sup> See JDIL Company Affiliation Response at 1.

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



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:<sup>44</sup>

- Resolute
- Resolute Growth
- Mauricie
- Resolute Forest Products

Resolute reports the following roles for each of the companies:<sup>45</sup>

- Resolute: Producer of softwood lumber and other products, as well as a holding company for Resolute's ownership in affiliates that produce subject and non-subject merchandise in Canada. Resolute is wholly owned by Resolute Forest Products.
- Resolute Growth: Producer of softwood lumber and sister company of Resolute. Resolute Growth is wholly owned indirectly by Resolute Forest Products.
- Mauricie: Producer of softwood lumber and a joint venture majority-owned and controlled by Resolute.
- Resolute Forest Products: U.S. parent holding company incorporated in Delaware.

We preliminarily determine that Resolute, Resolute Growth, Mauricie, 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.<sup>46</sup>

We preliminarily find no evidence that Resolute Forest Products received assistance under any of the programs under examination.

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<sup>44</sup> See Resolute Company Affiliation Response at 3.

<sup>45</sup> *Id.*

<sup>46</sup> See 19 CFR 351.525(b)(6)(iii).

#### 4. *West Fraser*

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

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

West Fraser reports the following roles for each of the companies:<sup>48</sup>

- 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
- Sundre: Produces softwood lumber.
- Manning: Produces softwood lumber.
- WF Alberta: Wholly-owned subsidiary of West Fraser, direct parent holding company of Manning.

We preliminarily determine WF Timber, West Fraser, Blue Ridge, Sunpine, Sundre, Manning, and WF Alberta 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).<sup>49</sup>

We preliminarily find no evidence that WF Timber, WF Alberta, and Sunpine received assistance under any of the programs under examination.

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<sup>47</sup> See West Fraser Company Affiliation Response at 1.

<sup>48</sup> *Id.* at 5-6.

<sup>49</sup> See *Coated Paper from China* IDM at Comment 35.

## **B. 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.<sup>50</sup>

## **C. Loan Interest Rate Benchmarks and Discount Rates**

We are examining non-recurring, allocable subsidies that the respondents received.<sup>51</sup> In the section below, we discuss the derivation of the benchmarks and discount rates for the POR and the years comprising the AUL period.

### *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.<sup>52</sup> 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.”<sup>53</sup> 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.

### *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. We preliminarily determine that we require the use of a discount rate in these preliminary results for a non-recurring subsidy received by Resolute.<sup>54</sup>

## **VII. ANALYSIS OF PROGRAMS**

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

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

<sup>51</sup> See 19 CFR 351.524(b)(1).

<sup>52</sup> See 19 CFR 351.505(a)(3)(i).

<sup>53</sup> See 19 CFR 351.505(a)(3)(ii).

<sup>54</sup> See Resolute Preliminary Calculation Memorandum.

## **A. Programs Preliminarily Determined To Be Countervailable**

### **1. *Provision of Stumpage for LTAR***<sup>55</sup>

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 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 and prior review.<sup>56</sup>

### **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 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 and prior review, 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 and prior review that the ordinary meaning of “goods” is broad, encompassing all “property or possessions” and “saleable commodities.”<sup>57</sup> In the investigation and prior review, 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.’”<sup>58</sup> Commerce further found that, to the contrary, the term specifically includes “. . . growing crops and other identified things to be severed from real property.”<sup>59</sup> In the investigation and prior review, Commerce also determined that an examination of the provincial stumpage systems demonstrated that the primary purpose of the

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<sup>55</sup> 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.

<sup>56</sup> See *Lumber V Prelim PDM* at 19-24, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 13, unchanged in *Lumber V ARI Final IDM* at 12-14.

<sup>57</sup> See *Lumber V Prelim PDM* at 25, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 13, unchanged in *Lumber V ARI Final IDM* at 12-14.

<sup>58</sup> See *Lumber V Prelim PDM* at 25, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 13, unchanged in *Lumber V ARI Final IDM* at 12-14.

<sup>59</sup> See *Lumber V Prelim PDM* at 25, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 13, unchanged in *Lumber V ARI Final IDM* at 12-14.

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.<sup>60</sup>

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 and prior review, we continue to find that the provision of standing timber constitutes a financial contribution provided to lumber producers within the meaning of section 771(5)(D)(iii) of the Act.

With respect to whether the provision of stumpage is specific, the SAA provides explicit instructions with respect to the analysis of specificity under section 771(5A)(D) of the Act. As stated in the SAA, the specificity test is to function as an initial screening mechanism to winnow out only those foreign subsidies which are truly broadly available and widely used throughout an economy.<sup>61</sup> 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.<sup>62</sup> 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 and prior review, 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).<sup>63</sup> Consistent with the investigation and prior review, 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.<sup>64</sup>

## **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

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<sup>60</sup> *Id.*

<sup>61</sup> See SAA at 929.

<sup>62</sup> *Id.* at 931.

<sup>63</sup> See *Lumber V Prelim PDM* at 25, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 13, unchanged in *Lumber V ARI Final IDM* at 12-14.

<sup>64</sup> *Id.*

of whether the government price is consistent with market principles (tier-three). This hierarchy reflects a logical preference for achieving the objectives of the statute. In addition, as provided in 19 CFR 351.511(a)(2)(i), we take into consideration product similarity, quantity sold, imported, or auctioned, and other factors affecting comparability.

The most direct means of determining whether the government received adequate remuneration is a comparison with private transactions for a comparable good or service in the investigated country (*i.e.*, using a tier-one benchmark). We base this on an observed market price for a good, in the country under investigation, from a private supplier (or, in some cases, from a competitive government auction) located either within the country or outside the country (the latter transaction would be in the form of an import). As provided in our regulations, the preferred benchmark in the hierarchy is an observed market price from actual transactions within the country under investigation. This is because such prices generally would be expected to reflect more closely the commercial environment of the purchaser under investigation.<sup>65</sup>

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.<sup>66</sup>

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.<sup>67</sup> 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.<sup>68</sup>

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<sup>65</sup> See *CVD Preamble*, 63 FR at 65377.

<sup>66</sup> *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.

<sup>67</sup> See *CVD Preamble*, 63 FR at 65377.

<sup>68</sup> *Id.*

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 administrative review.

### **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.<sup>69</sup> The GOA argues that pricing data from the TDA survey may serve as tier-one benchmarks to measure whether the GOA sells Crown-origin standing timber for LTAR.<sup>70</sup> The GNB and GNS argue that Commerce should use a study containing prices paid for private stumpage in their respective provinces for use as tier-one benchmarks.<sup>71</sup> The GBC and GOQ assert that Commerce should use 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.<sup>72</sup> 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 and first administrative review, 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.<sup>73</sup> The record of this review indicates that the Alberta stumpage market is distorted for the same reasons. The Crown-origin

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<sup>69</sup> See GOO Stumpage IQR Response at ON-STUMP-138 and Exhibits ON-STATS-3, ON-PRIV-1-A, and ON-PRIV-2.

<sup>70</sup> See GOA Stumpage IQR Response at 1-2.

<sup>71</sup> See GNB Stumpage IQR Response at STUMP-21 and Exhibits NB-AR2-STUMP-11; NB-AR2-LER-7; *see also* GNS IQR Response at Exhibits NS-5A and NS-6B.

<sup>72</sup> See GOQ Stumpage Response IQR at Exhibit QC-STUMP-007; *see also* GBC IQR Response at Exhibits S-164 and S-165.

<sup>73</sup> See *Lumber V Final* IDM at Comment 16; *see also Lumber V AR 1 Final* IDM at Comment 12.

harvest continues to make up nearly all the standing timber harvest.<sup>74</sup> Furthermore, a small number of tenure-holding companies continue to dominate the Crown-origin standing timber harvests.<sup>75</sup>

During this POR, the supply “overhang” was smaller than in either the investigation or the first administrative review.<sup>76</sup> We nonetheless find that the overwhelming Crown share of the stumpage market, continued dominance of the Crown harvest by a small number of companies, and still extant overhang distort Alberta’s stumpage market.

We also note that while the GOA’s standard stumpage price is based on a conversion from lumber prices in the Western United States, the GOA also sells significant volumes of sawable timber under separate pricing structures for which the timber dues are administratively set and not responsive to lumber market prices, such that higher lumber prices would not lead to an increase in the dues paid for that Alberta Crown timber.<sup>77</sup>

## 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 and the first administrative review, 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.<sup>78</sup> During the POR, the GOO’s stumpage charge was determined in the same manner.<sup>79</sup> 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 2019-2020, Crown-origin timber accounted for 92.13 percent of the harvest volume in Ontario, while the harvest volume of non-Crown-origin softwood timber accounted for the remaining 7.87 percent.<sup>80</sup> 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

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<sup>74</sup> See GOA IQR Response at Exhibit S-3

<sup>75</sup> *Id.* at Exhibit S-1. *see also* GOA Market Memorandum at Attachment 2.

<sup>76</sup> See GOA IQR Response at Exhibit S-1; *see also* GOA Market Memorandum at Attachment 1.

<sup>77</sup> See GOA Market Memorandum at Attachment 3 for the share of timber sold through administratively set rates; *see also* Sections 80-81 of the TMR for the conditions under which the GOA charges timber dues not responsive to market demand for lumber.

<sup>78</sup> See *Lumber V Final* IDM at Comment 31; *see also Lumber V ARI Prelim* PDM at 17, unchanged in *Lumber V ARI Final*.

<sup>79</sup> See GOO Stumpage IQR Response at ON-STUMP-66 – ON-STUMP-78.

<sup>80</sup> See GOO Stumpage IQR Response at Exhibit ON-STATS-1.



the market, we will resort to the next alternative in the hierarchy.”<sup>81</sup> 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 the AHA to a tenure holder over the term of an FMP.<sup>82</sup> 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.<sup>83</sup> 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 and prior review, “{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.”<sup>84</sup> The combination of tenure holders being able to harvest at levels above AWS targets and transfer Crown timber between 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. Based on information submitted by the GOO, we find that the 10 largest firms that source from both the private and Crown forest, as ranked by total volume of softwood timber received, accounted for a significant portion of private market consumption during FY 2017-2019.<sup>85</sup> Additionally, the top five firms in the crown market account for 77 percent of all softwood received from Ontario Crown sources.<sup>86</sup>

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,

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<sup>81</sup> See *CVD Preamble*, 63 FR at 65377.

<sup>82</sup> See GOO Stumpage IQR Response at ON-STUMP-43, ON-STUMP-85 – ON-STUMP-87.

<sup>83</sup> *Id.* at ON-STUMP-40 – ON-STUMP-43, ON-STUMP-92 – ON-STUMP-93, and Exhibit ON-MAN-1-A at 298; see also *Lumber V Final IDM* at Comment 31.

<sup>84</sup> See *Lumber V Final IDM* at Comment 31; see also *Lumber V ARI Prelim PDM* at 17, unchanged in *Lumber V ARI Final IDM* at Comment 18.

<sup>85</sup> See GOO Stumpage IQR Response at Exhibit ON-TAB-9; see also Ontario Market Memorandum at Attachments 1 and 2.

<sup>86</sup> See GOO Stumpage IQR Response at Exhibit ON-TAB-9; see also Ontario Market Memorandum at Attachment 1.

and that it administratively sets its stumpage fees.<sup>87</sup> 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.<sup>88</sup> 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 and prior review, 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.<sup>89</sup>

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, and the mills are the dominant customers, of stumpage in New Brunswick.<sup>90</sup> Additionally, Crown lands now account for the majority of logs harvested in New Brunswick during our POR.<sup>91</sup> Further, consumption of private and Crown-origin standing timber continues to be concentrated among a small number of corporations.<sup>92</sup> Finally, data from the GNB indicates that an “overhang” still exists between the volume of Crown-origin standing timber allocated and the volume harvested.<sup>93</sup>

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<sup>87</sup> See, e.g., *Lumber V Final* IDM at Comment 28.

<sup>88</sup> See JDIL Stumpage IQR Response at Exhibit STUMP-02.c. at Table 3.

<sup>89</sup> See *Lumber V Final* IDM at Comment 28; see also *Lumber V AR1 Final* IDM at Comment 17.

<sup>90</sup> See Petitioner Comments on IQR Responses at Exhibit 74 (*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 75 (*2012 Private 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 76 (*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.”)).

<sup>91</sup> See GNB Stumpage IQR Response, NB-AR2-STUMP-1 at Table 3; see also New Brunswick 2nd AR Market Memorandum.

<sup>92</sup> See GNB Stumpage IQR Response, NB-AR2-STUMP-1 at Table 2 (which shows that in FY 2019, 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 2nd AR Market Memorandum.

<sup>93</sup> See GNB Stumpage IQR Response, NB-AR2-STUMP-1 at Table 1; see also New Brunswick 2nd AR Market Memorandum.

Thus, based on these data and consistent with the prior review,<sup>94</sup> we find that oligopsonistic conditions exist in New Brunswick that contribute to the distortion of the market for private-origin standing timber in the province. Specifically, we find that the GNB's dominance as the supplier of stumpage, coupled with a limited number of mills' status as the dominant consumers of stumpage created oligopsonistic conditions in the province during the POR in which private woodlot owners and the Crown are responsive to price-setting behavior by the dominant mills.

Additionally, consistent with the prior review,<sup>95</sup> we find information in the *Report of the Auditor General – 2008*, *2012 Private Forest Task Force Report*, and *Report of the Auditor General – 2015*<sup>96</sup> indicate that the New Brunswick standing timber market is distorted. These reports confirm Commerce's analysis and conclusions about the stumpage market in New Brunswick, based on the data for the POR that the market was dominated by two parties, and that private prices in the New Brunswick market cannot serve as a reliable market determined price.

In particular, the *Report of the Auditor General – 2008* states:

{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 landowners low.<sup>97</sup>

Further, the *2012 Private Forest Task Force Report* states:

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.<sup>98</sup>

Finally, the *Report of the Auditor General – 2015* which indicates that the GNB has "potentially conflicting interests" and that:

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<sup>94</sup> See *Lumber VARI Final IDM* at Comment 17.

<sup>95</sup> See *Lumber VARI Final IDM* at Comment 17.

<sup>96</sup> See GNB Stumpage IQR Response at STUMP-28 and Exhibits NB-AR2-STUMP-16, STUMP-17 and STUMP-18.

<sup>97</sup> See GNB Stumpage IQR Response at Exhibit NB-AR2-STUMP-16.

<sup>98</sup> See GNB Stumpage IQR Response at Exhibit NB-AR2-STUMP-17.

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.<sup>99</sup>

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 and prior review, 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 first administrative review that prices resulting from the BCTS auctions are not market determined and cannot serve as a tier-one benchmark.<sup>100</sup>

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.<sup>101</sup> 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 and prior review, Commerce reasoned that information indicated that the British Columbia stumpage market is distorted because of the majority market control by the government, combined with log export restraints that restrict the exportation of logs from the province, which increases the overall supply of logs available to domestic users, and, in turn, suppresses log prices in British Columbia.<sup>102</sup> We preliminarily determine that the record of this second review continues to indicate that the majority of the market is controlled by the government,<sup>103</sup> and that the GBC continues to restrict exports of logs from the province through government imposed log export restraints.<sup>104</sup> 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.

In the prior administrative review, Commerce analyzed new information and argument on the BCTS auction system presented by Dr. Susan Athey. Dr. Athey purported to disprove Commerce's determination in the investigation that the three-sale limit (*e.g.*, the BCTS rule that entities that already hold three active TSLs from cannot bid in auctions), represented an artificial barrier to participation in BCTS auctions. We found that her general argument that auction theory and practice show that restrictions on participation can be pro-competitive and produce market-determined prices was not supported by sufficient record evidence and, furthermore, her

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<sup>99</sup> See GNB Stumpage IQR Response at Exhibit NB-AR2- STUMP-18.

<sup>100</sup> See *Lumber V Final* IDM at Comment 18; see also *Lumber V AR1 Final* IDM at Comments 141-48.

<sup>101</sup> 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.

<sup>102</sup> See *Lumber V Final* IDM at Comment 18; see also *Lumber V AR1 Prelim* at 19; and *Lumber V AR1 Final* at Comments 14 and 148.

<sup>103</sup> See GBC IQR Response at Exhibits S-2(a) and S-2(b).

<sup>104</sup> See section "British Columbia Log Export Restraints" below.

specific arguments on the impact of the three-sale limit on BCTS auction bidding were either contradicted or unsupported by the bidding data on the record of the review.<sup>105</sup> Furthermore, we also emphasized that, regardless of Dr. Athey's arguments on the effect of the three-sale limit on auction bidding behavior, the *existence* of the limit prevented BCTS auctions from being "competitively run government auctions" as contemplated in the *CVD Preamble* that might serve as a tier-one benchmark.<sup>106</sup>

The information on the record of this review does not support a change in this determination as it regards Dr. Athey's submissions. 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.<sup>107</sup> 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 and prior review, 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.<sup>108</sup> As discussed below, Commerce continues to preliminarily find that the export restraints imposed by GBC constitute a countervailable subsidy. We continue to preliminarily determine that log prices in British Columbia cannot serve as a tier-one benchmark.

### Québec

In the investigation and the first administrative review, we found that Québec's auction system contained several features that adhered to market principles and Commerce's specifications for competitive auctions.<sup>109</sup> 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 351.511(a)(2)(i).<sup>110</sup> As a result, we rejected the GOQ's request to use auction prices for Crown timber as a viable tier-one benchmark.<sup>111</sup> 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 over 50 percent and close to 20 percent of Québec's overall timber market in FY 2019-2020.<sup>112</sup> The largest sawmills continue to dominate

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<sup>105</sup> See *Lumber V ARI* IDM at Comment 14.

<sup>106</sup> *Id.*

<sup>107</sup> See GBC IQR Response at 138.

<sup>108</sup> See *Lumber V Prelim* PDM at 48, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim* at 20, unchanged in *Lumber V ARI Final*.

<sup>109</sup> See *Lumber V Prelim* PDM at 41-42; see also *Lumber V Final* IDM at Comment 35; *Lumber V ARI* PDM at 20-22; and *Lumber V ARI* IDM at Comment 19.

<sup>110</sup> See *Lumber V Prelim* PDM at 39-42; see also *Lumber V Final* IDM at Comment 35; *Lumber V ARI* PDM at 20-22; and *Lumber V ARI* IDM at Comment 19.

<sup>111</sup> See *Lumber V Prelim* PDM at 39-42; see also *Lumber V Final* IDM at Comment 35; *Lumber V ARI* IDM at Comment 19.

<sup>112</sup> See GOQ IQR Response at Exhibit QC-STUMP-004.2 (Table 5).

both the allocated Crown timber consumption and softwood sawlog auction sale volumes.<sup>113</sup> At the same time, under a TSG, a sawmill can source up to 75 percent of its supply need at a government-set price.<sup>114</sup>

In the investigation and the first administrative review, 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.<sup>115</sup> Approximately 71 percent of TSG-holders purchased all their allocated Crown timber in FY 2018-2019 and 72 percent in FY 2019-2020.<sup>116</sup> This is a modest decline from the 84 percent found in the first administrative, 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.<sup>117</sup> 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 12 percent in FY 2019-2020 were sold by the MFFP to sawmills via one-year contracts at the TSG price.<sup>118</sup> 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.<sup>119</sup> Our examination of these data have not led us to revise the findings in the investigation and the first administrative review 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 administratively supplied timber from TSGs.<sup>120</sup> Specifically, the data indicate that in FY 2018-2019 and FY 2019-2020 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.<sup>121</sup>

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<sup>113</sup> See GOQ IQR Response at Exhibits QC-STUMP-002.1 (Table 1), QC-STUMP-010.2 (Table 12), QC-STUMP-008 (Table 9), and QC-STUMP-011 (Table 11); see also Québec Market Memorandum at Attachment.

<sup>114</sup> See GOQ IQR Response at QC-S-40 – 43 and 45.

<sup>115</sup> See *Lumber V Final* IDM at Comment 35 and *Lumber VARI* IDM at Comment 19.

<sup>116</sup> See GOQ IQR Response at STUMP-009.1 (Table 11 for FY 2018-2019) and STUMP-009.2 (Table 11 for FY 2019-2020).

<sup>117</sup> *Id.* at QC-S-49 – QC-S-50 and QC-S-77 – QC-S-85.

<sup>118</sup> *Id.* at QC-S-95 – 96; see also Québec Market Memorandum at Attachment.

<sup>119</sup> *Id.* at Exhibit QC-STUMP-007.

<sup>120</sup> *Id.*

<sup>121</sup> *Id.*; see also Québec Market Memorandum at Attachment.

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 351.51 l (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 and prior review, 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.<sup>122</sup> Furthermore, in prior segments of this proceeding and the instant 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.<sup>123</sup> 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 and prior review, we preliminarily determine that the sale of Crown-origin standing timber in Nova Scotia does not have a distortive impact on the province's private stumpage market. Accordingly, we preliminarily 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.

### **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.<sup>124</sup> These private stumpage prices are summarized in the *GNS Private Stumpage 2017-2018 Survey*, a document that was commissioned by the GNS and prepared by Deloitte.<sup>125</sup> 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 2017-2018 Survey* states:

After testing, validating, and formatting the raw survey data, the final survey volume included 690,274 m<sup>3</sup> of private land stumpage purchased across the Province. The

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<sup>122</sup> See *Lumber VARI Prelim PDM* at 22, unchanged in *Lumber VARI Final IDM*.

<sup>123</sup> See GNS IQR Response at Exhibit at 6 and NS-10.

<sup>124</sup> *Id.* at 4 and Exhibit NS-5A.

<sup>125</sup> *Id.* at Exhibit NS-6B.

volume of stumpage was purchased through 19,454 individual transactions during the specified time period.<sup>126</sup>

The *GNS Private Stumpage 2017-2018 Survey* contains unit prices for private-origin standing timber for the following log-type and species combinations:<sup>127</sup>

<b>Log Type</b>	<b>Product Category</b>	<b>Species</b>
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
Hardwood	Fuelwood/Biomass	Any
Hardwood	Firewood	Any
Hardwood	Other	Any

The GNS states that it used the price data in the GNS Private Stumpage 2017-2018 Survey to set the prices for Crown-origin standing timber in the province.<sup>128</sup>

Consistent with the prior review,<sup>129</sup> 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,

<sup>126</sup> *Id.*

<sup>127</sup> *Id.*

<sup>128</sup> See GNS IQR Response at 4.

<sup>129</sup> See *Lumber VARI Prelim PDM* at 23-24, unchanged in *Lumber VARI Final IDM*.



we are using the firm's purchases of private-origin standing timber in Nova Scotia during the POR as the basis for 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 each Canadian province reviewed under these programs, with the exception of British Columbia. 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 and prior review, we found that SPF species continue to be the dominant species that grow in the provinces that are east of British Columbia.<sup>130</sup> We have reached the same conclusion in this review. For example, SPF species' share of the softwood Crown-origin standing timber harvest volume is as follows: 97.66 percent for New Brunswick,<sup>131</sup> 99 percent for Quebec,<sup>132</sup> 96.1 percent for Ontario,<sup>133</sup> and 99.9 percent for Alberta.<sup>134</sup> 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.<sup>135</sup>

Consistent with the prior review, we find that the size of private-origin standing timber in Nova Scotia, as measured by DBH, is comparable to the Crown-origin standing timber in Alberta, Ontario, Québec, and New Brunswick.<sup>136</sup> Data from the forest management inventory system of the GNS covering the period 2015-2019 indicate that the DBH for all softwood species on private land is 16.91 cm and 15.64 cm for SPF standing timber.<sup>137</sup> As explained in the prior review, the GNS reports these DBH data for merchantable standing timber, which are standing timber with a DBH greater than or equal to 9 cm.<sup>138</sup>

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.<sup>139</sup> In response, the GOQ provided DBH information. Like Nova Scotia, the DBH data from the GOQ reflects measurements of standing timber.<sup>140</sup> Further, information on the record indicates that in measuring the DBH of its Crown-origin standing timber, the GOQ utilizes a merchantable timber

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<sup>130</sup> See *Lumber V Prelim PDM* at 44-46; *Lumber V Final IDM* at Comment 39; *Lumber V AR1 Prelim PDM* at 24-25; and *Lumber V AR1 Final IDM* at Comments 27 and 28.

<sup>131</sup> See GNB Stumpage IQR Response at Exhibit NB-AR2-Stump-1 at Table 5A.

<sup>132</sup> See GOQ IQR Response at Exhibit QC-Stump-13.

<sup>133</sup> See GOO Stumpage IQR Response at Exhibit ON-STATS-1. The percentage is based on FY 2019-2020 data.

<sup>134</sup> See GOA IQR Response at Exhibits AB-AR2-S-7 and AB-AR2-S-11.

<sup>135</sup> 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.

<sup>136</sup> See *Lumber V AR1 Prelim PDM* at 25; and *Lumber V AR1 Final IDM* at Comment 26.

<sup>137</sup> See GNS IQR Response at 10.

<sup>138</sup> See *Lumber V AR1 Final IDM* at Comment 26.

<sup>139</sup> See, e.g., Initial Questionnaire, Section II at 6.

<sup>140</sup> See Marshall Report at 11, that in turn reflects DBH data from the BMMB for Crown-origin SPFL standing timber by tariffing zone in the Marshall Report Data Submission.

standard that is defined as a minimum DBH of 9 cm.<sup>141</sup> Record information in the GOQ initial questionnaire response indicates that in Québec, the DBH of SPFL standing timber species ranges from 15.2 cm to 28.7 cm,<sup>142</sup> while data from the GOQ for DBH by tariffing zone indicate a province-wide, average DBH of 16.1 cm for SPFL standing timber.<sup>143</sup> Further, the average DBH of Crown-origin standing timber in the tariffing zones where Resolute harvested Crown-origin standing timber during the POR was 15.98 cm.<sup>144</sup> Based on these data points, we therefore find that the DBH for SPFL standing timber in Québec and the average DBH of SPF standing timber in the tariffing zones from which Resolute harvested during the POR are nearly identical to the DBH for SPF private-origin standing timber reported by the GNS. Therefore, we find that the DBH for private-origin SPF standing timber in Nova Scotia is comparable to the DBH of SPFL Crown-origin standing timber in Québec.

The GOO did not provide information on the average DBH of the standing timber in Ontario.<sup>145</sup> However, in the absence of the requested DBH data and consistent with the prior review,<sup>146</sup> we have utilized DBH data for SPFL Crown-origin standing timber in Québec as a means of estimating the DBH of Crown-origin standing timber in Ontario.<sup>147</sup> The average DBH of SPFL Crown-origin standing timber in the Québec tariffing zones that border Ontario is 16.29 cm, while the average DBH of SPFL Crown-origin standing timber in northern tariffing zones that are contiguous to the Ontario border (*e.g.*, those tariffing zones that are to the north of Québec tariffing zone 858) is 15.20 cm.<sup>148</sup> Therefore, from these comparisons, we find it is reasonable to conclude that the DBH of SPF Crown-origin standing timber in Ontario is similar to the DBH of SPFL Crown-origin standing timber in contiguous tariffing zones of Québec, and, thus, in turn is comparable to the DBH of SPF private-origin standing timber in Nova Scotia.

In response to the Initial Questionnaire, the GOA reported a QMD-based forest inventory measure using data from the Alberta Vegetation Inventory and a set of permanent sample plots managed by AAF.<sup>149</sup> According to the GOA, the resulting estimated QMD for the coniferous standing timber in Alberta is 9.4 cm.<sup>150</sup> However, it is unclear whether the QMD from the GOA reflects merchantable standing timber volumes (which is how the GNS reported the DBH for private-origin, standing timber in Nova Scotia) or all volumes of standing timber in Alberta's forest (*e.g.*, older trees that are large enough to be suitable for harvest as well as younger trees that are too small to be harvested), particularly since information in the GOA's response indicates that the estimated QMD includes trees whose ages range from zero to 39 years as well

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<sup>141</sup> See, *e.g.*, Marshall Report Data Submission at Exhibit "Portrait des Ressources Forestières – Nov 2006.pdf," Table 11.

<sup>142</sup> See GOQ IQR Response at 25, Table 2. The table further indicates that the DBH of Black Spruce, Balsam Fir, and Jack Pine, the three most prevalent species, are 15.2, 15.6, and 16.9 cm, respectively.

<sup>143</sup> See Marshall Report Data Submission at Exhibit "DHP SPF by zone.xls"

<sup>144</sup> See DBH Memorandum at Table 1.

<sup>145</sup> See GOO Stumpage IQR Response at 20.

<sup>146</sup> See *Lumber VARI Final IDM* at Comment 26.

<sup>147</sup> 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.

<sup>148</sup> See DBH Memorandum at Table 4.

<sup>149</sup> See GOA IQR Response at AB-AR2-S-123.

<sup>150</sup> *Id.*

as datapoints for “juvenile stand types.”<sup>151</sup> Therefore, we have not relied upon the QMD data supplied from the GOA for purposes of determining whether the DBH of Crown-origin standing timber in Alberta is comparable to the DBH of private-origin standing timber in Nova Scotia.

The GOA’s initial questionnaire response also contains DBH information for harvested trees in Alberta. Specifically, information in the 2019 MNP Report indicates that the average DBH of harvested softwood timber in Alberta was 21.9 cm in 2019.<sup>152</sup> In the absence of DBH data for Crown-origin standing timber that is compatible with the DBH for merchantable, private-origin standing timber in Nova Scotia, in these preliminary results we have utilized the DBH data for harvested trees in Alberta for purposes of determining whether Crown-origin standing timber in the province is comparable to the DBH of private-origin standing timber in Nova Scotia. As noted above, the DBH data from the GNS reflects merchantable volumes, not harvest volumes, of standing timber in the private forest. However, consistent with the prior review,<sup>153</sup> because Nova Scotia and New Brunswick are contiguous and in the absence of what we determine are the DBH data for merchantable Crown-origin standing timber in Alberta, we find it is reasonable to use the DBH of standing timber harvested in New Brunswick as well as from private woodlots in New Brunswick as a proxy for the DBH of private standing timber harvested in Nova Scotia. In this review, the GNB placed on the record information regarding the DBH of the overall softwood timber harvest in New Brunswick and the DBH of harvested private-origin timber in New Brunswick. Because New Brunswick is contiguous to Nova Scotia, we find DBH information from New Brunswick may serve as a proxy for the DBH of harvested private-origin timber in Nova Scotia. Information from the GNB indicates that the average DBH of softwood timber harvested in New Brunswick is 22 cm.<sup>154</sup> Regarding the private forest, information in the New Brunswick Task Force Report on New Approaches for Private Woodlots contains information concerning the DBH of SPF standing timber harvested from private woodlots in New Brunswick.<sup>155</sup> The information in the report indicates that the optimal DBH of SPF standing timber from private woodlots in New Brunswick ranges from 20.32 cm to 27.94 cm.<sup>156</sup> The DBH data for standing timber harvested in New Brunswick approximates the DBH of SPF species trees that are harvested in Alberta (*i.e.*, 21.9 cm). Thus, using DBH data for standing, softwood timber harvested in New Brunswick as a proxy for the DBH of standing, softwood timber harvested in Nova Scotia, we find that the DBH of private-origin standing timber in Nova Scotia is comparable to the DBH of Crown-origin standing timber in Alberta.

Regarding New Brunswick, as noted above, while the GNB provided information on the DBH of harvested softwood timber in New Brunswick, it did not provide information concerning the DBH of standing timber in New Brunswick. However, given that New Brunswick is contiguous with Nova Scotia, 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

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<sup>151</sup> *Id.*

<sup>152</sup> See GOA IQR Response at Exhibit AB-AR-S-23.

<sup>153</sup> See *Lumber VARI Final IDM* at Comment 26.

<sup>154</sup> See GNB Stumpage IQR Response at 29 and Exhibit Stump-19.

<sup>155</sup> *Id.* at Exhibit NB-AR2-Stump-18.

<sup>156</sup> *Id.* at Exhibit NB-AR2-Stump-18 at 21 (Figure 8) and 22 (Table 13).

that standing timber in Nova Scotia is comparable, in terms of size, to standing timber in New Brunswick.<sup>157</sup>

Based on Commerce's findings in the prior review<sup>158</sup> 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. 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.

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 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 and prior review, 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.<sup>159</sup> As part of these determinations, Commerce found that available information on the record, as well as information from the United States Forestry Department, indicated that timber species in British Columbia were generally larger and produced more valuable lumber than timber species harvested in Nova Scotia.<sup>160</sup> We preliminarily determine there is no new information on the record of this review that warrants a change from the investigation and prior review. Therefore, based on Commerce's findings in the investigation and prior review 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.

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<sup>157</sup> See JDIL Preliminary Calculation Memorandum; see also *Lumber V AR1 Prelim PDM* at 25, unchanged in *Lumber V AR1 Final*.

<sup>158</sup> See *Lumber V AR1 Prelim PDM* at 24-26, unchanged in *Lumber V AR1 Final*.

<sup>159</sup> See *Lumber V Prelim PDM* at 48, unchanged in *Lumber V Final*; see also *Lumber V AR1 Prelim PDM* at 26, unchanged in *Lumber V AR1 Final*.

<sup>160</sup> *Id.*

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

As Commerce explained in the investigation and prior review, 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.<sup>161</sup> Therefore, we preliminarily determine that U.S. standing timber prices are not an 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 and prior review, 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)).<sup>162</sup> 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.<sup>163</sup>

In the investigation and first review, Commerce utilized log price survey data from the WDNR to calculate a U.S. PNW log benchmark.<sup>164</sup> The record of this review once again contains the WDNR survey data.<sup>165</sup> The petitioners have also placed on the record Market Guides, compiled by F2M, a forestry industry analytics company.<sup>166</sup> The Market Guides contain log prices for the U.S. PNW published as part of the ordinary course of F2M's business.

In the first administrative review, Commerce expressed certain concerns with the suitability of the F2M data as a benchmark in this proceeding. In particular, we concluded that the Market Guides for the inland U.S. PNW area appeared to only include categories with a minimum diameter that excluded a substantial proportion of logs used to produce softwood lumber in both the U.S. PNW interior and BC interior and that this exclusion led to an upward bias in the F2M prices.<sup>167</sup>

In the current review, the petitioner added an additional clarification from F2M on the minimum diameter reported in the Market Guides. The clarification suggests that the Market Guides do, in fact, include the small diameter logs that Commerce found in the prior review to be absent.<sup>168</sup> The GBC argues that, notwithstanding this clarification, evidence on the record of this review continues to support our finding in the previous review that F2M Market Guides exclude a substantial portion of logs used to produce softwood lumber in the U.S. PNW and BC interior.<sup>169</sup> For these preliminary results, we are continuing to use the WDNR log price survey data. However, we acknowledge the petitioner's comments and arguments on this matter, and we

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<sup>161</sup> See *Lumber V AR1 Prelim* PDM at 26, unchanged in *Lumber V AR1 Final*.

<sup>162</sup> See *Lumber V Final* IDM at Comment 21; and *Lumber V AR1 Prelim* PDM at 26, unchanged in *Lumber V AR1 Final* at Comment 15.

<sup>163</sup> *Id.*

<sup>164</sup> See *Lumber V AR1 Prelim* at 26-27; see also *Lumber V AR1 Final* IDM at Comment 15.

<sup>165</sup> See GBC IQR Response at Exhibit S-177.

<sup>166</sup> See Petitioner Benchmark Submission at Exhibit 1c.

<sup>167</sup> See *Lumber V AR1 Final* IDM at Comment 15.

<sup>168</sup> See Petitioner Benchmark Submission at Exhibit 1.

<sup>169</sup> See GBC Benchmark Rebuttal Submission at 1-13.

intend to continue examining the updated F2M benchmark information provided by the petitioner in advance of the final results.

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 log prices (*i.e.*, prices for logs sourced from beetle-killed timber) were not already included in the surveys, nor were there reliable blue-stained log prices on the record.<sup>170</sup> However, in the prior review, Commerce found that the record of the review included information from a WDNR official stating that the WDNR log surveys did not include blue-stained pricing.<sup>171</sup> Additionally, Commerce found that the record contained price quote sheets for blue-stained logs obtained through a survey of softwood lumber mills in the U.S. PNW.<sup>172</sup> The survey was supplemented by a description of the methodology used to survey mills in the U.S. PNW, copies of communication with the mills, and an estimate of the percentage of mills in the U.S. PNW that are covered by the blue-stained pricing. As such, Commerce used the blue-stained pricing data from these price quote sheets to establish a beetle-killed benchmark price.<sup>173</sup>

In the current review, we have analogous record evidence to the prior review. There are WDNR prices for the U.S. PNW and direct confirmation from the WDNR that these prices are for logs from green (live) timber and as such do not include logs from beetle-killed or other dead timber. There is a survey of blue-stain prices from softwood lumber mills in the U.S. PNW supported by an explanation of the survey methodology.<sup>174</sup>

In pre-preliminary comments supplemented by references to factual information, the petitioner claims that a separate beetle-kill benchmark is not necessary and that in the event Commerce is convinced of the need for a beetle-kill benchmark, the blue-stain log prices are not an appropriate benchmark. The petitioner suggests various alternative sources related to the value of beetle-killed timber, such as research studies on lumber recovery rates, prices for lumber products that can be made from beetle-killed timber, high demand for wood fiber in BC, and corporate marketing materials on the characteristics of blue-stain lumber.<sup>175</sup> The BC Parties respond that the petitioner's arguments are misleading because they rely on price differentials between blue-stained and ordinary lumber, as opposed to price differentials between timber or logs. These lumber price comparisons fail, the BC Parties argue, to capture the reduction in value for beetle-killed timber caused by increased processing costs and lower lumber recovery rates caused by defects ubiquitous in beetle-killed timber.<sup>176</sup> The BC Parties also note that, even for lumber, affidavits produced by the petitioner support the claim that blue-stained lumber is lower-value than non-blue-stained lumber.<sup>177</sup>

For these preliminary results, we find that the facts that led us to find a separate beetle-killed benchmark appropriate and that led us to the specific benchmark used in the prior review are still

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<sup>170</sup> See *Lumber V Final IDM* at Comment 21.

<sup>171</sup> See *Lumber V ARI Final IDM* at Comment 21.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

<sup>174</sup> See GBC IQR Response at Exhibit S-175.

<sup>175</sup> See Petitioner Pre-Prelim Comments at 14-38.

<sup>176</sup> See BC Parties Pre-Prelim Rebuttal Comments at 17-20.

<sup>177</sup> *Id.*

present on the record of this review. As such, we preliminarily compared Canfor and West Fraser’s purchases of beetle-killed timber to an average of blue-stain prices from the U.S. PNW log survey. We will continue to evaluate the evidence added to the record on the valuation of beetle-killed timber and appropriateness of a separate beetle-killed benchmark following the issuance of these preliminary results.

### **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.<sup>178</sup> 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. 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}.<sup>179</sup>

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<sup>178</sup> See Initial Questionnaire, Section III at Table 1.

<sup>179</sup> See *SC Paper from Canada – Expedited Review – Final Results* IDM at Comment 24, emphasis added.

Commerce reached a similar conclusion in the prior review for the provinces utilizing the Nova Scotia-based benchmark price.<sup>180</sup>

As in *SC Paper from Canada – Expedited Review*, the investigation, and prior review, 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*, the investigation, and prior review, in our preliminary calculations, we have not added tenure “adjustments” (e.g., silviculture 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/m<sup>3</sup> fee that is charged by the GNS to Registered Buyers who purchase more than 5,000 m<sup>3</sup> of primary forest products in a year.<sup>181</sup>

### **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.<sup>182</sup>

The *GNS Private Stumpage 2017-2018 Survey* solicited species-specific unit prices for private-origin standing timber in Nova Scotia.<sup>183</sup> 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.<sup>184</sup> In its initial questionnaire response, the GNS also provided the disaggregated survey results that are summarized in the *GNS Private Stumpage 2017-2018 Survey*.<sup>185</sup> 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 POR in Québec, Ontario, and Alberta.<sup>186</sup>

The *GNS Private Stumpage 2017-18 Survey* covers the time period from April 2017 to March 2018.<sup>187</sup> The GNS reported that in the ordinary course of business it has applied a lumber-based index to the standing timber prices in the *GNS Private Stumpage 2017-2018 Survey*.<sup>188</sup> Thus, in order to obtain the benchmark price for each calendar month of the POR, Commerce indexed

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<sup>180</sup> See *Lumber V AR1 Prelim PDM* at 28, unchanged in *Lumber V AR1 Final*.

<sup>181</sup> See *Lumber V Final IDM* at Comment 42 (explaining that refraining from an adjustment for the C\$3.00/m<sup>3</sup> fee would allow for a comparable stumpage-to-stumpage comparison); see also *Lumber V AR1 Final IDM* at Comment 37.

<sup>182</sup> 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.

<sup>183</sup> See GNS IQR Response at Exhibits NS-5B and NS-6B.

<sup>184</sup> *Id.* at 4.

<sup>185</sup> *Id.* at Exhibit NS-5B.

<sup>186</sup> See Nova Scotia Preliminary Benchmark Memorandum.

<sup>187</sup> See GNS IQR Response at Exhibit NS-6B at 3.

<sup>188</sup> See GNS Second SQR Response on Crown-Origin Stumpage Rates at 1. The name of the lumber-based index is proprietary.



each monthly price in the *GNS Private Stumpage 2017-2018 Survey* to the corresponding month in 2019 (e.g., April 2017 price indexed to April 2019) using the lumber-based index from the GNS.<sup>189</sup> To calculate an annual average price, we calculated a weighted-average price using the monthly prices in 2019 and the 2017-2018 volume data in the NS Private Stumpage Survey.<sup>190</sup>

### **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.<sup>191</sup>

The WDNR surveys on the record contain species-specific U.S. log prices for the interior of Washington state. Similar to the investigation and first administrative review, the harvesting operations of the BC-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 and prior review, we find is comparable to the interior of British Columbia.<sup>192</sup>

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 2019, 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 2019 beetle-killed benchmark price and simple averaged those prices.<sup>193</sup>

The benchmark log prices are expressed in U.S. dollars per MBF. In the investigation and prior review, we converted the WDNR monthly prices into U.S. dollars per cubic meter using a conversion factor calculated in a 2002 USFS study.<sup>194</sup> The respondents and the petitioner have added information and argument to the record of this review and prior segments of this proceeding on how to convert MBF to cubic meters.

In the investigation and prior review, Commerce declined the GBC's request to use a conversion factor derived from the Dual-Scale Study 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.<sup>195</sup> An updated version of the Dual-Scale Study, submitted for the first administrative review, failed to remedy Commerce's fundamental concern with the purposive sampling method used to select scaling sites.<sup>196</sup> The GBC did not provide an updated Dual-Scale Study for the current administrative review but argues that Commerce should rely on the most recent Dual-Scale Study for

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<sup>189</sup> See Nova Scotia Preliminary Benchmark Memorandum at 2.

<sup>190</sup> *Id.*

<sup>191</sup> See GBC IQR Response at Exhibit BC-AR2-S-177.

<sup>192</sup> See *Lumber V AR1 Final IDM* at Comment 15.

<sup>193</sup> See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

<sup>194</sup> See *Lumber V Final IDM* at 61 and *Lumber V AR1 Final IDM* at Comment 22.

<sup>195</sup> See *Lumber V Final IDM* at Comment 19.

<sup>196</sup> See *Lumber V AR1 Final IDM* at Comment 22.

conversion factors.<sup>197</sup> We preliminarily find that there is no basis to reconsider our previous findings and use the Dual-Scale Study to derive a conversion factor.

The petitioner proposes several conversion factors, including the 4.53 “standard” conversion factor that was analyzed in detail by Commerce and rejected in the prior review.<sup>198</sup> The petitioner attempts to address Commerce’s prior dismissal of this “standard” conversion factor used by various U.S. government agencies by noting that it is used in a study to measure log trade flows for evaluating the health of the U.S. forestry industry.<sup>199</sup> However, we find that this use of a standard conversion factor to examine trade volumes is the sort for which “consistency and simplicity” is important, but does not to address our primary concern with precision in identifying a scale-specific conversion factor for our calculations, which we expressed in detail in the prior review.<sup>200</sup> As we explained, “[a] standard conversion between thousands of board feet and cubic meters where there is no evidence that the conversion uses either of the specific scales at issue in this review is not an appropriate conversion choice if the record contains an alternative unbiased conversion that concerns the applicable scaling methodologies.”<sup>201</sup> The petitioner also advocates for a “BC Log exports” conversion factor from *Random Lengths*.<sup>202</sup> However, we preliminarily find no evidence that this conversion factor is applicable to a conversion between the Scribner Decimal C short log scale and the BC Metric Scale. Thus, we preliminarily determine that the petitioner’s proposed conversion factors are not viable.

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.<sup>203</sup> In the first administrative review, we continued to use this conversion factor, but updated it with the “Fonseca Adjustment” that accounted for differences between the U.S. Cubic Scale and the BC Metric Scale.<sup>204</sup> To apply this adjustment, we used respondent-specific diameter data on the record 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 cubic meters.<sup>205</sup>

The petitioner claims that the Fonseca Adjustment is flawed because it is solely based on diameter and length and does not account for characteristics relevant to volume measurement such as log taper, gross volume, and defect.<sup>206</sup> The petitioner also asserts that the lack of adjustment for such characteristics is because Jendro and Hart, the GBC’s consultants, chose to only add to the record information to adjust the USFS conversion factor for volume measurement factors favorable to the respondents.

Commerce first notes that implications by the petitioner that Commerce is selectively utilizing the Fonseca adjustment to favor the Canadian parties are a mischaracterization that we rebutted

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<sup>197</sup> See GBC IQR Response at Exhibit S-174.

<sup>198</sup> See Petitioner Pre-Prelim Comments at 46-48; *Lumber V Final* IDM at Comment 19; and *Lumber V AR1 Final* IDM at Comment 22.

<sup>199</sup> See Petitioner Pre-Prelim Comments at 47-48.

<sup>200</sup> See *Lumber V AR1 Prelim* IDM at Comment 22.

<sup>201</sup> *Id.* at 140.

<sup>202</sup> See Petitioner Pre-Prelim Comments at 48 (citing Petitioner Comments on IQR Responses at Exhibit I-50).

<sup>203</sup> See *Lumber V Final* IDM at 61.

<sup>204</sup> See *Lumber V AR1 Prelim* IDM at 31-32 and *Lumber V AR1 Final* IDM at Comment 22.

<sup>205</sup> See *Lumber V AR1 Final* IDM at Comment 22.

<sup>206</sup> See Petitioner Pre-Prelim Comments at 46-51.

in the prior review. As an initial matter, and consistent with the prior review, Commerce is not utilizing the analysis from Jendro and Hart to calculate the adjustment. While the respondents and Jendro and Hart advocated for Commerce to adjust the 2002 USFS study using the Fonseca publication and provided a framework to do so, Commerce did not use the Jendro and Hart analysis or tables to calculate the adjustment used in the prior review, and is not doing so in this review.<sup>207</sup> By applying company-specific diameter data on the record to the ratios developed from the Fonseca Publication, Commerce is able to calculate company- and species-specific ratios to adjust the 2002 USFS conversion factor. This respondent-specific diameter data was provided by Canfor and West Fraser and were not figures developed by Jendro and Hart.

Furthermore, notwithstanding the petitioner's arguments about other factors such as log taper, defect, etc., Commerce faces a mathematical challenge in that the conversion factors convert from Scribner to U.S. Cubic, while we ultimately need to convert to BC Metric. The Fonseca adjustments, from an independent study a U.N. researcher prepared outside the course of this proceeding, allows us to adjust the 2002 USFS conversion factor. The petitioner has not provided any information or data that would allow Commerce to consider the additional volume measurement factors proposed by the petitioner.

The GBC claims that Commerce should use the Dual-Scale Study to recalculate the Fonseca Adjustment because the ratios used to derive the Fonseca Adjustment come from green trees, and a significant portion of the timber harvested in BC is dead trees.<sup>208</sup> However, as noted above, we are continuing to reject the Dual-Scale Study in this review and find that there is no other viable source on the record to make such an adjustment incorporating dead logs.

After applying the respondent-specific conversion factors, we then 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 prior review, 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.<sup>209</sup> 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 and prior review, we preliminarily find these grades do not correspond to the grades contained in the BC stumpage data provided by the mandatory respondents. Thus, the record does not contain useable information that would allow us to determine what percentage of the BC stumpage purchases would be considered utility grade logs under the Scribner Scale.<sup>210</sup> Therefore, we have relied upon the overall unit price listed for each species to calculate a species-specific benchmark price.

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<sup>207</sup> See *Lumber VARI Final IDM* at Comment 22.

<sup>208</sup> See GBC IQR Response at Exhibit S-174.

<sup>209</sup> See GBC IQR Response at Exhibit S-177.

<sup>210</sup> See *Lumber VARI Final IDM* at Comment 15.

### **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.<sup>211</sup> 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 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 2019 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 2019 by JDIL's total softwood lumber and total softwood co-product sales during CY 2019. In this manner, we preliminarily calculated a net subsidy rate for JDIL of 2.39 percent *ad valorem* for the POR.<sup>212</sup>

### **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 first administrative review; therefore, Commerce preliminarily determines that aggregating the respondents' purchases of Crown-origin standing timber by cutting authority (*i.e.*, timbermark) and species for 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.

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<sup>211</sup> See JDIL Stumpage IQR Response at Exhibit STUMP-02.c. at Table 3.

<sup>212</sup> See JDIL Preliminary Calculation Memorandum.

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.<sup>213</sup>

As discussed above, 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 charts<sup>214</sup> to calculate the percentage of green (*i.e.*, not beetle-killed) and beetle-killed logs for the POR. We applied these percentages to the aggregated timbermark- and species-specific volumes to calculate a green and beetle-killed 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 and first review,<sup>215</sup> 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.<sup>216</sup> 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.<sup>217</sup> However, in the first administrative review, the record contained evidence showing that scaling costs are not mandatory for the portions of the Crown harvest that are billed under the cruise-based billing system and as such Commerce did not include these costs in its benchmark adjustment.<sup>218</sup> 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, and consistent with the prior review, Commerce has continued to not include scaling costs in the benchmark adjustment for timber harvested from cruise-based stands.

In the investigation and prior review, 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, as the various proposed tenure valuations added to the records of those proceedings reflected the myriad characteristics of those stands or tenures.<sup>219</sup> In this review the petitioner has submitted similar tenure valuation information as in the prior review, and narrowed the scope of the requested adjustment as to only cover West Fraser's

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<sup>213</sup> See Canfor Preliminary Calculation Memorandum; *see also* West Fraser Preliminary Calculation Memorandum.

<sup>214</sup> See Canfor IQR at Exhibit B-03; *see also* WF IQR Vol. IV at Exhibit B-19.

<sup>215</sup> See *Lumber V Final* IDM at Comment 24; *see also Lumber V ARI Prelim* PDM at 34, unchanged in *Lumber V ARI Final*.

<sup>216</sup> See Canfor Preliminary Calculation Memorandum; *see also* West Fraser Preliminary Calculation Memorandum.

<sup>217</sup> See *Lumber V Final* IDM at Comment 24.

<sup>218</sup> See *Lumber V ARI Prelim* PDM at 34 and *Lumber V ARI Final* IDM at Comment 23.

<sup>219</sup> See *Lumber V Final* IDM at Comment 27 and *Lumber V ARI Final* IDM at Comment 24.

purchases of stumpage to a specific timber supply area for which West Fraser received the right to harvest as a result of purchasing the tenure from Canfor.<sup>220</sup>

However, we find that this proposed adjustment continues to suffer from the defect that the price for the exchange of tenures between West Fraser and Canfor may reflect a wide variety of stand- and company-specific characteristics, such that we do not see a clear means of identifying the value specifically attributable to tenure security. 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 2019. We divided the total stumpage benefits received in CY 2019 by the respondents by their respective total softwood lumber and total softwood co-product sales during the same period. In this manner, for the POR, we calculated a net subsidy rate for Canfor of 0.07 percent *ad valorem* and for West Fraser of 0.10 percent *ad valorem*.<sup>221</sup>

### **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.<sup>222</sup> As a result, the species-specific volumes and values reported on the monthly invoices do not represent the actual volume and value purchased in a given transaction. Therefore, consistent with the investigation and prior review, 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.<sup>223</sup> 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 2019 to the annual average benchmark price for a similar species group (*i.e.*, SPF prices in the Nova Scotia benchmark).<sup>224</sup>

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 in the *GNS Private Stumpage 2017-2018 Survey*.<sup>225</sup> We compared the annual average price of higher quality logs purchased by Resolute's sawmills to sawlog prices in the *GNS Private Stumpage 2017-2018 Survey*, and we compared the annual average price of lower

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<sup>220</sup> See Petitioner Pre-Prelim Comments at 38-46.

<sup>221</sup> See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

<sup>222</sup> See Resolute's Preliminary Calculation Memorandum at Attachment 2, which contains transactions for the company's purchases of Crown-origin standing timber in Quebec during the POR.

<sup>223</sup> See *Lumber V Prelim PDM* at 55-56, unchanged in *Lumber V Final*; see also *Lumber V ARI Prelim PDM* at 35, unchanged in *Lumber V ARI Final*.

<sup>224</sup> See Resolute's Preliminary Calculation Memorandum.

<sup>225</sup> *Id.* at 2-5 and Attachment 2.

quality logs to the price of studwood in the *GNS Private Stumpage 2017-2018 Survey*.<sup>226</sup> 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 2019. We then divided the total stumpage benefit received by Resolute in CY 2019 by Resolute's total softwood lumber and total softwood co-product sales during the same period. In this manner, we preliminarily calculated a net subsidy rate for Resolute of 8.07 percent *ad valorem* for the POR.<sup>227</sup>

### **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.<sup>228</sup> 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 monthly price of SPF sawlog and studwood as derived from the *GNS Private Stumpage 2017-2018 Survey*.<sup>229</sup> 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 2019. We then divided the total stumpage benefit by Resolute's total softwood lumber and total softwood co-product sales during CY 2019. In this manner, we preliminarily calculated a net subsidy rate for Resolute of 3.40 percent *ad valorem* for the POR.<sup>230</sup>

### **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.<sup>231</sup> 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.

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<sup>226</sup> *Id.*

<sup>227</sup> *Id.*

<sup>228</sup> See Resolute Preliminary Calculation Memorandum at Attachment 2, which contains the company's stumpage transactions for Crown-origin standing timber during the POR.

<sup>229</sup> *Id.* at 5-6 and Attachment 2.

<sup>230</sup> See Resolute's Preliminary Calculation Memorandum.

<sup>231</sup> See Preliminary Calculation Memoranda for Canfor and West Fraser, which contain the companies' transactions for Crown-origin standing timber during the POR.

In a benchmark submission filed on April 20, 2021, Canfor requested that Commerce adjust the Nova Scotia benchmark downward when comparing the benchmark to Canfor's purchases of beetle-killed timber in Alberta.<sup>232</sup> The GOA supported this request in pre-preliminary comments filed on April 23, 2021.<sup>233</sup> The petitioner submitted rebuttal factual information regarding Canfor's request on April 30, 2021.<sup>234</sup> We are preliminarily not making this adjustment; however, we will continue to evaluate the issue following the issuance of these preliminary results.

Thus, utilizing annualized data for each of the mandatory respondents with Alberta-based operations, we matched the respondents' purchases of softwood sawlog SPF species to Nova Scotia's prices for SPF softwood sawlogs, and the respondents' purchases of stem length SPF species with Nova Scotia's prices of SPF softwood studwood/lathwood. We then multiplied the unit benefit by the corresponding volume of Crown-origin standing timber purchased. Next, we summed the mandatory respondents' benefits for each log/species type to arrive at the total stumpage benefit for CY 2019. We then divided the total stumpage benefit in CY 2019 for each respondent by their respective total softwood lumber and total softwood co-product sales during the same period. In this manner, for the POR, we calculated a net subsidy rate for Canfor of 1.10 percent *ad valorem* and for West Fraser of 3.16 percent *ad valorem*.<sup>235</sup>

## **2. British Columbia Log Export Restraints**

Commerce found the British Columbia Log Export Restraints program countervailable in the investigation and prior administrative review.<sup>236</sup> The facts under which Commerce made those findings continue to apply. 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 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 and first administrative review, 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 GBC requires private suppliers of BC logs to sell to, and satisfy the demands of, BC consumers, including mill operators.<sup>237</sup>

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 the respondents located within the province to unaffiliated logging companies for their purchases of logs represent less than adequate remuneration. We

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<sup>232</sup> See Canfor Factual Information to Measure the Adequacy of Remuneration.

<sup>233</sup> See GOA Pre-Prelim Comments at 30-31.

<sup>234</sup> See Petitioner Rebuttal to Canfor Benchmark Submission.

<sup>235</sup> See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

<sup>236</sup> See *Lumber V Final* IDM at 10-11 and Comments 46-47 and *Lumber V ARI Final* IDM at Comments at 45-47.

<sup>237</sup> See *Lumber V Prelim* PDM at 60-61, unchanged in *Lumber V Final* IDM at Comments 45 and 46.



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.<sup>238</sup> 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. 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, as in the investigation and prior review, evidence placed on the record by the petitioner indicates that the export process suppresses prices throughout British Columbia.<sup>239</sup> Additionally, information and argument new to the record of this review address the direct impact of the export restraints on log sellers in the BC Interior, where West Fraser and Canfor's mills are located.<sup>240</sup>

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.<sup>241</sup> 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

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<sup>238</sup> See *CVD Preamble*, 63 FR at 65377.

<sup>239</sup> See Petitioner Comments on IQR Responses at Exhibits I-83 through I-88, I-92 through I-94 and I-96.

<sup>240</sup> *Id.* at Exhibit I-96; Canadian Parties Reply to Petitioner Comments on IQR Responses at Exhibit GOC-RPR-AR2-3 (Reishus Rebuttal Report) and GOC IQR Response at Exhibit LEP-1 (Reishus IQR Report).

<sup>241</sup> See *CVD Preamble*, 63 FR at 65377.

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).<sup>242</sup> 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 2019.

To calculate the net countervailable subsidy rate, we divided the total benefits received in CY 2019 by the respondent companies’ total softwood lumber and total softwood co-product sales during CY 2019. In this manner, for the POR, we calculated a net subsidy rate for Canfor of 0.02 percent *ad valorem*. We preliminarily determine that the benefit West Fraser received from this program during the POR was not measurable.<sup>243</sup>

### **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 the federal and/or 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. 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.

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

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<sup>242</sup> See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

<sup>243</sup> See Canfor Preliminary Calculation Memorandum; see also West Fraser Preliminary Calculation Memorandum.

## Federal Grant Programs

### 1. Canada-Alberta Job Grant Program

The Canada-Alberta Job Grant is a federal-provincial partnership administered by the Alberta Ministry of Labour and Immigration.<sup>244</sup> The GOC provides funding to the GOA to increase participation in the labor force by helping workers develop essential skills.<sup>245</sup> The program was originally funded through the Canada-Alberta Job Fund Agreement, an agreement between the GOC and the GOA.<sup>246</sup> The agreement was subsequently replaced in 2018 by the Canada-Alberta Workforce Development Agreement.<sup>247</sup> Employers in Alberta determine the type of training necessary for new and existing employees, and are required to use a third-party training provider to deliver formal training.<sup>248</sup> Under the program, the GOC provides up to \$10,000 for existing employees and up to \$15,000 for unemployed trainees per fiscal year.<sup>249</sup> To be eligible for funding under the program, a business must be operating in the province of Alberta.<sup>250</sup> The GOC has established workforce development agreements with all provinces for parallel programs, including the Canada-New Brunswick Job Grant program and the BC-ETG Job Grant program, which were found to be countervailable in the *Lumber V Final* and the *Lumber V AR1 Final*, respectively.<sup>251</sup> West Fraser reported receiving grants under the program during the POR.<sup>252</sup>

We find that grants provided under this program constitute a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act. Based on record evidence, we find grants from the federal government under the Canada-Alberta Job Grant program are limited to the province of Alberta, and therefore are specific under section 771(5A)(D)(iv) of the Act.

The 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 Canada-Alberta Job Grant is a recurring subsidy under 19 CFR 351.524(c). Accordingly, we expensed each grant to the year of receipt as provided under 19 CFR 351.524(a). To calculate the net countervailable subsidy rate, we divided the grant payments received during the POR by West Fraser's total sales for the POR, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>253</sup>

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<sup>244</sup> See GOA Non-Stumpage SQR2 at 3.

<sup>245</sup> *Id.* at 2.

<sup>246</sup> *Id.* at 3 and Exhibit AB-AR2-CAJG-1.

<sup>247</sup> *Id.* at 3.

<sup>248</sup> *Id.* at 2.

<sup>249</sup> *Id.* at 11.

<sup>250</sup> *Id.* at Exhibit AB-AR2-CAJG-6.

<sup>251</sup> See *Lumber V Final* IDM at 11 and Comment 56; see also *Lumber V AR1 Final* IDM at 15 and Comment 58.

<sup>252</sup> See WF IQR Vol. II at WF-AR2-II-15.

<sup>253</sup> See West Fraser Preliminary Calculations Memorandum.

## Alberta Grant Programs

### 1. CES Program

The CES program is administered by the EEA, a crown corporation established by provincial legislation under the 2016 *Energy Efficiency Alberta Act*.<sup>254</sup> The CES program offers financial incentives designed to improve the energy efficiency of industries with high energy needs.<sup>255</sup> Commercial, institutional, and industrial organizations that emit more than 5,000 tons, but less than 100,000 tons, of GHG per year are eligible for funding under the program.<sup>256</sup> Recipients must also not be eligible for any other provincial or federal rebate or incentive program.<sup>257</sup> West Fraser reported receiving funds under two CES subprograms during the POR: the CES Implementation Program and the On-site Energy Manager Program.<sup>258</sup> The CES Implementation Program provides technical support and funds for scoping audits and engineering studies to assess a facility's energy usage in order to determine what energy efficiency upgrades should be applied.<sup>259</sup> This subprogram also offers financial support and incentives to implement energy upgrades.<sup>260</sup> The On-site Energy Manager Program provides funds that cover up to 90 percent of an on-site energy manager's first-year salary.<sup>261</sup> The energy manager's role is to provide expertise to support decision-making for energy efficiency improvements.<sup>262</sup>

We find that grants provided under this program constitute a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act. Based on record evidence, we find the CES program is limited, by law, to certain enterprises or industries because eligibility is restricted to commercial, institutional, and industrial facilities that emit between 5,000 and 100,000 tons of GHG.<sup>263</sup> Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

We preliminarily determine that the CES 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 as provided under 19 CFR 351.524(c). 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. The *CVD Preamble* provides guidance in the context of the 0.5 test used for determining whether to allocate or expense non-recurring benefits over time. The *CVD Preamble* states that "we will apply the 0.5 percent test to all benefits associated with a particular program, not each individual benefit, if there are more than one."<sup>264</sup> Therefore, we based the numerator of the "0.5 percent

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<sup>254</sup> See GOA Non-Stumpage SQR2 at 23 – 24.

<sup>255</sup> *Id.* at 23.

<sup>256</sup> *Id.* at 35 and Exhibit AB-AR2-CES-31 ("Custom Project Implementation Incentive Terms and Conditions") at 5.

<sup>257</sup> *Id.* at 35.

<sup>258</sup> See WF IQR Vol. II at WF-AR2-II-20.

<sup>259</sup> See GOA Non-Stumpage SQR2 at 23.

<sup>260</sup> *Id.*

<sup>261</sup> *Id.* at 24.

<sup>262</sup> *Id.*

<sup>263</sup> *Id.* at 33.

<sup>264</sup> See *CVD Preamble*, 63 FR 65394.

test” on the total annual grant amounts received under the two CES sub-programs. 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 countervailable subsidy rate, we divided the grant payments West Fraser received under both sub-programs during the POR by its total sales for the POR, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>265</sup>

## 2. Load Shedding Services for Imports

Load shedding is one of the system reliability tools deployed by ISOs as a means to preserve system reliability when demand and supply imbalances create frequency drops that threaten the system.<sup>266</sup> Alberta’s ISO, the AESO, is a not-for-profit statutory corporation created under the Electric Utilities Act of Alberta and is a public agency under the Alberta Public Agency Governance Act.<sup>267</sup> AESO’s board of directors is appointed by the Minister of Energy.<sup>268</sup> The AESO’s statutory mandate is to ensure a safe and reliable interconnected power system.<sup>269</sup> North American electrical systems are designed to operate at 60 Hz, and in the event of a sudden loss of power that flows through the electrical system, the frequency will drop below 60 Hz.<sup>270</sup> To restore balance when generation and load demand are out of alignment, the system could either decrease the load demand or increase generation. However, Alberta’s electric system does not have the ability to increase generation quickly enough to respond to a sudden loss of imported power generation. To decrease the load demand, the AESO trips the loads of electricity market participants that have made their facilities available to immediately disconnect from the electrical system.<sup>271</sup> The U.S. Federal Energy Commission and the North American Electric Reliability Corporation set load shedding standards and require that ISOs maintain load shedding plans to avoid such low frequency events that can create an uncontrolled failure of the transmission system.<sup>272</sup>

The AESO is required to establish load shedding plans and select load shedding participants from customers that meet certain technical criteria. Market participants submit bids to make their facilities available for load tripping, and the AESO evaluates and selects providers on a competitive basis, from lowest to highest price.<sup>273</sup> The provision of load shedding can be disruptive and costly to operations, and thus customers that provide load shedding to system operators such as AESO are compensated for the costs they incur during load tripping.<sup>274</sup> The AESO pays load shedding providers based on the amount of availability offered and for the

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<sup>265</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>266</sup> *Id.* at 80.

<sup>267</sup> See GOA Non-Stumpage SQR2 at 68.

<sup>268</sup> *Id.* at 69.

<sup>269</sup> *Id.* at 68 and Exhibit AB-AR2-AESO-10 (AESO Annual Report).

<sup>270</sup> *Id.* at 69.

<sup>271</sup> *Id.* at 71 – 73.

<sup>272</sup> *Id.* at 69 and 80.

<sup>273</sup> *Id.* at 87.

<sup>274</sup> *Id.* at 71.

tripping of electricity pursuant to contracts between the AESO and the providers.<sup>275</sup> West Fraser was compensated for costs it incurred in the load shedding it conducted during the POR.<sup>276</sup>

Based on the information on the record, we preliminarily determine that the AESO constitutes an “authority” within the meaning of section 771(5)(B) of the Act. We also preliminarily determine that payments the AESO provided West Fraser constitute a financial contribution in the form of direct transfer of funds from a public entity, pursuant to sections 771(5)(B) and 771(5)(D)(i) of the Act and 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.<sup>277</sup> 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 GOA reported that a limited number of recipients received payments under the program.<sup>278</sup> 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.

Because benefits under this program are not provided on an on-going basis, we are treating these subsidies as non-recurring grants as provided under 19 CFR 351.524(c). 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 countervailable subsidy rate, we divided the grant payments West Fraser received during the POR by its total sales for the POR, as described in the “Attribution of Subsidies” section of this memorandum. On this basis, we preliminarily determine that West Fraser received a net subsidy rate of 0.07 percent *ad valorem* for the POR.<sup>279</sup>

## **British Columbia Grant Programs**

### **1. Carbon Offset Grants**

Commerce found grants for carbon offset units countervailable in the *Lumber VARI Final*.<sup>280</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>281</sup> Therefore, we continue to find such grants constitute a financial contribution, are *de jure* specific because eligibility is restricted to firms that meet key government objectives delineated in the CIB portfolio, and confer a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information,

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<sup>275</sup> *Id.*

<sup>276</sup> See West Fraser Non-Stumpage SQR2 at 2 – 8.

<sup>277</sup> Our findings in this regard are consistent with Commerce’s practice. See *Lumber VARI Prelim PDM* at 53-54, unchanged in *Lumber VARI Final IDM* at 18 and Comment 73.

<sup>278</sup> See GOA Non-Stumpage SQR2 at 89 – 90.

<sup>279</sup> See West Fraser Preliminary Calculation Memorandum.

<sup>280</sup> See *Lumber VARI Final IDM* at 16 and Comment 63.

<sup>281</sup> See GBC IQR Response at BC-IV-1 – 17.

see the *Lumber VARI Final*.<sup>282</sup> Canfor reported receiving benefits under this program during the POR.<sup>283</sup>

We preliminarily determine that this 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 as provided under 19 CFR 351.524(c). 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 passed the “0.5 percent test;” therefore, we allocated each grant to the year of receipt. To calculate the net countervailable subsidy rate, we divided the grant payments Canfor received during the POR by its total sales for the POR, 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 0.03 percent *ad valorem* for the POR.<sup>284</sup>

## 2. BC Hydro Power Smart: Incentives

Commerce found the BC Hydro Power Smart Incentives program countervailable in the *Lumber VARI Final*.<sup>285</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the prior review concerning the countervailability of the program.<sup>286</sup> Therefore, we continue to find the Incentives program constitutes a financial contribution, is *de jure* specific because eligibility is limited to industrial customers that consume more than 1 GWh of electricity annually and can identify an energy efficiency upgrade that meets certain minimum requirements, such as projected savings of at least 300 megawatt-hours annually and an expected lifespan of five years or more, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i) and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>287</sup> Canfor and West Fraser reported receiving grants under the Incentives program prior to and during the POR.<sup>288</sup>

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 as provided under 19 CFR 351.524(c). 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 POR by Canfor’s and West Fraser’s respective total sales for the POR. On this basis, we preliminarily determine

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<sup>282</sup> See *Lumber VARI Final* IDM at 16 and Comment 63.

<sup>283</sup> See Canfor IQR at NS-23.

<sup>284</sup> See Canfor Preliminary Calculation Memorandum.

<sup>285</sup> See *Lumber VARI Final* IDM at 16 and Comment 65.

<sup>286</sup> See GBC IQR Response, Vol. II.

<sup>287</sup> See *Lumber VARI Final* IDM at 16 and Comment 65.

<sup>288</sup> See Canfor IQR at Exhibit B-10; see also WF IQR Vol. II at WF-AR2-II-34 – WF-AR2-II-41.

that West Fraser received a net subsidy of 0.02 percent *ad valorem* for the POR.<sup>289</sup> We preliminarily determine that the grants Canfor received during the POR are not measurable.<sup>290</sup>

## **New Brunswick Grant Programs**

### **1. New Brunswick Provision of Silviculture Grants**

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>291</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.<sup>292</sup> Therefore, we continue to find New Brunswick's Provision of Silviculture Grants constitutes a financial contribution, is *de jure* specific, because the reimbursements received are limited to firms who manage licensees under FMAs, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>293</sup> JDIL reported receiving grants under this program during the POR.<sup>294</sup>

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 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 0.34 percent *ad valorem* for the POR.<sup>295</sup>

### **2. New Brunswick License Management Fees**

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>296</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.<sup>297</sup> Therefore, we continue to find this program constitutes a financial contribution, is *de jure* specific because the reimbursements received are limited to firms who manage sublicensees under FMAs, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>298</sup> JDIL reported receiving grants under this program during the POR.<sup>299</sup>

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

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<sup>289</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>290</sup> See Canfor Preliminary Calculations Memorandum.

<sup>291</sup> See *Lumber VARI Final* IDM at 17 and Comment 69.

<sup>292</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-SVC-1.

<sup>293</sup> See *Lumber VARI Final* IDM at 17 and Comment 69.

<sup>294</sup> See JDIL Non-Stumpage IQR Response at Exhibit SILV-08.

<sup>295</sup> See JDIL Preliminary Calculation Memorandum.

<sup>296</sup> See *Lumber VARI Final* IDM at 17 and Comment 69.

<sup>297</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-LMF-1.

<sup>298</sup> See *Lumber VARI Final* IDM at 17 and Comment 69.

<sup>299</sup> See JDIL Non-Stumpage IQR Response at Exhibit LMF-07.a and Exhibit LMF-08.a.



for the 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 0.34 percent *ad valorem* for the POR.<sup>300</sup>

### 3. New Brunswick’s LIREPP

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>301</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination concerning this program.<sup>302</sup> Therefore, we continue to find this program constitutes a financial contribution, is *de jure* specific in accordance with section 771(5A)(D)(i) of the Act, because the GNB expressly limits access to LIREPP to certain eligible enterprises by law, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>303</sup> JDIL reported receiving grants under this program during the POR.<sup>304</sup>

The bill credits provided a benefit in the amount of the grant in accordance with 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 the POR. We divided this total by JDIL’s total sales for the 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 0.09 percent *ad valorem* for the POR.<sup>305</sup>

### 4. New Brunswick Department of Trade and Infrastructure Settlement

JDIL reported that it received funds from the DTI during the POR. In 2017, DTI announced plans to close a road JDIL had used to transport lumber. JDIL had assisted with constructing and repairing the road under a 2008 agreement with DTI, though JDIL did not receive any compensation from that original agreement. However, upon the DTI’s announcement of the road closure, the GNB provided reimbursements to JDIL as compensation for the costs JDIL incurred building the road. The road in question is located inside JDIL’s tenure area, and JDIL used the road as a part of its normal operations during the POR.<sup>306</sup>

We preliminarily determine that the assistance that JDIL received under this 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 preliminarily 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

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<sup>300</sup> See JDIL Preliminary Calculation Memorandum.

<sup>301</sup> See *Lumber VARI Final* IDM at 29 and Comment 106.

<sup>302</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-LIREPP-1.

<sup>303</sup> See *Lumber VARI Final* IDM at 29 and Comment 106.

<sup>304</sup> See JDIL Non-Stumpage IQR Response at Exhibit LIREPP-13.

<sup>305</sup> See JDIL Preliminary Calculation Memorandum.

<sup>306</sup> See JDIL Non-Stumpage Supplemental Response at Exhibit 4 Supp.-01.

specific as a matter of fact under section 771(5A)(D)(iii) of the Act. Because the actual recipients are limited in number on an enterprise basis to only JDIL, we preliminarily determine that the program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act.

This 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. In accordance with 19 CFR 351.524(c), we are treating this program as a non-recurring subsidy because separate, project-specific government approval was required to receive funding under this settlement.<sup>307</sup> 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 the benefits to the year of receipt or across the years of the AUL. We find that the grants received by JDIL are less than 0.5 percent, and therefore are expensed to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grants that JDIL received in the POR by JDIL’s total sales for the POR. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy rate of 0.06 percent *ad valorem* for the POR.<sup>308</sup>

### **Nova Scotia Grant Programs**

#### **1. Nova Scotia Provision of Silviculture Grants to JDIL**

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>309</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination concerning this program.<sup>310</sup> 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.<sup>311</sup> Therefore, we continue to find that the silviculture grants that JDIL received from the GNS constitute a financial contribution, are specific because the funding is provided to a specific enterprise or industry, or group thereof (*i.e.*, Registered Buyers that acquire more than 5,000 m<sup>3</sup> of wood per year from private forestlands in Nova Scotia), and confer a benefit under sections 71(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively.

The benefit received by JDIL under this program is equal to the amount of the grant provided as reimbursement for silviculture expenses. On this basis, we preliminarily determine that JDIL received a net countervailable subsidy of 0.01 percent *ad valorem* for the POR.<sup>312</sup>

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<sup>307</sup> *Id.*

<sup>308</sup> See JDIL Preliminary Calculation Memorandum.

<sup>309</sup> See *Lumber VARI Final* IDM at 18.

<sup>310</sup> See GNS IQR Response for JDIL at 2-3.

<sup>311</sup> See JDIL Non-Stumpage IQR Response at Exhibit NS SILV-01 and Exhibit JDIL-10.

<sup>312</sup> See JDIL Preliminary Calculation Memorandum.

## Ontario Grant Programs

### 1. IESO Demand Response

Commerce found the IESO Demand Response program countervailable in the *Lumber VARI Final*.<sup>313</sup> Further, in the *Lumber VARI Final*, Commerce determined that 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.<sup>314</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>315</sup> We therefore continue to find that the IESO Demand Response 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 *Lumber VARI Final*.<sup>316</sup> Resolute reported that it received electricity credit payments under this demand response program during the POR.<sup>317</sup>

We continue to find that the IESO Demand Response is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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.*, 13 participants, received payments under the program in 2019.<sup>318</sup> 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 the *Lumber VARI Final*.<sup>319</sup>

The IESO Demand Response confers a benefit equal to the amount of payments received, as provided under 19 CFR 351.504(a) and section 771(5)(E) of the Act. Because the electricity credit payments are provided on an on-going basis in monthly electricity invoices, we continue to treat the program as a recurring subsidy under 19 CFR 351.524(c). We thus expensed the payments that Resolute received to the year of receipt, *i.e.*, 2019. To calculate the benefit, we divided the payments that Resolute received in the POR by Resolute's total sales during the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.08 *ad valorem* for the POR.<sup>320</sup>

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<sup>313</sup> See *Lumber VARI Final* IDM at 18 and Comment 73.

<sup>314</sup> *Id.*; see also *Lumber VARI Prelim PDM* at 53-54.

<sup>315</sup> See GOO Non-Stumpage IQR Response at DR-1 through DR-29 and Exhibits ON-DR-1 through DR-14; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-DR-APP and Exhibits RES-NS-DR-1 through DR-6.

<sup>316</sup> See *Lumber VARI Final* IDM at 18 and Comment 73.

<sup>317</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-DR-APP (page 1-2); see also Resolute Non-Stumpage SQR Response on Sales and Grant Programs at Exhibit RES-NS-SUPP-DR-1.

<sup>318</sup> See GOO Non-Stumpage IQR Response at DR-20.

<sup>319</sup> See *Lumber VARI Final* IDM at 18 and Comment 73.

<sup>320</sup> See Resolute Preliminary Calculation Memorandum.

## 2. IESO IEI

Commerce found the IESO IEI program countervailable in the *Lumber VARI Final*.<sup>321</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>322</sup> We therefore continue to find that the IEI constitutes a financial contribution, 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, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>323</sup> Resolute reported that it received electricity-based price adjustments payments under the program during the POR.<sup>324</sup>

The IEI confers a benefit equal to the amount of payments received, as provided under 19 CFR 351.504(a) and 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, *i.e.*, 2019. To calculate the benefit, we divided the payments that Resolute received during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.08 percent *ad valorem* for the POR.<sup>325</sup>

## 3. TargetGHG Industrial Demonstration Program

Commerce found the TargetGHG countervailable in the *Lumber VARI Final*.<sup>326</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>327</sup> We therefore continue to find that a financial contribution from the GOO exists in the form a grant under section 771(5)(D)(i) of the Act. We also continue to find that the TargetGHG is *de jure* specific because the program is expressly limited to Ontario-based large industrial emitters and confers a benefit under sections 771(5A)(D)(i) and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>328</sup> Resolute reported that it received payments under the program during the POR for a thermal energy project.<sup>329</sup>

The TargetGHG 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 Resolute does not receive

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<sup>321</sup> See *Lumber VARI Final* IDM at 18 and Comment 74.

<sup>322</sup> See GOO Non-Stumpage IQR Response at IEI-1 through IEI-31 and Exhibits ON-IEI-1 through IEI-69; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IEI-APP and Exhibits RES-NS-IEI-1 through IEI-8.

<sup>323</sup> See *Lumber VARI Final* IDM at 18 and Comment 74.

<sup>324</sup> See Resolute Non-Stumpage IQR Response at RES-NS-IEI-APP (page 1, 3) and Exhibit RES-NS-IEI-8.

<sup>325</sup> See Resolute Preliminary Calculation Memorandum.

<sup>326</sup> See *Lumber VARI Final* IDM at 19 and Comment 72.

<sup>327</sup> See GOO Non-Stumpage IQR Response at TGHG-1 through TGHG-24 and Exhibits ON-TGHG-1 through TFHG-10; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-OCE-APP and Exhibits RES-NS-OCE-1 through OCE-5.

<sup>328</sup> See *Lumber VARI Final* IDM at 19 and Comment 72.

<sup>329</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-OCE-APP (page 4-6).

ongoing assistance under TargetGHG, we continue to find that TargetGHG provides a non-recurring benefit under 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the “0.5 percent test,” we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.03 percent *ad valorem* for the POR.<sup>330</sup>

#### 4. OFRFP

Commerce found the OFRFP countervailable in the *Lumber VARI Final*.<sup>331</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>332</sup> We therefore continue to find that the OFRFP constitutes a financial contribution, is *de jure* specific because the recipients are limited to SFL and FRL holders that have an approved Forest Management Plan and Annual Work Schedule with the Crown, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see* the *Lumber VARI Final*.<sup>333</sup> During the POR, Resolute received payments under the program to construct and maintain certain public roads in the Crown forest.<sup>334</sup>

The OFRFP 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. Consistent with the *Lumber VARI Final*, we continue to find that the OFREP is a recurring subsidy.<sup>335</sup> We thus expensed the grants that Resolute received to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily calculate a net countervailable subsidy rate of 0.62 percent *ad valorem* for the POR.<sup>336</sup>

#### 5. IESO Retrofit

Implemented in 2015, the Retrofit is an electricity conservation program through which the IESO reimburses a portion of the cost of electrical efficiency upgrades that will reduce electricity consumption at commercial spaces, industrial facilities, institutional buildings, multi-family residential buildings, and agricultural facilities.<sup>337</sup> Projects eligible for the Retrofit are those that

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<sup>330</sup> See Resolute Preliminary Calculation Memorandum.

<sup>331</sup> See *Lumber VARI Final* IDM at 19 and Comment 71.

<sup>332</sup> See GOO Non-Stumpage IQR Response at Roads-1 through Roads-27 and Exhibits ON-ROADS-1 through ROADS-17; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ONROADS-APP and Exhibits ONROADS-1 and ONROADS-2.

<sup>333</sup> See *Lumber VARI Final* IDM at 19 and Comment 71.

<sup>334</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ONROADS-APP.

<sup>335</sup> See *Lumber VARI Final* IDM at 19 and Comment 71; *see also* *Lumber VARI Post-Prelim Memorandum – Resolute* at 7-8.

<sup>336</sup> See Resolute Preliminary Calculation Memorandum.

<sup>337</sup> See GOO Non-Stumpage SQR Response on IESO Retrofit at 1-2, and Exhibits ON-RET-3-A and 3-B.

provide sustainable and measurable reductions in peak electricity demand and consumption.<sup>338</sup> During the POR, Resolute and Resolute Growth received payments under the program.<sup>339</sup>

Because the Retrofit is available to owners and operators of industrial, commercial, institutional and multi-family residential buildings,<sup>340</sup> we preliminarily determine 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 Retrofit 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.*, 3,485 companies received payments under the Retrofit in 2019.<sup>341</sup> Given the nature of this provincial program, we find that it is reasonable to compare the number of companies that received Retrofit payments to the total number of companies operating/established in the jurisdiction of the granting authority to determine whether the recipients of grants were limited in number. For 2019, the GOC reported that there were 430,234 enterprises established in Ontario.<sup>342</sup>

Based on our analysis of the data, we preliminarily determine that a limited number of Ontario companies (*i.e.*, 0.81 percent of all companies in the province) received grants under the Retrofit in 2019.<sup>343</sup> Therefore, we preliminarily determine that the number of recipients of assistance under the Retrofit was limited in number under section 771(5A)(D)(iii)(I) of the Act. Because the record reflects that the program is not widely used throughout the provincial economy, we preliminarily find that the Retrofit is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act.

We also preliminarily determine that the assistance provided under the Retrofit 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. Further, we preliminarily determine that the program bestows a benefit in the amount of grants provided, pursuant to section 771(5)(E) of the Act and 19 CFR 351.504(a).

Given that separate government approval is required for each energy project,<sup>344</sup> we are treating the Retrofit as a non-recurring subsidy, as provided under 19 CFR 351.524(c). Accordingly, we conducted 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 the benefits to the year of receipt or across the years of the AUL. Because the grants are less than 0.5 percent, we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* for the POR.<sup>345</sup>

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<sup>338</sup> *Id.*

<sup>339</sup> See Resolute NFI to GOO’s March 3, 2021 SQR Response at 2-3.

<sup>340</sup> See GOO Non-Stumpage SQR Response on IESO Retrofit at Exhibits ON-RET-3-A (page 1).

<sup>341</sup> See GOO Non-Stumpage SQR Response on IESO Retrofit at 16.

<sup>342</sup> See GOC IQR Response at Exhibit GOC-AR2-StatCan-1.

<sup>343</sup> See Ontario Specificity Memorandum for usage data for 2019 and prior years 2016 to 2018.

<sup>344</sup> See GOO Non-Stumpage SQR Response on IESO Retrofit at 9 and 21.

<sup>345</sup> See Resolute Preliminary Calculation Memorandum.

## Québec Grant Programs

### 1. PCIP

Commerce found the PCIP countervailable in the *Lumber VARI Final*.<sup>346</sup> We find that interested parties have not submitted any new information or argument regarding the administration and operation of the PCIP, which ended on March 31, 2019, that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>347</sup> The GOQ, however, did report that a successor program called the Investment Program for Forests Management, with similar eligibility criteria to the PCIP, started on April 1, 2019.<sup>348</sup> The GOQ also stated that, though the PCIP ended on March 31, 2019, requests for reimbursements under the PCIP could be submitted as late as the end of September 2019, and payments could be processed six weeks thereafter.<sup>349</sup> During the POR, Resolute received payments under the PCIP and did not receive any funds under the Investment Program for Forests Management.<sup>350</sup>

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)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>351</sup>

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. Because we are treating the PCIP as a recurring subsidy under 19 CFR 351.524(c)(2), we divided the grant amount expensed to the POR by Resolute's total sales for the POR, 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 0.03 percent *ad valorem* for the POR.<sup>352</sup>

### 2. Paix des Braves

Commerce found the Paix des Braves countervailable in the *Lumber VARI Final*.<sup>353</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>354</sup> We therefore continue to find that the Paix des Braves program constitutes a financial contribution, is *de jure* specific to the forestry industry, and

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<sup>346</sup> See *Lumber VARI Final* IDM at 19 and Comment 75.

<sup>347</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PCIP-A and Exhibits QC-PCIP-1 through PCIP-14.; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PCIP-APP and Exhibits RES-NS-PCIP-1 through PCIP-7.

<sup>348</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PCIP-A (page 16-17).

<sup>349</sup> *Id.* at Exhibit QC-PCIP-A (page 16-17).

<sup>350</sup> *Id.* at Exhibit QC-PCIP-A (page 16-17); see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PCIP-APP; and Resolute Non-Stumpage SQR Response on Sales and Grant Programs at 4.

<sup>351</sup> See *Lumber VARI Final* IDM at 19 and Comment 75.

<sup>352</sup> See Resolute Preliminary Calculation Memorandum.

<sup>353</sup> See *Lumber VARI Final* IDM at 20 and Comment 76.

<sup>354</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-CA-A and Exhibits QC-CA-1 through CA-13; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PDB-APP and Exhibits RES-NS-PDB-1 through PDB-15.

confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>355</sup> Resolute reported that it received payments under the program in 2019.<sup>356</sup>

The Paix des Braves 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 only provided when Resolute harvests on Paix des Braves land, we continue to treat these subsidies as non-recurring grants pursuant to 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the “0.5 percent test,” we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.05 percent *ad valorem* for the POR.<sup>357</sup>

### 3. PIB<sup>358</sup>

Commerce found the PIB countervailable in the *Lumber VARI Final*.<sup>359</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>360</sup> We therefore continue to find that the PIB constitutes a financial contribution, is *de jure* specific because only entities specializing in the forest products industry are eligible for the program, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>361</sup> Resolute reported that, during the POR, the company had five approved projects under which it received disbursements.<sup>362</sup>

The PIB 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 assistance is not automatically received as a company must submit a separate application for each project, we continue to treat the program as a non-recurring subsidy pursuant to 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the “0.5 percent test,”

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<sup>355</sup> *See Lumber VARI Final* IDM at 20 and Comment 76.

<sup>356</sup> *See* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PDB-APP; *see also* Resolute Non-Stumpage SQR Response on Sales and Grant Programs at 4-5; and GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-CA-A (page 3).

<sup>357</sup> *See* Resolute Preliminary Calculation Memorandum.

<sup>358</sup> Also known as the Wood Innovation Program.

<sup>359</sup> *See Lumber VARI Final* IDM at 23 and Comment 79.

<sup>360</sup> *See* GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PIB-A and Exhibits QC-PIB-1 through PIB-17; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PIB-APP and Exhibits RES-NS-PIB-1 through PIB-5.

<sup>361</sup> *See Lumber VARI Final* IDM at 23 and Comment 79.

<sup>362</sup> *See* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-PIB-APP (page 2-3), and Exhibit RES-NS-PIB-5.



we expensed the grants, that are measurable, to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grants expensed to the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.04 percent *ad valorem* for the POR.<sup>363</sup>

#### 4. MFOR

Commerce found the MFOR countervailable in the *Lumber VARI Final*.<sup>364</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>365</sup> We therefore continue to find that the MFOR 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 *Lumber VARI Final*.<sup>366</sup> Resolute reported that it received funds under the MFOR in 2019.<sup>367</sup>

We continue to find that the MFOR is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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 and prior years of the AUL.<sup>368</sup> Given the nature of this provincial program and the usage data submitted by the GOQ, 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 for the years 2016 through 2019, to determine whether the recipients of MFOR assistance were limited in number.

Based on our analysis of those data, we preliminarily determine that a small number of companies received grants under the MFOR in the years examined.<sup>369</sup> Therefore, we preliminarily determine that the number of recipients of assistance under the MFOR was limited under section 771(5A)(D)(iii)(I) of the Act. 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 the *Lumber VARI Final*.<sup>370</sup>

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), we continue to treat the MFOR as a non-recurring subsidy because separate government approval is required for each worker training program. Accordingly, we applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section of this memorandum and described under 19 CFR

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<sup>363</sup> See Resolute Preliminary Calculation Memorandum.

<sup>364</sup> See *Lumber VARI Final* IDM at 20 and Comments 81 and 82.

<sup>365</sup> See GOQ IQR Response at Exhibit QC-MFOR-A and Exhibit QC-MFOR-1 through MFOR-7; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-MFOR-APP and Exhibits RES-NS-MFOR-1 through MFOR-3.

<sup>366</sup> See *Lumber VARI Final* IDM at 20 and Comments 81 and 82.

<sup>367</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-MFOR-APP (page 4) and Exhibit RES-NS-MFOR-3.

<sup>368</sup> See GOQ IQR Response at Exhibit QC-MFOR-5.

<sup>369</sup> The MFOR usage data and Québec company information are business proprietary information. See Québec Specificity Memorandum.

<sup>370</sup> See *Lumber VARI Final* IDM at 20 and Comments 81 and 82.

351.524(b)(2) to determine whether to allocate the benefits to the year of receipt or across the years of the AUL. Because the grants received are less than 0.5 percent, we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>371</sup>

## 5. Formabois Fund

Formabois is a Sectoral Labor Committee that serves the wood processing sector by supporting skills development and training for the workforce.<sup>372</sup> There are 29 Sectoral Labor Committees which are independent, non-profit organizations recognized by the GOQ to promote the development of skills in the labor market workforce.<sup>373</sup> Under the FDRCMO, the MTESS provides funding to Formabois, which distributes assistance to companies within its sector for workforce training.<sup>374</sup> During the POR, Resolute reported receiving assistance under the Formabois Fund.<sup>375</sup>

Based on the record information, we preliminarily determine that a financial contribution from the GOQ exists in the form of a grant under section 771(5)(D)(i) of the Act. We also preliminarily find that the financial assistance bestows a benefit to the companies receiving assistance under the Formabois Fund, in the amount of the grant, pursuant to 19 CFR 351.504(a) and section 771(5)(E) of the Act. Further, we preliminarily determine that the Formabois Fund is *de jure* specific under section 771(5A)(D)(i) of Act because the program expressly limits eligibility to enterprises in the wood processing sector.

Because Resolute does not receive ongoing assistance under the Formabois Fund,<sup>376</sup> we preliminarily find that the program provides a non-recurring benefit under 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the "0.5 percent test," we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* for the POR.<sup>377</sup>

## 6. Côte-Nord Wood Residue Program

Since July 2017, the MFFP has administered the Côte-Nord Wood Residue Program to improve the profitability of the Côte-Nord sawmills and the region's forest industry.<sup>378</sup> The program

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<sup>371</sup> See Resolute Preliminary Calculation Memorandum.

<sup>372</sup> See GOQ Non-Stumpage SQR Response on Grant Programs at Formabois Fund.

<sup>373</sup> *Id.*

<sup>374</sup> *Id.*

<sup>375</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-FOR-APP (page 3) and Exhibit RES-NS-FOR-5.

<sup>376</sup> *Id.* at Exhibit RES-NS-FOR-APP (page 4).

<sup>377</sup> See Resolute Preliminary Calculation Memorandum.

<sup>378</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-WRP-A (page 1-2).

supports projects to diversify market opportunities for the wood residue of the Côte-Nord region; reduce the production of by-products from the Côte-Nord sawmills; and reduce the transportation costs of by-products from the Côte-Nord sawmills.<sup>379</sup> Under the Normative Framework, the program is open to all companies in Québec that intend to use wood residue from the Côte-Nord region or intend to reduce the production of by-products from the Côte-Nord sawmills.<sup>380</sup> During the POR, Resolute received funding for two projects under this program.<sup>381</sup> One project was for the installation and operation of a wood shavings-fed boiler, and the other project was for a multiple saw cutter at the sawmill in Baie-Comeau.<sup>382</sup>

We preliminarily determine that the assistance that Resolute received under this 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 preliminarily 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 assistance under this program since its inception.<sup>383</sup> 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 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. In accordance with 19 CFR 351.524(c), we are treating this program as a non-recurring subsidy because separate, project-specific government approval was required to receive funding for projects under the program.<sup>384</sup> 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 the benefits to the year of receipt or across the years of the AUL. We find that the grants received by Resolute are less than 0.5 percent, and therefore are expensed to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grants that Resolute received in the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* for the POR.<sup>385</sup>

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<sup>379</sup> *Id.*

<sup>380</sup> *Id.* at Exhibit QC-WRP-A (page 6) and Exhibit QC-WRP-1 (at section 5).

<sup>381</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-NSWP-APP.

<sup>382</sup> *Id.*

<sup>383</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibits QC-WRP-5, WRP-6, and WRP-7. The number of participants is proprietary information.

<sup>384</sup> *Id.* at Exhibit QC-WRP-A (page 5-6).

<sup>385</sup> See Resolute Preliminary Calculation Memorandum.

## 7. PAMVFP

Since the 1970s, the PAMVFP has provided financial and technical assistance to private forest producers to carry out forest management activities in the private forests in Québec.<sup>386</sup> The MFFP and its 17 regional agencies across Québec are responsible for administering the PAMVFP.<sup>387</sup> The program is funded by the government, industry, and forest producers with the majority of the funds provided by the MFFP.<sup>388</sup> Holders of a wood processing plant operating permit under section 162 of the SFDA pay C\$1 per cubic meter of timber acquired from a private forest to the regional agencies for private forest development.<sup>389</sup>

Pursuant to the Normative Framework of the PAMVFP, only certified private forest producers, under section 130 of the SFDA, may use this program.<sup>390</sup> Depending on a regional agency's policies, a payment under the PAMVFP can be made to the certified private forest producer or directly to the accredited forestry advisor, *i.e.*, the entity that performs silviculture on the private forest producer's land.<sup>391</sup> During the POR, Resolute received assistance for its private forestland under the PAMVFP.<sup>392</sup>

Because assistance under the PAMVFP is expressly limited to certified private forest producers, we preliminarily determine that assistance provided under this program is *de jure* specific under section 771(5A)(D)(i) of the Act. We also preliminarily determine that the PAMVFP constitutes a financial contribution and confers a benefit under sections 771(5)(D)(i) and 771(5)(E) of the Act, respectively. This finding is consistent with Commerce's countervailable determination for this program in the *Lumber IV Final*.<sup>393</sup>

The PAMVFP 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. As noted above, holders of a wood processing plant operating permit pay a fee to the regional agencies for private forest development. We preliminarily find that the fees paid do not qualify as an offset to the grants received by certified forest producers under the program, pursuant to section 771(6) of the Act which enumerates the only adjustments that can be made to the benefit conferred by a countervailable subsidy.

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<sup>386</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PF-A, Exhibit QC-PF-5, and Exhibit QC-PC-6.

<sup>387</sup> *Id.* at Exhibit QC-PF-A (page 2-3 and 6).

<sup>388</sup> *Id.* at Exhibit QC-PF-5 (Section 5.1 Program Funding).

<sup>389</sup> *Id.* at Exhibit QC-PF-A (page 1-2), Exhibit QC-PF-2, and Exhibit QC-PF-5.

<sup>390</sup> *Id.* at Exhibit QC-PF-A (page 2 and 7) and Exhibit QC-PF-5 (Section 4.1 Eligible Clientele). By law, the private forest holders must have a forest area of at least four hectares and must have a forest development plan for that area that is certified by a forest engineer as being consistent with the by-laws of the agency that has jurisdiction in the area. Furthermore, the private forest holders of a single block of forest of 800 hectares or more must join a forest fire protection organization certified by the MFFP. *Id.* at Exhibit QC-PF-A (page 7-8) and Exhibit QC-PF-1.

<sup>391</sup> *Id.* at Exhibit QC-PF-A (page 5 and 7).

<sup>392</sup> See Resolute Non-Stumpage SQR Response on Sales and Grant Programs at 11 and Exhibit RES-NS-PF-APP (page 6); see also GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PF-A (page 9, 10, and 14).

<sup>393</sup> See *Lumber IV Final* IDM at 153-154 and Comment 5; see also *Lumber IV Final Results of 1st AR* IDM at PFDP and Comment 53.

Because a certified private forest producer must submit an application to obtain financial assistance,<sup>394</sup> we are treating these subsidies as non-recurring grants, as provided under 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the “0.5 percent test,” we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>395</sup>

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

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>396</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>397</sup> We therefore continue to find that this program constitutes a financial contribution, is *de jure* specific because the program is intended for the forestry sector, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see* the *Lumber VARI Final*.<sup>398</sup> During the POR, Resolute received assistance under the program for spruce budworm and blowdown.<sup>399</sup>

This 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, we continue to treat the program as a non-recurring subsidy, as provided under 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the “0.5 percent test,” we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute’s total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* for the POR.<sup>400</sup>

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<sup>394</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-PF-A (page 10).

<sup>395</sup> See Resolute Preliminary Calculation Memorandum.

<sup>396</sup> See *Lumber VARI Final* IDM at 21 and Comment 78.

<sup>397</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-AD-A and Exhibits QC-AD-1 through AD-12; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-NADIP-1, Exhibit RES-NS-NADB-APP, Exhibits RES-NS-NADB-1 through NADB-7, Exhibit RES-NS-TSOBA-APP, and Exhibits RES-NS-TSOBA-1 through TSOBA-5.

<sup>398</sup> See *Lumber VARI Final* IDM at 21 and Comment 78.

<sup>399</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-NADB-APP (page 7); and Exhibit RES-NS-TSOBA-APP (page 4).

<sup>400</sup> See Resolute Preliminary Calculation Memorandum.

## 9. MCRP

Commerce found the MCRP countervailable in the *Lumber VARI Final*.<sup>401</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>402</sup> We therefore continue to find that the MCRP constitutes a financial contribution, is *de jure* specific because recipients are limited on an industry basis to those in the forestry sector, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>403</sup> Resolute reported that it completed road and infrastructure works under the MCRP and received payments under the program during the POR.<sup>404</sup>

The MCRP 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. 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. We thus continue to treat the program as a non-recurring subsidy pursuant to 19 CFR 351.524(c). Accordingly, we conducted 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the "0.5 percent test," we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount expensed to the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.45 percent *ad valorem* for the POR.<sup>405</sup>

## 10. Hydro-Québec's Special L Rate for Industrial Customers Affected by Spruce Budworm

Commerce found this special L rate electricity program countervailable in the *Lumber VARI Final*.<sup>406</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>407</sup> We therefore continue to find that this program constitutes a financial contribution, is *de jure* specific because it is limited to Resolute, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional

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<sup>401</sup> See *Lumber VARI Final* IDM at 23 and Comment 77.

<sup>402</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-MCRP-A and Exhibits QC-MCRP-1 through QC-MCRP-27; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-MCRP-APP and Exhibits RES-NS-MCRP-1 through MCRP-5.

<sup>403</sup> See *Lumber VARI Final* IDM at 23 and Comment 77.

<sup>404</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-MCRP-APP (page 4); see also Resolute Non-Stumpage SQR Response on Sales and Grant Programs at 7-8.

<sup>405</sup> See Resolute Preliminary Calculation Memorandum.

<sup>406</sup> See *Lumber VARI Final* IDM at 21 and Comments 87 and 88.

<sup>407</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-SB-A and Exhibits QC-SB-1 through SB-6; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-LRateB-APP and Exhibits RES-NS-LRateB-1 through LRateB-7.

information, *see the Lumber VARI Final*.<sup>408</sup> Resolute reported that it received electricity credits on its invoices from Hydro-Québec in 2019.<sup>409</sup>

Additionally, in the *Lumber V Final* and *Lumber VARI Final*, 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.<sup>410</sup> The GOQ reported that there were no changes to Hydro-Québec's ownership structure during the 2019 POR.<sup>411</sup> Because no new information was presented in this administrative review regarding Hydro-Québec's ownership, we continue to find that Hydro-Québec is an authority within the meaning of section 771(5)(B) of the Act.

The 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. Because electricity credits are a recurring subsidy under 19 CFR 351.524(c), we expensed the electricity credits to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the electricity credits received during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.43 percent *ad valorem* for the POR.<sup>412</sup>

11. Hydro-Québec's Electricity Discount Program Applicable to Consumers Billed at Rate L

Commerce found this electricity discount program countervailable in the *Lumber VARI Final*.<sup>413</sup> We find that interested parties have not submitted any new information or argument in this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>414</sup> We therefore continue to find that the electricity discount program constitutes a financial contribution, is *de jure* specific because the program is available only to large power industrial consumers subject to Hydro-Québec's published Rate L electricity tariff, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>415</sup> Resolute reported that, during the POR, it received investment incentives in the form of rebates on its electricity invoices from Hydro-Québec.<sup>416</sup>

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<sup>408</sup> See *Lumber VARI Final* IDM at 21 and Comments 87 and 88.

<sup>409</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-LRateB-APP (page 4) and Exhibit RES-NS-LRateB-7.

<sup>410</sup> See *Lumber V Prelim PDM* at 85, unchanged in *Lumber V Final*; *see also Lumber VARI Prelim PDM* at 61-62, unchanged in *Lumber VARI Final*.

<sup>411</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at 5 and Exhibit QC-BIO-4 (Hydro-Québec's 2019 Annual Report).

<sup>412</sup> See Resolute Preliminary Calculation Memorandum.

<sup>413</sup> See *Lumber VARI Final* IDM at 22 and Comment 85.

<sup>414</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-EDL-A and Exhibits QC-EDL-1 through EDL-12; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-LRR-APP and Exhibits RES-NS-LRR-1 through LRR-21.

<sup>415</sup> See *Lumber VARI Final* IDM at 22 and Comment 85.

<sup>416</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-LRR-APP (page 1 and 6).

In the *Lumber VARI Final*, we considered the benefits under this program to be non-recurring, as provided in 19 CFR 351.524(c)(2)(iii), because it incentivizes companies to undertake capital investment projects.<sup>417</sup> However, after reviewing the program information in this review, we find that it is more appropriate to consider the benefits as recurring. Section 351.524(c)(1) of Commerce's regulations states that Commerce will normally treat discounts on electricity as a type of subsidy that provides recurring benefits. The benefits provided under this program are credits applied to a company's monthly electricity invoices from Hydro-Québec. Therefore, to calculate the net countervailable subsidy rate, we divided the electricity credits received during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.88 percent *ad valorem* for the POR.<sup>418</sup>

## 12. Hydro-Québec's ISEE

Commerce found the ISEE program countervailable in the *Lumber VARI Final*.<sup>419</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>420</sup> We therefore continue to find that this 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 Lumber VARI Final*.<sup>421</sup> During the POR, Resolute received grants under the ISEE for energy efficient projects.<sup>422</sup>

We continue to find that the ISEE is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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.*, 1,010, were approved for assistance under the ISEE from 2016 through 2019.<sup>423</sup> Because the actual recipients are limited in number on an enterprise basis,<sup>424</sup> 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 prior finding.<sup>425</sup>

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), we continue to treat the ISEE as a non-recurring subsidy because separate, project-specific government approval was required to receive assistance for projects under the program. Accordingly, we applied the "0.5 percent test," as discussed in the "Subsidies Valuation" section

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<sup>417</sup> See *Lumber VARI Final* IDM at 22 and Comment 85; *see also Lumber VARI Prelim PDM* at 65-66.

<sup>418</sup> See Resolute Preliminary Calculation Memorandum.

<sup>419</sup> See *Lumber VARI* IDM at 22 and Comment 86.

<sup>420</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-ISEE-A and Exhibits QC-ISEE-1 through ISEE-15; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ESP-APP and Exhibits RES-NS-ESP-1 through ESP-6.

<sup>421</sup> See *Lumber VARI* IDM at 22 and Comment 86.

<sup>422</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-ISEE-A (page 3); *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ESP-APP (page 1) and Exhibit RES-NS-ESP-6.

<sup>423</sup> See GOQ IQR Response at Exhibit QC-ISSE-A (page 18).

<sup>424</sup> For information on the total number of companies operating or established in Québec, the jurisdiction of the granting authority of the ISEE, from 2016 to 2019 (which are proprietary data), *see* GOQ IQR Response at Exhibit QC-ISSE-A (page 19).

<sup>425</sup> See *Lumber VARI* IDM at 22 and Comment 86.



of this memorandum and described under 19 CFR 351.524(b)(2) to determine whether to allocate the benefits to the year of receipt or across the years of the AUL. We find that the grants were less than 0.5 percent and therefore expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grant amount received by Resolute in the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.03 percent *ad valorem* for the POR.<sup>426</sup>

### 13. Hydro-Québec's IEO

Commerce found the IEO countervailable in the *Lumber VARI Final*.<sup>427</sup> We find that interested parties have not submitted any new information or argument in this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>428</sup> We therefore continue to find that the IEO constitutes a financial contribution, is *de jure* specific because the IEO is limited to industrial users with the technical capacity to curtail power on notice of interruption, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>429</sup> Resolute reported that it received payments under the IEO during the POR.<sup>430</sup>

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 a recurring subsidy under 19 CFR 351.524(c), we expensed the credits to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the credits that Resolute received during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.11 percent *ad valorem* for the POR.<sup>431</sup>

### 14. Hydro-Québec's IRR

Effective April 1, 2018, Hydro-Québec made a discounted, supplemental electricity rate available to Rate L customers who return to productive use all or part of an industrial plant's unused capacity, or who convert one or more industrial processes to use electricity.<sup>432</sup> Hydro-Québec discloses the terms of the IRR and the electricity savings provided in its "Electricity Rates" annual publication.<sup>433</sup> To be eligible for the IRR, an applicant must have a Rate L contract or become eligible for Rate L with the implementation of the project.<sup>434</sup> During the

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<sup>426</sup> See Resolute Preliminary Calculation Memorandum.

<sup>427</sup> See *Lumber VARI Final* IDM at 22 and Comment 84.

<sup>428</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-IEO-A and Exhibits QC-IEO-01 through IEO-37; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IEO-APP and Exhibits RES-NS-IEO-1 through IEO-8.

<sup>429</sup> See *Lumber VARI Final* IDM at 22 and Comment 84.

<sup>430</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IEO-APP (page 5 and 8).

<sup>431</sup> See Resolute Preliminary Calculation Memorandum.

<sup>432</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-IRR-A (page 1) and Exhibit QC-IRR-2.

<sup>433</sup> *Id.* at Exhibit QC-IRR-A (page 1) and Exhibit QC-IRR-1.

<sup>434</sup> *Id.* at Exhibit QC-IRR-A (page 1) and Exhibit QC-IRR-2.

POR, Resolute purchased supplemental electricity under the IRR program.<sup>435</sup> The electricity savings provided by Hydro-Québec to Resolute under the IRR are reflected in the company's monthly electricity invoices.<sup>436</sup> Both the GOQ and Resolute reported the monthly discount amounts earned by Resolute during 2019.<sup>437</sup>

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 Hydro-Québec's "Electricity Rates" publication, the IRR is available only to large power industrial consumers subject to the Rate L electricity tariff.<sup>438</sup>

We preliminary find that the IRR is an electricity rate discount program, providing electricity savings that are a recurring subsidy under 19 CFR 351.524(c).<sup>439</sup> We thus divided the electricity savings amount received by Resolute during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.02 percent *ad valorem* for the POR.<sup>440</sup>

#### 15. Hydro-Québec's Reimbursement for Road Clearing

For forestry roads used by Hydro-Québec and private companies, Hydro-Québec shares the costs of snow removal, clearing, and sandblasting with those companies.<sup>441</sup> During the POR, Hydro-Québec reimbursed Resolute for costs of such maintenance performed on certain roads within Resolute's TSG and auction blocks in Québec.<sup>442</sup> Specifically, Resolute conducted road clearing activities for three separate forestry roads (Route 125, Route 1, and Route 10) and Hydro-Québec reimbursed a portion of the costs.<sup>443</sup> Both the GOQ and Resolute stated that Hydro-Québec and Resolute agree to share costs for clearing forestry roads where they have a common interest.<sup>444</sup>

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<sup>435</sup> *Id.* at Exhibit QC-IRR-A (page 3-4); *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IRR-APP.

<sup>436</sup> *See* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IRR-2; *see also* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-IRR-1 and Exhibit QC-IRR-4.

<sup>437</sup> *See* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-IRR-A (page 4 and 10) and Exhibit QC-IRR-4; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-IRR-2.

<sup>438</sup> *See* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-IRR-1 and Exhibit QC-IRR-2.

<sup>439</sup> This finding is consistent with Commerce's finding in *Lumber VARI*. *See* Lumber VARI Post-Prelim Memorandum – Resolute. In that prior review, because the benefit provided to Resolute under the IRR was not measurable, Commerce did not make a countervailable determination for the program.

<sup>440</sup> *See* Resolute Preliminary Calculation Memorandum.

<sup>441</sup> *See* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at 7.

<sup>442</sup> *Id.* at 7 and Exhibits QC-RC-1 and RC-2; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-HQR-APP (page 1) and Exhibits RES-NS-HQR-1 through HQR-3.

<sup>443</sup> *See* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at 7 and Exhibit QC-RC-2; *see also* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-HQR-1 and HQR-2.

<sup>444</sup> *See* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at 7; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-HQR-APP (page 1).

We find that the road clearing for which Resolute received reimbursements from Hydro-Québec are activities that Resolute would have undertaken even in the absence of its agreement with Hydro-Québec. Because the agreement with Hydro-Québec provides reimbursements to Resolute for costs it would have incurred in the course of its operations, we preliminarily find that Hydro-Québec's payments to Resolute for road clearing provide a financial contribution in the form of a direct transfer of funds under section 771(5)(D)(i) of the Act and bestow a benefit in the amount of the reimbursements. Further, we preliminarily find that the program is *de jure* specific under section 771(5A)(D)(i) of the Act because the agreement for reimbursement of costs to clear the three forestry roads was expressly limited to Resolute.

We also preliminarily determine that this program confers a benefit equal to the amount of the payments 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 grants as non-recurring subsidies under 19 CFR 351.524(c). 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 the benefits to the year of receipt or across the years of the AUL. Because the grants did not pass the "0.5 percent test," we expensed them to the year of receipt, *i.e.*, 2019. To calculate the net countervailable subsidy rate, we divided the grants received in the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>445</sup>

#### **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 the federal and/or respective provincial governments also provided program information.

Based on the record evidence, we preliminarily determine that the tax 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 tax 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 discussed below. We further find that the following programs are specific under section 771(5A) of the Act.

For the listed programs, 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 during the POR. 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 tax savings realized during the POR. To calculate the net countervailable subsidy rate for a program used by a respondent, we divided the benefit by the POR sales denominator. 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

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<sup>445</sup> See Resolute Preliminary Calculation Memorandum.

have calculated the net subsidy rate using a total sales denominator or total export sales denominator.

For the tax programs listed below that were found countervailable in *Lumber V Final*, *Lumber V Final Results of Expedited Review*, or the *Lumber VARI Final* and for which no new information has been provided, we refer to the IDMs of those segments 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. ACCA for Class 29 and Class 53 Assets**

Commerce found the Accelerated Capital Cost Allowance for Class 29 and Class 53 Assets program countervailable in the *Lumber VARI Final*.<sup>446</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>447</sup> Therefore, we continue to find the Accelerated Capital Cost Allowance for Class 29 and Class 53 Assets program constitutes a financial contribution, is *de jure* specific because the program is limited to certain enterprises or industries, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see* the *Lumber VARI Final*.<sup>448</sup> Canfor, JDIL, Resolute, and West Fraser reported reductions in their taxable incomes under the Class 29 and/or Class 53 Assets program during the POR.<sup>449</sup>

The program 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, JDIL, Resolute, and West Fraser received by their respective total sales for the POR, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, Canfor received a net countervailable subsidy of 0.11 percent *ad valorem* for the POR; JDIL received a net countervailable subsidy of 0.14 percent *ad valorem* for the POR; Resolute received a net countervailable subsidy of 0.02 percent *ad valorem* for the POR; and West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* in the POR.<sup>450</sup>

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<sup>446</sup> See *Lumber VARI Final* IDM at 24 and Comment 92.

<sup>447</sup> See GOC IQR Response at GOC-II-1 – GOC-II-60.

<sup>448</sup> See *Lumber VARI Final* IDM at 24 and Comment 92.

<sup>449</sup> See Canfor IQR at NS-35; *see also* JDIL Non-Stumpage IQR Response at Exhibits CCA-04 and CCA-06; Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-CLASS29, Exhibit RES-NS-GEN-OCLASS29, and Exhibit RES-NS-GEN-QCLASS29; and WF IQR Vol. II at WF-AR2-II-68 – 75.

<sup>450</sup> See Canfor Preliminary Calculations Memorandum, JDIL Preliminary Calculations Memorandum, Resolute Preliminary Calculations Memorandum, and West Fraser Preliminary Calculations Memorandum.

## 2. CCA for Class 1 Assets

Commerce found the CCA for Class 1 Assets program countervailable in the *Lumber VARI Final*.<sup>451</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>452</sup> Therefore, we continue to find the CCA for Class 1 Assets program constitutes a financial contribution and confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act, respectively.<sup>453</sup>

We continue to 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 examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOC reported that 32,180 companies claimed this additional deduction in the POR, out of approximately 2.1 million tax filers.<sup>454</sup> 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 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. For additional information, *see the Lumber VARI Final*.<sup>455</sup> Canfor, JDIL, Resolute, and West Fraser all claimed assets under the six percent and /or 10 percent depreciation schedules during the POR.<sup>456</sup>

This program conferred 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). In accordance with 19 CFR 351.509(c), 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 their respective total sales for the POR, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, Canfor received a net countervailable subsidy of 0.01 percent *ad valorem* for the POR; JDIL received a net countervailable subsidy of 0.06 percent *ad valorem* for the POR; and Resolute received a net countervailable subsidy of 0.03 percent *ad valorem* for the POR.<sup>457</sup> We preliminarily determine that the tax savings West Fraser received during the POR are not measurable.<sup>458</sup>

## 3. CCA for Class 43.2 Assets

The Class 43.2 CCA provides a depreciation for specified clean energy generation and energy conservation property. Class 43.2 assets, listed in Schedule II of the ITR, include certain capital costs of systems that produce energy by using renewable energy sources or waste, or conserve

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<sup>451</sup> See *Lumber VARI Final* IDM at 25 and Comment 93.

<sup>452</sup> See GOC IQR Response at GOC-II-81-82.

<sup>453</sup> See GOC IQR Response at Exhibits GOC-AR2-CRA-CLASS1-4 and GOC-AR2-CRA-CLASS1-7.

<sup>454</sup> See GOC IQR Response at Exhibits GOC-AR2-CRA-CLASS1-4 and GOC-AR2-CRA-CLASS1-7.

<sup>455</sup> See *Lumber VARI Final* IDM at 25 and Comment 93.

<sup>456</sup> See Canfor IQR at Exhibits C-4 and C-5; *see also* JDIL Non-Stumpage IQR Response at Exhibits CCA1-04; Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-CLASS1, Exhibit RES-NS-GEN-OCCLASS1, and Exhibit RES-NS-GEN-QCLASS1; and WF IQR Vol. II at 75 – 80.

<sup>457</sup> See Canfor Preliminary Calculations Memorandum, JDIL Preliminary Calculations Memorandum, Resolute Preliminary Calculations Memorandum.

<sup>458</sup> See West Fraser Preliminary Calculations Memorandum.

energy by using fuel more efficiently, which were acquired after February 22, 2005, and before 2025.<sup>459</sup> Equipment classified under Class 43.2 are depreciated at the CCA rate of 50 percent per year on a declining balance basis, rather than a 30 percent rate on a declining basis under Class 43.1.<sup>460</sup> The amount of CCA allowed, under Class 43.2, is reduced to half the amount normally available in the first year the property is available for use, unless the property is acquired after November 20, 2018, and is available for use before 2028. Further, the first year ACCA rate is 75 percent in years 2024 and 2025, and 55 percent in years 2026 and 2027.<sup>461</sup> Canfor, JDIL, and Resolute all claimed assets under the 50 percent depreciation schedules during the POR.<sup>462</sup>

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. This program conferred 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)(l).

Based on the 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 examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOC reported that 3,200 companies claimed this additional deduction in the POR, out of approximately 2.1 million tax filers.<sup>463</sup> 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 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 351.509(c), we are treating this subsidy as a recurring subsidy. The benefit conferred is the tax savings of the difference between the deduction calculated using the Class 43.2 accelerated rate of depreciation and the deduction calculated using the Class 43.1 standard rate of depreciation. For Canfor, JDIL, and Resolute, we divided the companies' tax savings under the program by their respective total sales for the POR, as described in the "Attribution of Subsidies" section of this memorandum. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy of 0.20 percent *ad valorem* for the POR.<sup>464</sup> We preliminarily determine that the benefits received by Canfor and JDIL during the POR are not measurable.<sup>465</sup>

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<sup>459</sup> See GOC SQR Response on Class 43.2 Assets at 1.

<sup>460</sup> *Id.*

<sup>461</sup> *Id.* at 2.

<sup>462</sup> See Canfor IQR at Exhibit C-3; see also JDIL Non-Stumpage IQR Response at 38; and Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-CLASS43.2, Exhibit RES-NS-GEN-OCLASS43.2, and Exhibit RES-NS-GEN-QCLASS43.2.

<sup>463</sup> See GOC SQR Response on Class 43.2 Assets at Exhibit GOC-AR2-SUPP1-CRACCLASS43.2-4, GOC-AR2-SUPP1-CRACCLASS43.2-5, and GOC-AR2-SUPP1-CRA-CLASS43.2-8.

<sup>464</sup> See Resolute Calculations Memorandum.

<sup>465</sup> See Canfor Preliminary Calculations Memorandum and JDIL Preliminary Calculations Memorandum.



#### 4. Federal Logging Tax Credit

Commerce found the FLTC countervailable in the *Lumber VARI Final*.<sup>466</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in *Lumber VARI Final* concerning this program.<sup>467</sup> Therefore, we continue to find the FLTC constitutes a financial contribution, is specific because the FLTC tax rebate is expressly limited by law to corporations that are part of the forest industry, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>468</sup> Canfor and West Fraser reported receiving a tax credit under the FLTC during the POR.<sup>469</sup>

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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings Canfor and West Fraser received by their respective total sales during the POR, 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 0.57 percent *ad valorem*, and West Fraser received a net countervailable subsidy of 0.57 percent *ad valorem* for the POR.<sup>470</sup>

#### 5. SR&ED – GOC

Commerce found the SR&ED tax credit countervailable in the *Lumber VARI Final*.<sup>471</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>472</sup> 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 *Lumber VARI Final*.<sup>473</sup> Canfor, Resolute, and West Fraser reported receiving a tax credit under this program during the POR.<sup>474</sup>

Based on record evidence, we find the SR&ED 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 whether the SR&ED tax credit is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOC reported that 20,030 firms claimed this tax credit during the POR, out of approximately 2,164,000 corporate tax filers.<sup>475</sup> 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.

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<sup>466</sup> See *Lumber VARI Final* IDM at 25 and Comment 90.

<sup>467</sup> See GOC IQR Response at GOC-II-56 – 174.

<sup>468</sup> See *Lumber VARI Final* IDM at 25 and Comment 90.

<sup>469</sup> See Canfor IQR at NS-36 and Exhibit C-7; see also WF IQR Vol. II at 91.

<sup>470</sup> See Canfor Preliminary Calculations Memorandum and West Fraser Preliminary Calculations Memorandum.

<sup>471</sup> See *Lumber VARI Final* IDM at Comment 89.

<sup>472</sup> See GOC IQR Response Vol. II at GOC-II-131 – 155.

<sup>473</sup> See *Lumber VARI Final* IDM at Comment 89.

<sup>474</sup> See Canfor IQR at NS-36 and Exhibit C-6; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-SR&ED; and WF IQR Vol. II at WF-AR2-II-86 – 90.

<sup>475</sup> See GOC IQR Response at GOC-II-147 and Exhibit GOC-AR2-CRA-SRED-7.

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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings Canfor, Resolute, and West Fraser received, by their respective total sales for the POR, 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* for the POR; Resolute received a net countervailable subsidy of 0.06 percent *ad valorem* for the POR; and West Fraser received a net countervailable subsidy of 0.06 percent *ad valorem* in the POR.<sup>476</sup>

## 6. Atlantic Investment Tax Credit

Commerce found the Atlantic Investment Tax Credit countervailable in the *Lumber VARI Final*.<sup>477</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program. Therefore, we continue to find the Atlantic Investment Tax Credit constitutes a financial contribution, is *de jure* specific as it is limited by geographic region to companies with projects in the Atlantic Region of Canada, and confers a benefit under sections 771(5)(D)(ii), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>478</sup> JDIL reported receiving a tax credit under the Atlantic Investment Tax Credit during the POR.

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 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 0.16 percent *ad valorem* during the POR.<sup>479</sup>

## **Alberta Tax Programs**

### 1. Carbon Levy Rebate

The GOA imposes two tax regimes related to GHG emissions. The first regime, the SGER, has been in effect since 2007, and requires that companies that emit more than 100,000 tons of GHG per year, or LFEs, to either pay a per-ton fee for GHG emissions, purchase and use emissions offsets or performance credits, and/or reduce emissions below a specified level.<sup>480</sup> The second regime, the provincial carbon levy, came into effect in 2017, and applied to all fossil fuel purchases.<sup>481</sup> However, to avoid double taxing companies, the GOA exempted facilities subject to the SGER from the carbon levy.<sup>482</sup> The GOA subsequently amended the SGER to allow

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<sup>476</sup> See Canfor Preliminary Calculations Memorandum, Resolute Preliminary Calculations Memorandum, and West Fraser Preliminary Calculations Memorandum.

<sup>477</sup> See *Lumber VARI Final* IDM at 25.

<sup>478</sup> *Id.*

<sup>479</sup> See JDIL Preliminary Calculation Memorandum.

<sup>480</sup> See GOA Non-Stumpage SQR2 at 47.

<sup>481</sup> *Id.*

<sup>482</sup> *Id.*



certain facilities that were not subject to the SGER to opt in to the SGER and thus claim an exemption for the carbon levy. To be eligible to opt in, a facility must emit less than 100,000 tons of GHG per year and compete directly with an LFE that is subject to the SGER (*i.e.*, sell the same product).<sup>483</sup> During the SGER opt-in approval process, facilities continued purchasing fuel with the carbon levy included. Once approved to opt in to the SGER, facilities applied for a rebate of the total carbon levy paid.<sup>484</sup> During the POR, West Fraser received a rebate under the program of the carbon levy it paid in 2017.<sup>485</sup>

We find that the rebate payment provided under this program constitutes a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act. Based on record evidence, we find the carbon levy rebate program is limited, by law, to certain enterprises or industries because eligibility is restricted to facilities that emit less than 100,000 tons of GHG per year, and that compete directly with an enterprise subject to the SGER.<sup>486</sup> Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

The payments 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 dates the payments were received by West Fraser, which occurred during the POR. We divided the sum of the tax savings West Fraser received by its total sales for the POR, as described in the “Attribution of Subsidies” section of this memorandum and in accordance with 19 CFR 351.509(c). On this basis, we preliminarily determine that West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* for the POR.<sup>487</sup>

## 2. SR&ED – GOA

Commerce found the Alberta SR&ED tax credit countervailable in the *Lumber VARI Final*.<sup>488</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>489</sup> Therefore, we continue to find the Alberta 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 Lumber VARI Final*.<sup>490</sup> Canfor and West Fraser reported receiving a tax credit under the program during the POR.<sup>491</sup>

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 credit as well as the total number of corporate/business income tax filers for GOA FY 2019/20.<sup>492</sup> Based on this information, we find

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<sup>483</sup> *Id.*

<sup>484</sup> *Id.* at 48.

<sup>485</sup> *See* WF IQR Vol. II at 25.

<sup>486</sup> *See* GOA Non-Stumpage SQR2 at 47; *see also* WF IQR Vol. II at 53.

<sup>487</sup> *See* West Fraser Preliminary Calculations Memorandum.

<sup>488</sup> *See Lumber VARI Final* IDM at 26 and Comment 89.

<sup>489</sup> *See* GOA IQR Response at ABI-59 through ABI-77 and Exhibits AB-AR2-SRED-1 through SRED-10.

<sup>490</sup> *See Lumber VARI Final* IDM at 26 and Comment 89.

<sup>491</sup> *See* Canfor IQR at Exhibit C-13, *see also* WF IQR Vol. II at WF-AR2-II-102.

<sup>492</sup> *See* GOA IQR Response at ABI-73 and Exhibit SRED-6, which contains proprietary usage information.

the actual recipients, relative to total companies operating in Alberta, 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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings received by Canfor and West Fraser by their respective total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>493</sup> We preliminarily determine the tax savings Canfor received during the POR are not measurable.<sup>494</sup>

### 3. Alberta TEFU

Commerce found TEFU countervailable in the *Lumber VARI Final*.<sup>495</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Lumber VARI Final* concerning this program.<sup>496</sup> Therefore, we continue to find the TEFU program constitutes a financial contribution, is specific because it is expressly limited to enterprises or industries engaged in certain activities, and confers a benefit under sections 771(5)(D)(ii), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber VARI Final*.<sup>497</sup> Canfor and West Fraser reported receiving a tax exemption under the TEFU program during the POR.<sup>498</sup>

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 POR 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 0.01 percent *ad valorem* for the POR.<sup>499</sup> We preliminarily determine the tax savings Canfor received during the POR are not measurable.<sup>500</sup>

### 4. Alberta Property Tax – EOA

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>501</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in *Lumber VARI Final* concerning this program.<sup>502</sup> Therefore, we continue to find the EOA program constitutes a financial contribution, is specific because the tax abatements are limited to the properties reflecting

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<sup>493</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>494</sup> See Canfor Preliminary Calculations Memorandum.

<sup>495</sup> See *Lumber VARI Final* IDM at 26 and Comment 97.

<sup>496</sup> See GOA IQR Response at ABI-39 through ABI-58 and Exhibits AB-AR2-TEFU-1 through TEFU-14.

<sup>497</sup> See *Lumber VARI Final* IDM at 26 and Comment 97.

<sup>498</sup> See WF IQR Vol. II at WF-AR2-II-97.

<sup>499</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>500</sup> See Canfor Preliminary Calculations Memorandum.

<sup>501</sup> See *Lumber VARI Final* IDM at 27; *see also Lumber VARI Prelim PDM* at 75-76.

<sup>502</sup> See GOA IQR Response at ABI-78 through ABI-98 and Exhibits AB-AR2-MPT-1 through MPT-14.

diminished economic value located within a municipality, and confers a benefit under sections 771(5)(D), 771(5A)(D)(iv), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>503</sup> Canfor and West Fraser reported receiving tax reductions under the EOA program during the POR.<sup>504</sup>

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 total sales for the POR, 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* for the POR.<sup>505</sup> We preliminarily determine the tax savings Canfor received during the POR are not measurable.<sup>506</sup>

## 5. Schedule D Depreciation

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>507</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>508</sup> Therefore, we continue to find Schedule D depreciation program constitutes a financial contribution, is specific because it is limited to designated industrial properties, certain machinery and equipment limited to manufacturing, processing and similar industries, and farmland,<sup>509</sup> and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>510</sup> Canfor reported receiving a tax reduction under Schedule D depreciation during the POR.<sup>511</sup>

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 Canfor received by its total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>512</sup>

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<sup>503</sup> See *Lumber VARI Final* IDM at 27; see also *Lumber VARI Prelim PDM* at 75-76.

<sup>504</sup> See Canfor IQR at Exhibit C-14 and WF IQR Vol. II at WF-AR2-II-104.

<sup>505</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>506</sup> See Canfor Preliminary Calculations Memorandum.

<sup>507</sup> See *Lumber VARI Final* IDM at 27 and Comments 98 and 99.

<sup>508</sup> See GOA IQR Response at ABI-99 through ABI-121 and Exhibits AB-AR2-MPT-1 through MPT-14; see also GOA Non-Stumpage SQR2 at 94 – 98.

<sup>509</sup> Here, Schedule D depreciation is limited not only to agricultural property, but also to designated industrial equipment and certain machinery and equipment described above. Therefore, consistent with the prior review, because the program is not solely limited to farmland, we find the agriculture provision under 19 CFR 351.502(e) does not apply to the program at issue. See *Lumber VARI Final* IDM at Comment 99.

<sup>510</sup> See *Lumber VARI Final* IDM at 27 and Comments 98 and 99.

<sup>511</sup> See WF IQR Vol. II at WF-AR2-II-104.

<sup>512</sup> See Canfor Preliminary Calculations Memorandum and West Fraser Preliminary Calculations Memorandum.

## British Columbia Tax Programs

### 1. CleanBC Program for Industry – Industrial Incentive Program

The CleanBC Program for Industry is administered by the British Columbia Ministry of Environment and Climate Change Strategy’s Climate Action Secretariat division of the GBC.<sup>513</sup> Funding for the program is derived from directing a portion of revenue from the provincial carbon tax into incentives to promote reductions in GHG emissions.<sup>514</sup> The program is comprised of two subprograms: The CleanBC Industrial Incentive Program and the CleanBC Industry Fund.<sup>515</sup> The CleanBC Industrial Incentive Program returns a portion of the provincial carbon tax paid by industrial emitters to the companies that meet emissions-reporting requirements under the *Greenhouse Gas Industrial Reporting and Control Act*.<sup>516</sup> Large industrial operations with facilities that emit more than 10,000 tons of carbon dioxide (or its equivalent) per year are eligible under the program.<sup>517</sup> To qualify for a payment, a large industrial facility must have an emissions intensity below the eligibility threshold and meet a performance-based threshold. The eligibility threshold is the maximum emissions intensity each industrial product or activity may reach.<sup>518</sup> The performance-based threshold is an emissions intensity benchmark based on industry standards for the given sector.<sup>519</sup> The program incentivizes cleaner operations by refunding up to 75 percent of the provincial carbon tax paid by such industrial facilities that meet the lower greenhouse gas emissions standards described above.<sup>520</sup> The program excludes certain facilities and activities, including natural gas distribution, sewage treatment, waste treatment and disposal, fossil fuel electric power generation, electric bulk power transmission and control, and electric import operation facilities.<sup>521</sup> West Fraser reported receiving tax savings under the CleanBC Industrial Incentive subprogram during the POR.<sup>522</sup> No other mandatory respondent reported receiving tax savings under that subprogram. Further, none of the mandatory respondents – including West Fraser – received funding under the other subprogram, the CleanBC Industry Fund, during the POR.<sup>523</sup>

We find that the tax savings provided under this program constitute a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act. Based on record evidence, we find the CleanBC Industrial Incentive Program is limited, by law, to certain industries because eligibility is restricted to firms that are not engaged in an excluded industry. Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

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<sup>513</sup> See GBC NSA QR at CIIP-1.

<sup>514</sup> *Id.*

<sup>515</sup> *Id.*

<sup>516</sup> *Id.* at CIIP-5; see also GBC IQR Response at Exhibit BC-AR2-CO-3 (“*Greenhouse Gas Industrial Reporting and Control Act*”).

<sup>517</sup> See GBC NSA QR at CIIP-5.

<sup>518</sup> *Id.* at CIIP-1 – 2.

<sup>519</sup> *Id.* at CIIP-2.

<sup>520</sup> *Id.* at CIIP-2.

<sup>521</sup> *Id.* at CIIP-8.

<sup>522</sup> See West Fraser NSA QR at 2.

<sup>523</sup> *Id.*; see also GBC NSA QR at CF-16.

The payments 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 date the payments were received by West Fraser, which occurred during the POR. 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 POR, 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 0.01 percent *ad valorem* for the POR.<sup>524</sup>

## 2. Class 7 Managed Forest Lands Assessment Rates<sup>525</sup>

The BCAA is responsible for classifying property and assessing property taxes throughout the province of British Columbia. The BCAA classifies land and buildings into a number of classes, in which each class has a different taxation rate and is governed by a different section of the *Assessment Act*.<sup>526</sup> The Class 7 Managed Forest Land classification applies to privately owned forest land for which certain forest management commitments have been made to the Managed Forest Council.<sup>527</sup> Such commitments include reforestation activities, protection and preservation of water sources, soil quality, and wildlife habitats, and environmentally sound harvesting methods.<sup>528</sup> Eligibility criteria include a minimum forest land size of 25 hectares, and landowners must harvest a certain percentage of the land depending on the total size of the unit land area.<sup>529</sup>

Pursuant to the Taxation (Rural Area) Act Regulation, a different tax rate is assigned to each property classification.<sup>530</sup> Land and property under the Class 7 Managed Forest Land classification is assigned a rate of CAD \$0.46 per CAD \$1,000 of actual land value during the POR.<sup>531</sup> The Class 5 Light Industry classification, defined as property used or held for extracting, manufacturing or transporting products, represents the most applicable alternative land classification for forestland if the province did not designate a separate classification solely for forestland. Class 5 properties had a rate of CAD \$3.10 per CAD \$1,000 of actual land value during the POR.<sup>532</sup> Canfor and West Fraser owned land that was classified as Class 7 Managed Forest Land, and reported receiving tax savings under this classification during the POR.<sup>533</sup>

We find that the tax savings provided under this program constitute a financial contribution in the form of revenue forgone under section 771(5)(D)(ii) of the Act. Based on record evidence, we find the program is limited, by law, to certain enterprises of industries because eligibility is restricted to the forestry industry. Therefore, we preliminarily determine the program is *de jure* specific under section 771(5A)(D)(i) of the Act.

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<sup>524</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>525</sup> The program is also known as the Property Tax Program for Private Forest Land.

<sup>526</sup> See GBC IQR Response, Vol. IX at Exhibit BC-AR2-SCH-6.

<sup>527</sup> See GBC Non-Stumpage SQR2, Exhibit BC-AR2-SUPP-2-3 at 2.

<sup>528</sup> *Id.* at 3.

<sup>529</sup> *Id.* at 9.

<sup>530</sup> See GBC Non-Stumpage SQR2, Exhibit BC-AR2-SUPP-2-9.

<sup>531</sup> *Id.*

<sup>532</sup> *Id.*

<sup>533</sup> See Canfor IQR at NS-29 – 30 and WF IQR Vol. II at WF-AR2-II-135 – 136.

The program 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 property tax notices paid during the POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings Canfor and West Fraser received by their respective total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>534</sup> We preliminarily determine that the tax savings received by West Fraser during the POR are not measurable.<sup>535</sup>

### 3. SR&ED – GBC

Commerce found the British Columbia SR&ED tax credit countervailable in the *Lumber VARI Final*.<sup>536</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final* concerning this program.<sup>537</sup> Therefore, we continue to find the British Columbia 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 Lumber VARI Final*.<sup>538</sup> Canfor and West Fraser reported receiving a tax credit under the program during the POR.<sup>539</sup>

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 as well as the total number of companies operating in or established in British Columbia for the POR (*e.g.*, 167,381).<sup>540</sup> 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.<sup>541</sup> 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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings received by Canfor and West Fraser by their respective total sales for the POR, 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 0.03 percent *ad valorem*, and West Fraser received a net countervailable subsidy of 0.02 percent *ad valorem* for the POR.<sup>542</sup>

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<sup>534</sup> See Canfor Preliminary Calculations Memorandum.

<sup>535</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>536</sup> See *Lumber VARI Final* IDM at 28 and Comment 89.

<sup>537</sup> See GBC IQR Response, Vol. VI.

<sup>538</sup> See *Lumber VARI Final* IDM at 28 and Comment 89.

<sup>539</sup> See Canfor IQR at NS-38 and Exhibit C-26; *see also* WF IQR Vol. II at WF-AR2-II-117.

<sup>540</sup> See GBC IQR Response, Vol. VI at BC-VI-9 – 10.

<sup>541</sup> *Id.* at 9.

<sup>542</sup> See Canfor Preliminary Calculations Memorandum and West Fraser Preliminary Calculations Memorandum.



#### 4. Lower Tax Rates for Coloured Fuel/BC Coloured Fuel Certification

Commerce found the Lower Tax Rates for Coloured Fuel program countervailable in the *Lumber VARI Final*.<sup>543</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>544</sup> Therefore, we continue to find the Lower Tax Rates for Coloured Fuel program constitutes a financial contribution, is *de jure* specific because it is "expressly limited to enterprises or industries engaged in certain activities," and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>545</sup> Canfor and West Fraser reported receiving a tax exemption under the Lower Tax Rates for Coloured Fuel program during the POR.<sup>546</sup>

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.<sup>547</sup> 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 of 0.07 percent *ad valorem*, and West Fraser received a net countervailable subsidy of 0.01 percent *ad valorem* for the POR.<sup>548</sup>

#### 5. IPTC<sup>549</sup>

Commerce found the IPTC countervailable in the *Lumber VARI Final*.<sup>550</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>551</sup> Therefore, we continue to find the IPTC 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 *Lumber VARI Final*.<sup>552</sup> Canfor and West Fraser reported receiving tax credits under the program during the POR.<sup>553</sup>

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 used this program as well as the total

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<sup>543</sup> See *Lumber VARI Final* IDM at 27 and Comment 97.

<sup>544</sup> See GBC IQR Response, Vol. V.

<sup>545</sup> See *Lumber VARI Final* IDM at 27 and Comment 97.

<sup>546</sup> See Canfor IQR at Exhibit C-22 and WF IQR Vol. II at WF-AR2-II-112.

<sup>547</sup> See WF IQR Vol. II at WF-AR2-II-109.

<sup>548</sup> See Canfor Preliminary Calculations Memorandum and West Fraser Preliminary Calculations Memorandum.

<sup>549</sup> The IPTC may also be referred to as the British Columbia School Tax Credit, or the Class 4 Major Industry Property School Tax Credit.

<sup>550</sup> See *Lumber VARI Final* IDM at 28 and Comment 100.

<sup>551</sup> See GBC IQR Response, Vol. VIII.

<sup>552</sup> See *Lumber VARI Final* IDM at 28 and Comment 100.

<sup>553</sup> See Canfor IQR at Exhibit C-27 and C-28; see also WF IQR Vol. II at WF-AR2-II-119.

number of companies operating in or established in British Columbia for the POR (*i.e.*, 167,381).<sup>554</sup> 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.

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 POR, 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*.<sup>555</sup> We preliminarily determine that the tax savings received by West Fraser during the POR are not measurable.<sup>556</sup>

## 6. PLTC – GBC

Commerce found the PLTC countervailable in the *Lumber VARI Final*.<sup>557</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce’s prior determination in the *Lumber VARI Final*.<sup>558</sup> Therefore, we continue to find the PLTC constitutes a financial contribution, is *de jure* specific because it is limited to companies in the forestry industry, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see* the *Lumber VARI Final*.<sup>559</sup> Canfor and West Fraser reported receiving a tax credit under the PLTC during the POR.<sup>560</sup>

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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings Canfor and West Fraser received by their respective total sales for the POR, 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 0.29 percent *ad valorem*, and West Fraser received a net countervailable subsidy of 0.29 percent *ad valorem* for the POR.<sup>561</sup>

## 7. Training Tax Credit

Commerce found the Training Tax Credit countervailable in the *Lumber VARI Final*.<sup>562</sup> We find that interested parties have not submitted any new information or argument that warrants

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<sup>554</sup> See GBC IQR Response, Vol. IX at BC-IX-11.

<sup>555</sup> See Canfor Preliminary Calculations Memorandum.

<sup>556</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>557</sup> See *Lumber VARI Final* IDM at 28 and Comment 90.

<sup>558</sup> See GBC IQR Response, Vol. VIII and Exhibits BC-AR2-LT-1 through BC-AR2-LT-12.

<sup>559</sup> See *Lumber VARI Final* IDM at 28 and Comment 90.

<sup>560</sup> See Canfor IQR at Exhibit C-7 and WF IQR Vol. II at WF-AR2-II-125.

<sup>561</sup> See Canfor Preliminary Calculation Memorandum and West Fraser Preliminary Calculation Memorandum.

<sup>562</sup> See *Lumber VARI Final* IDM at 29 and Comment 101.



reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>563</sup> Therefore, we continue to find the Training Tax Credit constitutes a financial contribution, is *de jure* specific because it is limited to those practicing certain trades, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>564</sup> Canfor and West Fraser reported receiving a tax credit under the program during the POR.<sup>565</sup>

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 POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c), we divided the tax savings Canfor and West Fraser received by their respective total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>566</sup> We preliminarily determine that the tax savings West Fraser received during the POR are not measurable.<sup>567</sup>

### **New Brunswick Tax and Other Revenue Forgone Programs**

#### **1. GNB Gasoline & Fuel Tax Exemptions and Refund Program**

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>568</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.<sup>569</sup> Therefore, we continue to find this program constitutes a financial contribution, is *de jure* specific because the GNB limited tax savings under the program to certain categories of consumers (*e.g.*, aquaculturists, farmers, silviculturists, producers of electricity for sale, persons consuming fuel in the preparation of food, lighting and heating of premises or heating of domestic hot water, wood producers, forest workers, manufacturers, mining or quarrying operators, and registered vessels operators), and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>570</sup> JDIL reported receiving a tax credit under this program during the POR.<sup>571</sup>

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)(1), we divided the sum of the tax savings JDIL received by JDIL's total sales for the 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 0.03 percent *ad valorem* for the POR.<sup>572</sup>

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<sup>563</sup> See GBC IQR Response, Vol. X, and Exhibits BC-AR2-TRN-1 through BC-AR2-TRN-12.

<sup>564</sup> See *Lumber VARI Final* IDM at 29 and Comment 101.

<sup>565</sup> See Canfor IQR at Exhibit C-30; see also WF IQR Vol. II at WF-AR2-II-129 through WF-AR2-II-134.

<sup>566</sup> See Canfor Preliminary Calculations Memorandum.

<sup>567</sup> See West Fraser Preliminary Calculations Memorandum.

<sup>568</sup> See *Lumber VARI Final* IDM at 30 and Comment 107.

<sup>569</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-GFT-1-10.

<sup>570</sup> See *Lumber VARI Final* IDM at 30 and Comment 107.

<sup>571</sup> See JDIL Non-Stumpage IQR Response at Exhibit GFT NB-04.

<sup>572</sup> See JDIL Preliminary Calculation Memorandum.

## 2. New Brunswick Research & Development Tax Credit

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>573</sup> We find that interested parties have not submitted any new information or arguments that warrant reconsideration of Commerce's prior determination concerning this program.<sup>574</sup> 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 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 POR.<sup>575</sup> As such, we find the actual recipients of benefits under this program to be limited in number. 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 during the POR.<sup>576</sup>

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)(1), we divided the sum of the tax savings JDIL received, by JDIL's total sales for the 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 0.01 percent *ad valorem* for the POR.<sup>577</sup>

## 3. New Brunswick Property Tax Incentives for Private Forest Producer

Commerce found this program countervailable in the *Lumber VARI Final*.<sup>578</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination concerning this program.<sup>579</sup> Therefore, we continue to find this program constitutes a financial contribution, is *de jure* specific because, under the Assessment Act, eligibility for this tax program is expressly limited to owners of freehold timberland, and confers a benefit under sections 771(5)(D), 771(5A), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>580</sup> JDIL reported receiving a tax credit under this program during the POR.<sup>581</sup>

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

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<sup>573</sup> See *Lumber VARI Final* IDM at 29.

<sup>574</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-RDTC-1-4.

<sup>575</sup> 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 Non-Stumpage IQR Response at Exhibits NB-AR2-RDTC-1-4.

<sup>576</sup> See JDIL Non-Stumpage IQR Response at Exhibit NBPT-08 and Exhibit NBPT-09.

<sup>577</sup> See JDIL Preliminary Calculation Memorandum.

<sup>578</sup> See *Lumber VARI Final* IDM at 30 and Comments 103 and 104.

<sup>579</sup> See GNB Non-Stumpage IQR Response at Exhibit NB-AR2-SNB-2.

<sup>580</sup> See *Lumber VARI Final* IDM at 30 and Comments 103 and 104.

<sup>581</sup> See JDIL Non-Stumpage IQR Response at Exhibit NBPT-08 and Exhibit NBPT-09.

savings JDIL received, by JDIL's total sales for the 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 0.14 percent *ad valorem* for the POR.<sup>582</sup>

## Québec Tax Programs

### 1. SR&ED – GOQ

Commerce found Québec's SR&ED countervailable in the *Lumber VARI Final*.<sup>583</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>584</sup> Therefore, we continue to find that the SR&ED 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 *Lumber VARI Final*.<sup>585</sup> Resolute received a refundable tax credit in 2019 for credit amounts claimed in its 2017 income tax return.<sup>586</sup>

We continue to find that Québec's SR&ED program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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.<sup>587</sup> We thus preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with the specificity finding in the *Lumber VARI Final*.<sup>588</sup>

The refunds under this program 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 that Resolute received by its total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>589</sup>

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<sup>582</sup> See JDIL Preliminary Calculation Memorandum.

<sup>583</sup> See *Lumber VARI Final* IDM at 32 and Comment 89.

<sup>584</sup> See GOQ IQR Response, Volume 5 (Non-Stumpage – Revenu Québec Programs) at Exhibit QC-C02-A and Exhibits QC-C02-1 through C02-22; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QSR&ED.

<sup>585</sup> See *Lumber VARI Final* IDM at 32 and Comment 89.

<sup>586</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QSR&ED (page 5).

<sup>587</sup> See Québec Specificity Memorandum. Program usage and number of corporate tax filers are proprietary data.

<sup>588</sup> See *Lumber VARI Final* IDM at 32 and Comment 89.

<sup>589</sup> See Canfor Preliminary Calculations Memorandum; see also Resolute Preliminary Calculation Memorandum.

2. 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 *Lumber V AR1 Final*.<sup>590</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber V AR1 Final* concerning this program.<sup>591</sup> Therefore, we continue to find that this program constitutes a financial contribution, is *de jure* specific because it is limited to companies that hold a qualification certificate issued by MFFP, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber V AR1 Final*.<sup>592</sup> Resolute received a refundable tax credit under the program in 2019 for its income tax returns from 2007 to 2012.<sup>593</sup>

The refunds under this program 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 that Resolute received by its total sales for the POR, 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 0.38 percent *ad valorem* for the POR.<sup>594</sup>

3. Tax Credit for Investments Relating to Manufacturing and Processing Equipment

Commerce found this non-refundable tax credit program countervailable in the *Lumber V Final Results of Expedited Review*.<sup>595</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber V Final Results of Expedited Review* concerning this program.<sup>596</sup> Therefore, we continue to find that this program constitutes a financial contribution, is *de jure* specific because the recipients are limited to companies which purchase qualified manufacturing and processing equipment, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber V Final Results of Expedited Review*.<sup>597</sup> Resolute reported that Resolute Growth used the tax credit in its 2018 income tax return filed during the POR.<sup>598</sup>

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<sup>590</sup> See *Lumber V AR1 Final* IDM at 31 and Comment 109.

<sup>591</sup> See GOQ IQR Response, Volume 5 (Non-Stumpage – Revenu Québec Programs) at Exhibit QC-C77-A and Exhibits QC-C77-1 through CC77-18; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QROADS and Exhibit RES-NS-GEN-QROADS-1.

<sup>592</sup> See *Lumber V AR1 Final* IDM at 31 and Comment 109.

<sup>593</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QROADS (page 4).

<sup>594</sup> See Resolute Preliminary Calculation Memorandum.

<sup>595</sup> See *Lumber V Final Results of Expedited Review* IDM at 9-10 and Comment 13.

<sup>596</sup> See GOQ IQR Response, Volume 5 (Non-Stumpage – Revenu Québec Programs) at Exhibit QC-C85-A and Exhibits QC-C85-1 through C-85-36; see also Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QTCIMP.

<sup>597</sup> See *Lumber V Final Results of Expedited Review* IDM at 9-10 and Comment 13.

<sup>598</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QTCIMP (page 4).

Consistent with the *Lumber V Final Results of Expedited Review*, we continue to find the benefits under this tax program to be non-recurring, as provided in 19 CFR 351.524(b) and 351.524(c)(2)(iii), because the benefits are tied to the company's capital assets. We therefore performed the "0.5 percent test" on the forgone taxes. Because the amount of taxes forgone did not pass the test, in accordance with 19 CFR 351.524(b)(2), we expensed the benefit in the year of receipt. 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). To calculate the benefit, we divided the tax savings received by Resolute during the POR by Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.04 percent *ad valorem* for the POR.<sup>599</sup>

#### 4. Research Consortium Tax Credit

Commerce found Québec's Research Consortium Tax Credit countervailable in the *Lumber V AR1 Final*.<sup>600</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber V AR1 Final* concerning this program.<sup>601</sup> 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 Lumber V AR1 Final*.<sup>602</sup> Canfor and West Fraser received refundable tax credits under the program in 2019 for eligible expenditures claimed in their respective 2018 income tax returns.<sup>603</sup> Resolute received a refundable tax credit under the program in 2019 for credit amounts claimed in its 2017 income tax return.<sup>604</sup>

We continue to find that the Research Consortium Tax Credit program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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.<sup>605</sup> We thus preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act. This finding is consistent with the specificity finding in the *Lumber V AR1 Final*.<sup>606</sup>

The refunds under this program 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 that Canfor, Resolute, and West Fraser received by their total sales for the POR, 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 0.01 percent *ad valorem*, Resolute received a net countervailable subsidy rate of 0.01 percent

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<sup>599</sup> See Resolute Preliminary Calculation Memorandum.

<sup>600</sup> See *Lumber V AR1 Final* IDM at 32 and Comment 112.

<sup>601</sup> See GOQ IQR Response, Volume 5 (Non-Stumpage – Revenu Québec Programs) at Exhibit QC-C16-A and Exhibits QC-C16-1 through C16-22; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QRC.

<sup>602</sup> See *Lumber V AR1 Final* IDM at 32 and Comment 112.

<sup>603</sup> See Canfor IQR at NS-41 and West Fraser IQR at WF-AR2-II-145.

<sup>604</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-GEN-QRC (page 3).

<sup>605</sup> See Québec Specificity Memorandum. Program usage and number of corporate tax filers are proprietary data.

<sup>606</sup> See *Lumber V AR1 Final* IDM at 32 and Comment 112.

*ad valorem*, and West Fraser received a net countervailable subsidy rate of 0.01 percent *ad valorem* for the POR.<sup>607</sup>

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

Commerce found this tax refund program countervailable in the *Lumber VARI Final*.<sup>608</sup> We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>609</sup> Therefore, we continue to find that this program constitutes a financial contribution, is *de jure* specific because it is limited to companies that paid fuel tax for certain specified activities, and confers a benefit under sections 771(5)(D), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, see the *Lumber VARI Final*.<sup>610</sup> Resolute reported receiving a tax refund on fuel used for stationary purposes during the POR.<sup>611</sup>

This tax refund confers 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 that Resolute received by its total sales for the POR, 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 0.01 percent *ad valorem* for the POR.<sup>612</sup>

5. ***Purchase of Goods for MTAR***

1. BC Hydro EPAs

Commerce found BC Hydro's purchase of electricity from West Fraser countervailable in the *Lumber VARI Final*.<sup>613</sup> West Fraser reported that it continued to sell electricity to BC Hydro during the POR through EPAs.<sup>614</sup>

We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>615</sup> We therefore continue to find that the program constitutes a financial contribution and confers a benefit under sections 771(5)(D)(iv) and

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<sup>607</sup> See Canfor Preliminary Calculations Memorandum; see also Resolute Preliminary Calculation Memorandum.

<sup>608</sup> See *Lumber VARI Final* IDM at 32 and Comment 110.

<sup>609</sup> See GOQ IQR Response, Volume 5 (Non-Stumpage – Revenu Québec Programs) at Exhibit QC-FTR-A and Exhibits QC-FTR-1 through FTR-20; see also Resolute Non-Stumpage SQR Response on Tax Programs at Exhibit RES-NS-FUELSP-APP and Exhibits RES-NS-FUELSP-1 through SP-5.

<sup>610</sup> See *Lumber VARI Final* IDM at 32 and Comment 110.

<sup>611</sup> See Resolute Non-Stumpage SQR Response on Tax Programs at Exhibit RES-NS-FUEL-SP-APP (page 1).

<sup>612</sup> See Resolute Preliminary Calculation Memorandum.

<sup>613</sup> See *Lumber VARI Final* IDM at 33 and Comments 49 and 50.

<sup>614</sup> See WF IQR Vol. II at 152 – 153.

<sup>615</sup> See GBC IQR Response, Vol. II; see also WF IQR Vol. II at 152-160 and Exhibits WF-AR2-EPA-1 through EPA-20.



771(5)(E)(iv) of the Act, respectively.<sup>616</sup> For additional information, *see the Lumber VARI Final*.<sup>617</sup>

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 prior review, 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.<sup>618</sup> Based on information in this review indicating that BC Hydro maintained 124 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.<sup>619</sup>

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.<sup>620</sup> Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.<sup>621</sup> During the POR, as in the prior administrative review, West Fraser did not merely sell electricity BC Hydro,<sup>622</sup> but also purchased electricity from BC Hydro.<sup>623</sup> 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.<sup>624</sup> This analysis is consistent with the approach taken in the *Lumber VARI Final*.<sup>625</sup>

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 2019. We multiplied the difference by the total volume of electricity purchased by West 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 POR. On this basis, we preliminarily determine that West Fraser received a net countervailable subsidy rate of 0.40 percent *ad valorem* for the POR.<sup>626</sup>

## 2. GOO Purchase of Electricity for MTAR under CHP III PPA

Commerce found IESO's purchase of biomass-cogenerated electricity from Resolute countervailable in the *Lumber VARI Final*.<sup>627</sup> Resolute reported that it continued to sell

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<sup>616</sup> See *Lumber VARI Final* IDM at Comments 49 and 50.

<sup>617</sup> See *Lumber VARI Final* IDM at 33 and Comments 49 and 50.

<sup>618</sup> See *Lumber VARI Final* IDM Comment 49.

<sup>619</sup> See GBC IQR Response at Exhibit BC-AR2-BCH-87.

<sup>620</sup> See SAA at 927.

<sup>621</sup> See section 771(5)(E) of the Act.

<sup>622</sup> See WF IQR Vol. II at Exhibit WF-AR2-UT-6a.

<sup>623</sup> *Id.* at Exhibit WF-AR2-UT-6b.

<sup>624</sup> See *Lumber VARI Final* IDM at Comment 50.

<sup>625</sup> *Id.*

<sup>626</sup> See West Fraser Preliminary Calculation Memorandum.

<sup>627</sup> See *Lumber VARI Final* IDM at 33 and Comments 51, 52, 53, and 54.

electricity to IESO under the 2011 PPA between Resolute and the OPA (IESO's predecessor) during the POR.<sup>628</sup> The 2011 PPA established the electricity prices paid by IESO to Resolute.<sup>629</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber V AR1 Final* concerning this program.<sup>630</sup> We therefore 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.<sup>631</sup> For additional information, *see the Lumber V AR1 Final*.<sup>632</sup>

We continue to find that this program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we examined whether the program is specific as a matter of fact under section 771(5A)(D)(iii) of the Act. The GOO reported that, during the POR, there were two companies with CHP III contracts, one of which was Resolute.<sup>633</sup> We therefore preliminarily find that the sale of electricity to IESO under the CHP III is *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.<sup>634</sup> Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.<sup>635</sup> During the POR, as in the prior administrative review, Resolute did not merely sell electricity to IESO at a set price,<sup>636</sup> but also purchased electricity from IESO.<sup>637</sup> 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.<sup>638</sup> This analysis is consistent with the approach taken in the *Lumber V AR1 Final*.<sup>639</sup>

To calculate the benefit, we compared the unit price for electricity that Resolute paid to IESO to the unit price of electricity that IESO paid to Resolute for each month of the POR. We multiplied the difference by the total volume of electricity purchased by IESO for each month and then summed those amounts. We divided the sum of the benefits by Resolute's total sales

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<sup>628</sup> See Resolute Non-Stumpage IQR Response at 36-37.

<sup>629</sup> See GOO Non-Stumpage IQR Response at Exhibit ON-CHP-2; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-CHP-3.

<sup>630</sup> See GOO Non-Stumpage IQR Response at CHP-1 through CHP-22, and Exhibits ON-CHP-1 through CHP-8; *see also* Resolute Non-Stumpage IQR Response at 36-38, Exhibit RES-NS-CHP-APP, and Exhibits RES-NS-CHP-1 through CHP-6.

<sup>631</sup> See *Lumber V AR1 Final* IDM at Comments 51, 52, and 54; *see also* *Lumber V AR1* Post-Prelim Memorandum – Resolute at 8-9.

<sup>632</sup> See *Lumber V AR1 Final* IDM at 33 and Comments 51, 52, 53, and 54.

<sup>633</sup> See GOO Non-Stumpage IQR Response at CHP-19.

<sup>634</sup> See SAA at 927.

<sup>635</sup> See section 771(5)(E) of the Act.

<sup>636</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-CHP-3.

<sup>637</sup> *Id.* at Exhibit RES-NS-USAGE, Table 6.2 for IESO Thunder Bay (Electricity Purchases from IESO).

<sup>638</sup> See *Lumber V AR1 Final* IDM at Comment 52.

<sup>639</sup> *Id.*



for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 1.84 percent *ad valorem* for the POR.<sup>640</sup>

### 3. 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 *Lumber VARI Final*.<sup>641</sup> Under the PAE 2011-01, Hydro-Québec Distribution<sup>642</sup> purchases electricity generated from biomass at a set contractual price.<sup>643</sup> During the POR, Resolute sold electricity to Hydro-Québec under the PAE 2011-01.<sup>644</sup>

We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber VARI Final* concerning this program.<sup>645</sup> We therefore 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 additional information, *see the Lumber VARI Final*.<sup>646</sup>

We continue to find that this program is not limited, by law, to certain enterprises or industries under section 771(5A)(D)(i) of the Act. Therefore, we 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 16 PAE 2011-01 purchase agreements with 12 companies in place during the POR.<sup>647</sup> Therefore, we preliminarily 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.<sup>648</sup> Under that provision, a benefit is normally treated as conferred where there is a benefit to the recipient.<sup>649</sup> During the POR, as in the investigation and first review, Resolute did

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<sup>640</sup> See Resolute Preliminary Calculation Memorandum.

<sup>641</sup> See *Lumber VARI Final* IDM at 33 and Comments 51, 55, 56, and 57.

<sup>642</sup> 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 and purchases electricity from biomass facilities.

<sup>643</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit QC-BIO-A.

<sup>644</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibit BIO-42.

<sup>645</sup> See Resolute Non-Stumpage IQR Response at 38-39 and Exhibits RES-NS-PAE-APP and PAE-2; *see also* GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibits QC-BIO-35 and BIO-47.

<sup>646</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at 2-5, Exhibit QC-BIO-A, and Exhibits QC-BIO-1 through BIO-52; *see also* Resolute Non-Stumpage IQR Response at 38-40, Exhibit RES-NS-PAE-APP, and Exhibits RES-NS-PAE-1 through PAE-4.

<sup>647</sup> See *Lumber VARI Final* IDM at 33 and Comments 51, 55, 56, and 57.

<sup>648</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibits QC-BIO-10 and BIO-50.

<sup>649</sup> See SAA at 927.

<sup>650</sup> See section 771(5)(E) of the Act.

not merely sell electricity to Hydro-Québec at a set price,<sup>650</sup> but also purchased electricity from Hydro-Québec.<sup>651</sup> 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.<sup>652</sup> This analysis is consistent with the approach taken in the *Lumber V AR1 Final*.<sup>653</sup>

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 the POR. 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 Resolute's total sales for the POR. On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 1.02 percent *ad valorem* for the POR.<sup>654</sup>

## **6. Debt Forgiveness**

### **1. GOO Debt Forgiveness for Resolute (Fort Frances Mill)**

In the *Lumber V AR1 Final*, Commerce determined that, in 2017, the GOO forgave a debt of C\$22.5 million that Resolute owned when it broke the terms of the Conditional Funding Agreement for a grant approved under the Ontario Forest Sector Prosperity Fund.<sup>655</sup> We find that interested parties have not submitted any new information or argument on the record of this review that warrants reconsideration of Commerce's prior determination in the *Lumber V AR1 Final* concerning this program.<sup>656</sup> We thus continue to find that the GOO's debt forgiveness constitutes a financial contribution, is *de jure* specific to Resolute, and confers a benefit under sections 771(5)(D)(ii), 771(5A)(D)(i), and 771(5)(E) of the Act, respectively. For additional information, *see the Lumber V AR1 Final*.<sup>657</sup>

Under 19 CFR 351.508(a) and (c), the benefit conferred by debt forgiveness is equal to the amount of the debt forgiven and is a non-recurring subsidy. In *Lumber V AR1 Final*, we performed the 0.5 percent test by dividing the amount of debt forgiveness by Resolute's total sales for 2017.<sup>658</sup> Because the resulting ratio exceeded 0.5 percent of Resolute's total sales, we

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<sup>650</sup> See GOQ IQR Response, Volume 3 (Non-Stumpage – Hydro-Québec Programs) at Exhibits QC-BIO-35, BIO-42, and BIO-47; *see also* Resolute Non-Stumpage IQR Response at 40.

<sup>651</sup> See Resolute Non-Stumpage IQR Response at Exhibit RES-NS-USAGE, Table 6.2 for Dolbeau and Gatineau (Electricity Purchases from Hydro-Québec).

<sup>652</sup> See *Lumber V AR1 Final* IDM at Comment 55.

<sup>653</sup> *Id.*

<sup>654</sup> See Resolute Preliminary Calculation Memorandum.

<sup>655</sup> See *Lumber V AR1 Final* IDM at 34 and Comment 118; *see also* *Lumber V AR1 Post-Prelim Memorandum* – Resolute at 3-5.

<sup>656</sup> See GOO Non-Stumpage IQR Response at ON-18 through ON-33, and Exhibits ON-FSPF-1 through ON-FSPF-6-G; *see also* Resolute Non-Stumpage IQR Response at 41-43, Exhibit RES-NS-CMSC-APP, Exhibit RES-NS-CMSC-1, and Exhibit RES-NS-CMSC-2.

<sup>657</sup> See *Lumber V AR1 Final* IDM at 34 and Comment 118; *see also* *Lumber V AR1 Post-Prelim Memorandum* – Resolute at 3-5.

<sup>658</sup> See 19 CFR 351.524(b); *see also* Resolute's AR1 Post-Prelim Calculations.

allocated the benefit using Commerce’s standard allocation formula.<sup>659</sup> We used the 10-year AUL for the softwood lumber industry and the 2017 Canadian Prime Business interest rate to conduct the allocation calculation.<sup>660</sup> For this review, we divided the benefit amount allocated to 2019 by Resolute’s total sales for 2019 to calculate the POR subsidy rate.<sup>661</sup> On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.12 percent *ad valorem* for the POR.<sup>662</sup>

## **B. Programs Preliminarily Determined Not To Provide Measurable Benefits During the POR**

The respondents reported receiving benefits under various programs. 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 in the “Attribution of Subsidies” section above. Consistent with Commerce’s practice,<sup>663</sup> 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.

With the exception of “Payments Made by the GOO to Resolute Based on Fraud or Gaming of the IESO System” that is addressed below, for the subsidy programs that do not provide a measurable benefit during the POR for each respondent, *see* the Preliminary Calculation Memoranda.

### **1. Payments Made by the GOO to Resolute Based on Fraud or Gaming of the IESO System**

During 2010, Resolute’s Thunder Bay and Fort Frances pulp and paper mills in Ontario received excess electricity credits under the IESO’s CMSC program.<sup>664</sup> The CMSC program enables IESO to guarantee adequate electricity supply at times of peak demand by buying back from large-scale electricity users their rights to supply and their actual consumption.<sup>665</sup> CMSC payments are made by IESO when generators are instructed to consume or supply electricity when they would otherwise be doing so at an operating loss.<sup>666</sup> Two agencies conducted separate investigations of Resolute’s CMSC payments: MSP of the OEB and MACD of the IESO.<sup>667</sup>

MSP released its investigation report in February 2015, finding that Resolute engaged in gaming of the IESO-administered markets (*i.e.*, exploiting a flaw or defect in the design of the electricity market to gain a benefit) and received C\$20.4 million in excess CMSC payments between

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<sup>659</sup> See 19 CFR 351.524(d)(1); *see also* Resolute’s AR1 Post-Prelim Calculations.

<sup>660</sup> See Resolute’s AR1 Post-Prelim Calculations.

<sup>661</sup> See Resolute Preliminary Calculation Memorandum.

<sup>662</sup> *Id.*

<sup>663</sup> See, e.g., *CFS from China* IDM at 15; *Steel Wheels from China* IDM at 36; *Aluminum Extrusions from China* First AR IDM at 14; and *CRS from Russia* IDM at 31.

<sup>664</sup> See Resolute Additional Non-Stumpage SQR Response at 4-5.

<sup>665</sup> See GOO Non-Stumpage IQR Response at Exhibit ON-SET-13 (page 10-11).

<sup>666</sup> *Id.*

<sup>667</sup> *Id.* at SET-5 – SET-18.

January 2010 and August 2010.<sup>668</sup> On August 31, 2016, MACD concluded its investigation with an Executed Minutes of Settlement and Non-Compliance Letter determining that Resolute received C\$10,575,010 in CMSC as a result of breaches of the Market Rules.<sup>669</sup> Resolute paid C\$8,750,000 to IESO on August 31, 2016, which was in addition to Resolute's payment of C\$1,825,010 to IESO on August 31, 2010.<sup>670</sup>

Even assuming *arguendo* there was a financial contribution provided by the GOO to Resolute under section 771(5)(D)(ii) of the Act in the form of revenue forgone, such debt forgiveness does not result in a benefit allocated to Resolute during the POR. In accordance with 19 CFR 351.508(b), any debt forgiveness by the GOO would have been realized when Resolute made its second payment to IESO in 2016, and that payment was less than the amount owed for excess CMSC payments.<sup>671</sup>

Under 19 CFR 351.508(a) and (c), the benefit conferred by debt forgiveness is equal to the amount of the debt forgiven and is a non-recurring subsidy. 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 any countervailable benefit would be allocated to the year of receipt or across the years of the AUL. We performed the 0.5 percent test by dividing the amount of debt forgiveness realized in 2016 (*i.e.*, C\$9,824,990)<sup>672</sup> by Resolute's total sales for 2016.<sup>673</sup> Because the resulting ratio is less than 0.5 percent of Resolute's total sales, any countervailable benefit would be expensed to the year of receipt, *i.e.*, 2016.<sup>674</sup> Consequently, even if one assumes the program constitutes a financial contribution and is specific under sections 771(5)(D)(ii) and 771(5A) of the Act, respectively, there is no benefit to Resolute during the POR from the GOO's forgiveness of any debt that the company may have owed for excess CMSC payments.

#### **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, with the exception of "SOPFEU/SOPFIM" that is addressed below, *see* the Preliminary Calculation Memoranda.

##### **1. SOPFEU/SOPFIM**

SOPFEU and SOPFIM are non-profit organizations administered by the MFFP that provide fire and insect protection, respectively, for Québec's public and private forests.<sup>675</sup> From 1990 to 2016, the forest industry was obligated to supplement the GOQ's funding of the organizations by paying SOPFEU and SOPFIM charges.<sup>676</sup> Pursuant to the *Regulation to Amend the Forest*

<sup>668</sup> See GOO Non-Stumpage IQR Response at Exhibit ON-SET-13 (page 9-10).

<sup>669</sup> *Id.* at SET-3 – SET-4, Exhibit ON-SET-1, and Exhibit ON-SET-8.

<sup>670</sup> *Id.*

<sup>671</sup> The calculation is: C\$20,400,000 (excess CMSC) – C\$1,825,010 (2010 payment) = C\$18,574,990 – C\$10,575,010 (2016 payment) = C\$9,824,990 (debt owed).

<sup>672</sup> *Id.*

<sup>673</sup> See Resolute Preliminary Calculation Memorandum.

<sup>674</sup> *Id.*

<sup>675</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-SOP-A (page 1-4).

<sup>676</sup> See GOQ Non-Stumpage SQR Response on SOPFEU/SOPFIM at 1.

*Protection Regulation* (July 2016), the industry's contributions to SOPFEU and SOPFIM were reduced in FY 2016 and 2017, and then completely eliminated in FY 2018.<sup>677</sup> Beginning April 1, 2018, the industry contributions to SOPFEU and SOPFIM ceased and 100 percent of the organizations' funds is paid directly by the GOQ.<sup>678</sup> Consequently, effective April 1, 2018, there was no longer an obligation imposed by the GOQ on the forestry industry to make contributions to SOPFEU and SOPFIM. We thus preliminarily find there was no revenue forgone by the GOQ for SOPFEU and SOPFIM during the POR because there were no legal requirements for anyone other than the government to make payments to the organizations.

The GOQ also reported that any person or organization may request services from SOPFIM that are not included in the government's forest protection plan (*e.g.*, aerial spraying against pests on land not covered in the annual plan).<sup>679</sup> The GOQ explained that if SOPFIM accepts the request, fees are charged to the person/organization to cover the cost of the services.<sup>680</sup> The GOQ added that because SOPFEU has a public safety mandate to extinguish fires, it does not need a request to act.<sup>681</sup> During the POR, Resolute did not request any services from SOPFIM or SOPFEU.<sup>682</sup> Because Resolute did not purchase services from SOPFIM or SOPFEU, we preliminarily determine that this program was not used during the POR.

### **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 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*.

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<sup>677</sup> See GOQ IQR Response, Volume 2 (Non-Stumpage – MFFP Programs) at Exhibit QC-SOP-A (page 3) and Exhibit QC-SOP-4.

<sup>678</sup> *Id.*

<sup>679</sup> See GOQ Non-Stumpage SQR Response on SOPFEU/SOPFIM at 15; *see also* GOQ Second Non-Stumpage SQR Response on SOPFEU/SOPFIM at 1.

<sup>680</sup> See GOQ Non-Stumpage SQR Response on SOPFEU/SOPFIM at 15.

<sup>681</sup> *Id.*

<sup>682</sup> *Id.* at 16; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-SOPFIM/FEU-APP.

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 2019.<sup>683</sup> Accordingly, for each of the companies for which a review was requested and not rescinded, and which were not selected as a respondents or found to be cross-owned with a respondent, we are applying a preliminary subsidy rate of 6.27 percent *ad valorem* for 2019, consistent with section 705(c)(5) of the Act.<sup>684</sup>

## IX. 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

5/20/2021

X



Signed by: RYAN MAJERUS

## APPENDIX I

### ACRONYM AND ABBREVIATION TABLE

This section is sorted by Acronym/Abbreviation.

Acronym/Abbreviation	Complete Name
AAC	Annual Allowable Cut
AAF	Alberta Agriculture and Forestry
ABF	Alberta Bio Future
ACCA	Accelerated Capital Cost Allowance
ACE	Automated Commercial Environment
ACOA	Atlantic Canada Opportunities Agency
Act	Tariff Act of 1930, as amended
AESO	Alberta Electric System Operator
AD	Antidumping Duty
AFoA	Alberta Forests Act
AFRIR	Alberta Forests Resources Improvement Regulation – AR 38/2013
AHA	Available Harvest Area
AJCTC	Apprenticeship Job Creation Tax Credit
ALB	Atlantic Lumber Board
AMAF	Alberta Ministry of Agriculture and Forestry
AOP	Annual Operating Plans
AR1	First Administrative Review
ARTT	Arrangement and Reduction of Work Time
ASR	Alberta Scaling Regulation – AR 195/2002
TMR	Alberta Timber Management Regulation – AR 404/1992
AUL	Average Useful Life
AWS	Annual Work Schedule
BC	British Columbia
BC Parties	Government of British Columbia and British Columbia Lumber Trade Council
BCAA	British Columbia Assessment Authority
BCLTC	British Columbia Lumber Trade Council
BCTS	BC Timber Sales
BMMB	Quebec Timber Marketing Board ( <i>Bureau de mise en Marché des bois</i> )
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
CES	Custom Energy Solutions
CFP	Canadian Forest Products, Ltd.
CHP III	Combined Heat and Power III
CIB	Climate Investment Branch
CIFQ	Conseil de l'Industrie Forestiere du Québec
Cm	Centimeter
CMSC	Congestion Management Settlement Credits
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
EEA	Energy Efficiency Alberta
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
Fontaine	Fontaine, Inc.
FortisBC	FortisBC Inc.
FRIAA	Forest Resource Improvement Association of Alberta
FRIP	Forest Resource Improvement Program
FRL	Forest Resource License
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
IRR	Industrial Revitalization Rate
ISEE	Industrial Systems Energy Efficiency
ISO	Independent System Operator
ITA	Income Tax Act
ITC	U.S. International Trade Commission
ITR	Income Tax Regulations
JDIL	JDIL Limited
kWh	Kilowatt-hour
LBIP	Land-Based Investment Program and Successor Programs
Lemay	Scierie Alexandre Lemay & Fils Inc.
LFE	Large Final Emitter
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
MACD	Market Assessment and Compliance Division
Mauricie	Forest Products Mauricie L.P./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
MSP	Market Surveillance Panel
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
OCE	Ontario Centres of Excellence
OCFP	Oregon-Canadian Forest Products
ODNR	Oregon Department of Natural Resources
OEB	Ontario Energy Board
OFRFP	Ontario Forest Roads Funding Program
OIC	Order in Council
OPA	Ontario Power Authority
PAE 2011-01	Purchase Power Program 2011-01
PAMVFP	Private Forest Development Assistance Program
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
PPA	Purchase Power Agreement
PPI	Producer Price Index
QMD	Quadratic-Mean Diameter
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
SGER	Specified Gas Emitters Regulation
SMB	Small and Medium-Sized Businesses
Softwood Lumber	Certain softwood lumber products
SOPFEU	Society for the Protection of Forests Against Fire
SOPFIM	Society for the Protection of Forests Against Insects and Diseases
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.
West Wind Hardwood	West Wind Hardwood Inc.
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>Aluminum Extrusions from China First 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>Initiation Notice</i>	<i>Initiation of Antidumping and Countervailing Duty Administrative Reviews</i> , 85 FR 13860 (March 10, 2020).
<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 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 AR1 Final</i>	<i>Certain Softwood Lumber Products from Canada: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2017 – 2018</i> , 85 FR 77163 (December 1, 2020).
<i>Lumber V AR1 Post-Prelim Memorandum: Canfor and West Fraser</i>	Memorandum, "Post-Preliminary Decision Memorandum for Canfor Corporation and West Fraser Mills Ltd.," dated May 13, 2020.
<i>Lumber V AR1 Post-Prelim Memorandum: Resolute</i>	Memorandum, "Post-Preliminary Decision Memorandum for Resolute FP Canada: Administrative Review of the Countervailing Duty Order

	on Certain Softwood Lumber Products from Canada,” dated May 15, 2020
<i>Lumber V AR1 Prelim</i>	<i>Certain Softwood Lumber Products from Canada: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2017 – 2018, 85 FR 7273 (February 7, 2020).</i>
<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, 67 FR 15545 (April 2, 2002).</i>
<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, 69 FR 75917 (December 20, 2004).</i>
<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, 70 FR 73448 (December 12, 2005).</i>
<i>MacLean-Fogg</i>	<i>MacLean-Fogg Co. v. United States, 753 F.3d 1237 (Federal Circuit 2014).</i>
<i>Opportunity Notice</i>	<i>Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 85 FR 64 (January 2, 2020).</i>
<i>SAA</i>	<i>Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, vol 1 (1994).</i>
<i>SC Paper from Canada – Expedited Review – Final Results</i>	<i>Supercalendered Paper from Canada: Final Results of Countervailing Duty Expedited Review, 82 FR 18896 (April 24, 2017).</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>

**APPENDIX III**  
**CASE-RELATED DOCUMENTS**

**Document Citation Table for Preliminary Results: Lumber CVD Second Administrative Review**

Date	Submitting Party	Short Citation	Document Title	Pertaining To
3/11/20	Commerce	Initiation Notice	Memorandum, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Second Administrative Review; 2019," dated March 11, 2020 (Published in the Federal Register on March 10, 2020) (85 FR 13860)	Interested Parties
03/30/20	Commerce	CBP Data Query Results Memorandum	Memorandum, "Certain Softwood Lumber Products from Canada: Countervailing Duty Order, Second Administrative Review: Release of U.S. Customs and Border Protection Query," dated March 30, 2020	Interested Parties
03/30/20	Resolute	Resolute Additional Non-Stumpage SQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review Resolute's Response to Non-Stumpage Supplemental Questionnaire," dated March 30, 2021	Resolute
03/30/20	GOO	GOO Non-Stumpage SQR Response on Gaming of the IESO System	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's March 9, 2021 Supplemental Questionnaire," dated March 30, 2021	GOO
03/31/20	Petitioner	Petitioner Comments on Non-Stumpage Subsidy Programs	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner's Comments on the SOPFIM/SOPFEU Programs and Request for Additional Information on Other Non-Stumpage Subsidy Programs," dated March 31, 2021	Interested Parties
4/7/20	West Wind Hardwood	West Wind Hardwood No Shipment Claim	West Wind Hardwood's Letter, "Notice of No Sales," dated April 7, 2020	West Wind Hardwood
4/7/20	Petitioner	Petitioner Comments on Gaming of the IESO System	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner's Comments on the Government of Ontario's and Resolute FP Canada Inc.'s March 30, 2021 Non-Stumpage Supplemental Questionnaire Responses," dated April 7, 2021	GOO & Resolute
4/24/20	Commerce	First Tolling Memorandum	Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020	Interested Parties
05/19/20	Commerce	Respondent Selection Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Respondent Selection," dated May 19, 2020	Interested Parties
05/29/20	Commerce	Initial Questionnaire	Letter, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Initial Questionnaire for Second Administrative Review," dated May 29, 2020	Interested Parties
06/04/20	Commerce	Economic Diversification Memorandum	Memorandum, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Economic Diversification Memorandum," dated June 4, 2020	Interested Parties
06/10/20	Commerce	Revised Non-Stumpage Usage Template	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Revised Non-Stumpage Usage Template," dated June 10, 2020	Interested Parties
06/12/20	Resolute	Resolute Company Affiliation Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review - Resolute's Response to Affiliated Companies Questionnaire," dated June 12, 2020	Resolute
06/12/20	JDIL	JDIL Company Affiliation Response	JDIL's Letter, "Softwood Lumber from Canada: Response to Section III Questions Identifying Affiliated Companies," dated June 12, 2020	JDIL
6/12/2020	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 12, 2020.	Canfor
6/12/2020	West Fraser	West Fraser Company Affiliation Response	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Response to Section III, Part I, Subpart I of the Department's May 29, 2020 Countervailing Duty Questionnaire Concerning Affiliated and Cross-Owned Companies," dated June 12, 2020.	West Fraser
06/26/20	Petitioner	Petitioner Comments on Affiliation Responses	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Affiliation Questionnaire Responses," dated June 26, 2020	Interested Parties
07/09/20	Commerce	Response to Canfor's Reporting Difficulty Letter	Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada," dated July 9, 2021.	Canfor
07/16/20	GOM	GOM IQR Response	GOM's Letter, "Certain Softwood Lumber Products from Canada - Response of the Government of Manitoba to the Department's May 29, 2020 Questionnaire," dated July 16, 2020	GOM
07/16/20	GOS	GOS IQR Response	GOS's Letter, "Certain Softwood Lumber Products from Canada - Response of the Government of Saskatchewan to the Department's May 29, 2020 Questionnaire," dated July 16, 2020	GOS
07/21/20	Commerce	Second Tolling Memorandum	Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020	Interested Parties
7/28/20	GOQ	Marshall Report Data Submission	GOQ's Letter, " Certain Softwood Lumber Products from Canada: Filing of back-up data sets and files to the Expert Report of Robert C. Marshall, Ph.D.," dated July 28, 2020	GOQ
07/28/20	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 28, 2020	GOQ
07/29/20	Resolute	Resolute Stumpage IQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review - Resolute's Response to Initial Stumpage Questionnaire," dated July 29, 2020	Resolute
07/30/20	JDIL	JDIL Stumpage IQR Response	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Response to Part 2 (Stumpage and Log Export Restraints) of Section III of the Questionnaire for Producers / Exporters," dated July 30, 2020	JDIL
08/05/20	JDIL	JDIL Non-Stumpage IQR Response	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Response to Part 1 (non-stumpage programs) of Section III of the Questionnaire for Producers/Exporters," dated August 05, 2020	JDIL
08/05/20	GNB	GNB Stumpage IQR Response	GNB's Letter, "Certain Softwood Lumber Products from Canada: Initial Questionnaire Response of the Government of New Brunswick," dated August 5, 2020	GNB
08/05/20	GNB	GNB Non-Stumpage IQR Response	GNB's Letter, "Certain Softwood Lumber Products from Canada: Initial Questionnaire Response of the Government of New Brunswick," dated August 5, 2020	GNB
08/05/20	GNS	GNS IQR Response	GNS' Letter, "Softwood Lumber from Canada: Response of the Government of Nova Scotia to the Department's Initial Questionnaire," dated August 5, 2020	GNS
08/05/20	GNS	GNS IQR Response for JDIL	GNS' 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 August 5, 2020	JDIL
08/05/20	GOO	GOO Stumpage IQR Response	GOO's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Ontario to the Department's May 29, 2020 Questionnaire," dated August 5, 2020	GOO
08/05/20	GOO	GOO Non-Stumpage IQR Response	GOO's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Ontario to the Department's May 29, 2020 Questionnaire," dated August 5, 2020	GOO
08/05/20	GOQ	GOQ IQR Response	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Quebec's Response to the Department's May 29, 2020 Initial Questionnaire," dated August 5, 2020	GOQ
08/05/20	West Fraser	WF IQR Vol. IV	West Fraser's Letter, "Certain Softwood Lumber Products from Canada: Volume IV-British Columbia Stumpage," dated August 5, 2020	West Fraser
08/05/20	West Fraser	WF IQR Vol. III	West Fraser's Letter, "Certain Softwood Lumber Products from Canada: Volume III-Alberta Stumpage and Log Export Restraints," dated August 5, 2020	West Fraser



08/05/20	West Fraser	WF IQR Vol. II	West Fraser's Letter, "Certain Softwood Lumber Products from Canada: Volume II-Non-Stumpage Programs," dated August 5, 2020	West Fraser
08/05/20	West Fraser	WF IQR Vol. I	West Fraser's Letter, "Certain Softwood Lumber Products from Canada: Volume I-General Questions," dated August 5, 2020	West Fraser
08/05/20	Canfor	Canfor IQR	Canfor's Letter, Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Initial Questionnaire Response," dated August 5, 2020.	Canfor
08/05/20	GOA	GOA IQR Response	GOA's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Alberta to the Department's May 29, 2020 Initial Questionnaire," dated August 5, 2020.	GOA
08/05/20	GBC	GBC IQR Response	GBC's Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Initial Questionnaire Response," dated August 5, 2020.	GBC
08/06/20	GOC	GOC IQR Response	GOC's Letter, "Certain Softwood Lumber Products from Canada: Initial Questionnaire Response of the Government of Canada," dated August 6, 2020	Interested Parties
08/07/20	Resolute	Resolute Non-Stumpage IQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review - Resolute's Response to Initial Non-Stumpage Questionnaire," dated August 7, 2020	Resolute
08/07/20	Resolute	Resolute Stumpage IQR	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review Resolute's Response to Initial Stumpage Questionnaire," dated August 7, 2020	Resolute
09/14/20	Commerce	Voluntary Respondent Selection Letter	Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Selection of JD Irving, Ltd. as a Voluntary Respondent," September 14, 2020	JDIL
09/15/20	GOA, GOO, GOQ	GOA, GOO, & GOQ Comments on GNS Private Stumpage Survey	GOA, GOO, & GOQ's Letter, "Certain Softwood Lumber from Canada: Request for the Department to Solicit Information from the Government of Nova Scotia Regarding the 2017-18 Private Stumpage Survey," dated September 15, 2020	GNS
09/15/20	GOA, GOO, GOQ	GOA, GOO, & GOQ Comments GNS IQR Response	GOA, GOO, & GOQ's Letter, "Certain Softwood Lumber from Canada: Comments from the Governments of Alberta, Ontario, and Quebec on the Government of Nova Scotia's Initial Questionnaire Response," dated September 15, 2020	GNS
09/16/20	Petitioner	NSA Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: New Subsidy Allegations," dated September 15, 2020	Interested Parties
09/16/20	Petitioner	Petitioner Comments on IQR Responses	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Initial Questionnaire Responses," dated September 15, 2020	Interested Parties
10/01/20	GOO	GOO NFI	GOO's Letter, "Certain Softwood Lumber Products from Canada: New Factual Information Regarding Petitioner's Comments on the Government of Ontario's Initial Questionnaire Responses ," dated October 1, 2020	GOO
10/20/20	Canadian Parties	Canadian Parties Reply to Petitioner Comments on IQR Responses	GOC, GOA, GBC, GOO, and GOQ's Letter, "Certain Softwood Lumber Products from Canada: Reply of the Government of Canada and Provincial Governments to Petitioner's Comments on the Initial Questionnaire Responses," dated October 2, 2020	Petitioner
12/02/20	Commerce	Extension of Preliminary Results Memorandum	Memorandum, "Certain Softwood Lumber Products from Canada: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review, 2019," dated December 2, 2020	Interested Parties
01/13/21	Commerce	GOO Non-Stumpage SQ on Grant Program	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on Grant Program," dated January 13, 2021	GOO
01/13/21	Commerce	GOQ Non-Stumpage SQ on Grant Programs	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire for Grant Programs," dated January 13, 2021	GOQ
01/13/21	Commerce	Resolute Non-Stumpage SQ on Sales and Grant Programs	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on Sales and Grant Programs," dated January 13, 2021	Resolute
01/14/21	Commerce	JDIL Stumpage SQ on Treelength and Product Rates	JDIL's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for Treelength and Product Rates," dated January 14, 2021	JDIL
01/27/21	JDIL	JDIL Stumpage SQR Response on Treelength and Product Rates	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Response to the Supplemental Questionnaire for J.D. Irving," dated January 27, 2021	JDIL
01/27/21	GOO	GOO Non-Stumpage SQR Response on Grant Program	GOO's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Ontario to the Department's January 13, 2021 Supplemental Questionnaire," dated January 27, 2021	GOO
01/27/21	GOQ	GOQ Non-Stumpage SQR Response on Grant Programs	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Quebec's Response to the Department's January 13, 2021 Supplemental Questionnaire," dated January 27, 2021	GOQ
02/08/21	Resolute	Resolute Non-Stumpage SQR Response on Sales and Grant Programs	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review Resolute's Supplemental Non-Stumpage Questionnaire Response," dated February 8, 2021	Resolute
02/09/21	Commerce	Resolute Stumpage SQ	Letter, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Stumpage Supplemental Questionnaire," dated February 9, 2021	Resolute
02/10/21	Commerce	GOC Non-Stumpage SQ on Tax Program	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on Tax Program," dated February 10, 2021	GOC
02/10/21	Commerce	GOO Non-Stumpage Second SQ on Grant Program	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Second Non-Stumpage Supplemental Questionnaire on Grant Program," dated February 10, 2021	GOO
02/10/21	Commerce	GOQ Non-Stumpage SQ on Tax Programs	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire for Tax Programs," dated February 10, 2021	GOQ
02/10/21	Commerce	Resolute Non-Stumpage SQ on Tax Programs	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on Tax Programs," dated February 10, 2021	Resolute
02/10/21	Commerce	GNS SQ for Crown-origin Stumpage Rates	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Supplemental Questionnaire for Crown-origin Stumpage Rates," dated February 10, 2021	GNS
02/11/21	Commerce	JDIL Stumpage SQ on DBH Data	JDIL's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Stumpage Supplemental Questionnaire," dated February 11, 2021	JDIL
02/17/21	GNS	GNS SQR Response on Crown-origin Stumpage Rates	GNS's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to Commerce's First Supplemental Questionnaire," dated February 17, 2021	GNS
02/18/21	JDIL	JDIL Stumpage SQR Response on DBH Data	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Stumpage Supplemental Questionnaire Response, dated February 18, 2021	JDIL
02/19/21	Petitioner	Petitioner Comments on Resolute's Non-Stumpage SQR on Sales and Grant Programs	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Comments on Resolute FP Canada Inc.'s Feb. 8, 2021 Non-Stumpage Supplemental Questionnaire Response," dated February 19, 2021	Resolute
02/19/21	Commerce	GOQ Non-Stumpage SQ on SOPFEU/SOPFIM	Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on SOPFEU/SOPFIM," dated February 19, 2021	GOQ
02/19/21	Commerce	Resolute Non-Stumpage SQ on SOPFEU/SOPFIM	Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on SOPFEU/SOPFIM," dated February 19, 2021	Resolute
02/22/21	Fornebu	Fornebu Clarification of Company Name	Fornebu's Letter, "Certain Softwood Lumber Products from Canada: Clarification of Company Name of Fornebu Lumber Company Inc.," dated February 11, 2021	Fornebu



02/24/21	Resolute	Resolute Non-Stumpage SQR Response on Tax Programs	Resolute's Letter, ""Softwood Lumber from Canada: CVD Second Administrative Review: Resolute's Response to Non-Stumpage Supplemental Questionnaire on Tax Programs," dated February 24, 2021	Resolute
02/25/21	Resolute	Resolute Response to Petitioner's Comments on Resolute's Non-Stumpage SQR on Sales and Grant Programs	Resolute's Letter, ""Softwood Lumber from Canada: CVD Second Administrative Review: Resolute's Rebuttal to Petitioner's Feb. 19, 2021 Comments on Resolute's Non-Stumpages Supplemental Questionnaire Response," dated February 25, 2021	Resolute
03/01/21	GOA, GOO, GOQ	GOA, GOO, GOQ Comments on GNS' February 17, 2021 SQR Resposne	GOA, GOO, GOQ's Letter, Certain Softwood Lumber Products from Canada: Comments from the Governments of Alberta, Ontario, and Québec on the Government of Nova Scotia's Supplemental Questionnaire Response," dated March 1, 2021	GNS
03/01/21	Resolute	Resolute Stumpage SQR1	Letter, "Resolute's Supplemental Stumpage Questionnaire Response," dated March 1, 2021	Resolute
03/03/21	GOQ	GOQ Non-Stumpage SQR Response on Tax Programs	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Quebec's Response to the Department's February 10, 2021 Supplemental Questionnaire," dated March 3, 2021	GOQ
03/03/21	GOO	GOO Non-Stumpage SQR Response on IESO Retrofit	GOO's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Ontario to the Department's February 10, 2021 Supplemental Questionnaire," dated March 3, 2021	GOO
03/03/21	GOC	GOC SQR Response on Class 43.2 Assets	GOC's Letter, "Certain Softwood Lumber Products from Canada: Supplemental Non-Stumpage Questionnaire Response of the Government of Canada," dated March 3, 2021	GOC
03/04/21	Commerce	GNS Second SQ for Crown-origin Stumpage Rates	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Second Supplemental Questionnaire for Crown-origin Stumpage Rates," dated March 4, 2021	GNS
03/09/21	Commerce	GOO Non-Stumpage SQ on Gaming of the IESO System	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire on Fraud or Gaming of the IESO System," dated March 9, 2021	GOO
03/09/21	Commerce	Resolute Non-Stumpage SQ	Letter, "Administrative Review of Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire," dated March 9, 2021	Resolute
03/10/21	Resolute	Resolute Non-Stumpage SQR Response on SOPFEU/SOPFIM	Resolute's Letter, ""Softwood Lumber from Canada: CVD Second Administrative Review: Resolute's Response to Non-Stumpages Supplemental Questionnaire on SOPFIM-SOPFEU," dated March 10, 2021	Resolute
03/11/21	GOQ	GOQ Non-Stumpage SQR Response on SOPFEU/SOPFIM	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's February 19, 2021 Supplemental Questionnaire," dated March 11, 2021	GOQ
03/15/21	Resolute	Resolute NFI to GOO's March 3, 2021 SQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review - Resolute's Submission of New Factual Information to Clarify the Government of Ontario's March 3, 2021 Supplemental Questionnaire Response," March 15, 2021	Resolute
03/17/21	Commerce	JDIL Non-Stumpage SQ	JDIL's Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Supplemental Questionnaire," dated March 17, 2021	JDIL
03/18/21	Commerce	GOQ Non-Stumpage Second SQ on SOPFEU/SOPFIM	Letter, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Non-Stumpage Second Supplemental Questionnaire on SOPFEU/SOPFIM," dated March 18, 2021	GOQ
03/18/21	Commerce	GOQ Stumpage SQ	Letter, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Stumpage Supplemental Questionnaire," dated March 18, 2021	GOQ
03/25/21	GNS	GNS Second SQR Response on Crown-Origin Stumpage Rates	GNS' Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia to Commerce's Second Supplemental Questionnaire," dated March 25, 2021	GNS
03/25/21	GOQ	GOQ Second Non-Stumpage SQR Response on SOPFEU/SOPFIM	GOQ's Letter, "Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's March 18, 2021 Supplemental Questionnaire," dated March 25, 2021	GOQ
03/26/21	JDIL	JDIL Non-Stumpage SQR Response	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Response to Non-Stumpage Supplemental Questionnaire, dated March 26, 2021	JDIL
03/30/21	Resolute	Resolute Additional Non-Stumpage SQR Response	Resolute's Letter, "Softwood Lumber from Canada: CVD Second Administrative Review Resolute's Response to Non-Stumpage Supplemental Questionnaire," dated March 30, 2021	Resolute
03/30/21	GOO	GOO Non-Stumpage SQR Response on Gaming of the IESO System	GOO's Letter, "Certain Softwood Lumber Products From Canada: Response of the Government of Ontario to the Department's March 9, 2021 Supplemental Questionnaire," dated March 30, 2021	GOO
03/30/21	GOQ	GOQ Stumpage SQR	"GOQ's Letter, ""Certain Softwood Lumber Products from Canada: The Government of Québec's Response to the Department's March 18, 2021 Stumpage Supplemental Questionnaire,"" dated March 30, 2021"	GOQ
03/31/21	Petitioner	Petitioner Comments on Non-Stumpage Subsidy Programs	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner's Comments on the SOPFIM/SOPFEU Programs and Request for Additional Information on Other Non-Stumpage Subsidy Programs," dated March 31, 2021	Interested Parties
04/01/21	Commerce	NSA Memorandum	Memorandum, "Analysis of New Subsidy Allegations," dated April 1, 2021	Interested Parties
4/1/2021	Commerce	NSA Memorandum	Memorandum, "Analysis of New Subsidy Allegations," dated April 1, 2021	Interested Parties
04/07/21	Petitioner	Petitioner Comments on IESO Gaming	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner's Comments on the Government of Ontario's and Resolute FP Canada Inc.'s March 30, 2021 Non-Stumpage Supplemental Questionnaire Responses," dated April 7, 2021	GOO
04/14/21	JDIL	JDIL Non-Stumpage SQR Response	JDIL's Letter, "Certain Softwood Lumber Products from Canada: Response to Non-Stumpage Supplemental Questionnaire," dated April 14, 2021	JDIL
04/15/21	GOA	GOA Non-Stumpage SQR1	GOA's Letter,"Certain Softwood Lumber Products from Canada: Government of Alberta's Non-Stumpage Supplemental Questionnaire Response," dated April 15, 2021.	GOA
04/16/21	GBC	GBC Non-Stumpage SQR1	GBC's Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Non-Stumpage Supplemental Questionnaire Response," dated April 16, 2021.	GBC
04/19/21	GBC	GBC NSA QR	GBC's Letter, "Government of British Columbia's New Subsidy Allegations Questionnaire Response," dated April 19, 2021.	GBC
04/19/21	Canfor	Canfor NSA QR	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's New Subsidy Allegations Questionnaire Response," dated April 19, 2021.	Canfor
04/20/21	Canfor	Canfor Factual Information to Measure the Adequacy of Remuneration	Canfor's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: Canfor's Benchmark Factual Information Submission," dated April 20, 2021.	Canfor
04/20/21	GOC	GOC Factual Information to Measure the Adequacy of Remuneration	GOC's Letter, "Certain Softwood Lumber from Canada: Submission of Factual Information to Measure the Adequacy of Remuneration," dated April 20, 2021	GOC
04/20/21	GOA, GOO, GOQ	GOA, GOO, GOQ Comments on Nova Scotia Weight-to-Volume Conversion Factor	GOA, GOO, and GOQ's Letter, "Certain Softwood Lumber from Canada: Request for the Department to Solicit Information from the Government of Nova Scotia Regarding Its Weight-to-Volume Conversion Factor," dated April 20, 2021	Commerce
4/20/2021	West Fraser	West Fraser NSA QR	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Mills Ltd.'s Response to the Department of Commerce's New Subsidy Allegation Supplemental Questionnaire Dated April 1, 2021," dated April 20, 2021.	West Fraser
4/20/2021	BC Parties	BC Parties Pre-Prelim Rebuttal Comments	GBC's Letter, "Certain Softwood Lumber Products from Canada: Government of British Columbia and BCLTC's Pre-Preliminary Comments," dated April 30, 2021	BC Parties
04/21/21	Petitioner	Petitioner Pre-Prelim Comments	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner's Pre-Preliminary Comments," dated April 21, 2021	Interested Parties
04/22/21	West Fraser	West Fraser Non-Stumpage SQR2	West Fraser's Letter, "Certain Softwood Lumber Products from Canada, Case No. C-122-858: West Fraser Mills Ltd.'s Response to the Department of Commerce's Second Non-Stumpage Supplemental Questionnaire Dated April 15, 2021," dated April 22, 2021.	West Fraser
04/23/21	GOA	GOA Pre-Prelim Comments	GOA's Letter, "Certain Softwood Lumber Products from Canada: Pre-Preliminary Comments Concerning Alberta Programs," dated April 23, 2021	GOA
04/23/21	GOO	GOO Rebuttal Comments on IESO Gaming	GOO's Letter, "Certain Softwood Lumber Products From Canada: Rebuttal of the Government of Ontario to Petitioner's April 8, 2021 Comments on Ontario's March 30, 2021 Supplemental Questionnaire Response," dated April 23, 2021	Petitioner

04/26/21	GBC	GBC Non-Stumpage SQR2	GBC's Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia's Second Non-Stumpage Supplemental Questionnaire Response," dated April 26, 2021.	GBC
04/28/21	GNS	GNS Reply Regarding Nova Scotia's Weight-to- Volume Conversion Factor	GNS's Letter, "Certain Softwood Lumber Products from Canada: Response of the Government of Nova Scotia Concerning Nova Scotia's Weight-to-Volume Conversion Factor," dated April 30, 2021	GOA, GOO, GOQ
04/29/21	GOA	GOA Non-Stumpage SQR2	GOA's Letter, "Certain Softwood Lumber Products from Canada: Government of Alberta's Second Non-Stumpage Supplemental Questionnaire Response," dated April 29, 2021.	GOA
4/30/2021	GBC	GBC Benchmark Rebuttal Submission	GBC's Letter, "Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Government of British Columbia Benchmark Rebuttal Information," dated April 30, 2021	GBC
04/30/21	Canadian Parties	Canadian Parties Reply to Petitioner Pre-Prelim Comments	Canadian Parties' Letter, "Certain Softwood Lumber Products from Canada: Response to Petitioner's Pre-Preliminary Comments," dated April 30, 2021	Petitioner
04/30/21	GOO	GOO Pre-Prelim Comments	GOO's Letter, "Certain Softwood Lumber Products From Canada: Government of Ontario Comments for the Preliminary Results," dated April 30, 2021	Commerce
04/30/21	Sierra Pacific	Sierra Pacific Pre-Prelim Comments	Sierra Pacific's Letter, "Certain Softwood Lumber Products from Canada: Prel-Preliminary Comments," dated April 30, 2021	Commerce
04/30/21	Commerce	Resolute Stumpage SQ2	Letter, "Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Second Stumpage Supplemental Questionnaire," dated April 30, 2021	Resolute
04/30/21	Petitioner	Petitioner Rebuttal to Canfor Benchmark Submission	Petitioner's Letter, "Certain Softwood Lumber Products from Canada: Petitioner Rebuttal Factual Information to Canfor Corporation's Benchmark Submission," dated April 30, 2021.	Petitioner
05/06/21	Commerce	Intent to Rescind Review In Part Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Intent to Rescind the 2019 Administrative Review in Part," dated May 6, 2021	Interested Parties
05/11/21	Resolute	Resolute Stumpage SQR2	Resolute's Letter, "CVD Second Administrative Review Resolute's Second Stumpage Supplemental Questionnaire Response ," dated May 11, 2021	Resolute
05/19/21	Canadian Parties	Canadian Parties Pre-Prelim Comments on Climate Crisis	Canadian Parties' Letter, "Certain Softwood Lumber Products from Canada: Canadian Parties' Pre-Preliminary Comments Relating to the Climate Crisis," dated May 19, 2021	Commerce
05/20/21	Commerce	Quebec Specificity Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Specificity Analysis of Québec Grant & Tax Programs," dated May 20, 2021	GOQ
05/20/21	Commerce	Ontario Specificity Memorandum	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Specificity Analysis of Ontario Grant Program," dated May 20, 2021	GOO
05/20/21	Commerce	Lumber V AR1 Post-Prelim Memorandum - Resolute	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Placing on the Record Resolute's AR1 Post-Preliminary Calculations," dated May 20, 2021	Resolute
05/20/21	Commerce	Resolute's AR1 Post-Prelim Calculations	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Placing on the Record Resolute's AR1 Post-Preliminary Calculations," dated May 20, 2021	Resolute
05/20/21	Commerce	Company Name Corrections	Memorandum, "Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Company Name Corrections," dated May 20, 2021	Interested Parties
05/20/21	Commerce	DBH Memorandum	Memorandum, "DBH Analysis Memorandum," dated May 20, 2021	Quebec
05/20/21	Commerce	Nova Scotia Preliminary Benchmark Memorandum	Memorandum, "Nova Scotia Benchmark Calculation Memorandum for the Preliminary Results," dated May 20, 2021.	Nova Scotia
05/20/21	Commerce	Ontario Market Memorandum	Memorandum, "Ontario Private Stumpage Market Distortion," dated May 20, 2021	GOO
05/20/21	Commerce	Québec Market Memorandum	Memorandum, "Québec Private Stumpage Market Distortion," dated May 20, 2021	GOQ
05/20/21	Commerce	New Brunswick Market Memorandum	Memorandum, "New Brunswick Private Stumpage Market Distortion," dated May 20, 2021	GNB
05/20/21	Commerce	Alberta Market Memorandum	Memorandum, "Alberta Stumpage Market Distortion," dated May 20, 2021	GOA
05/20/21	Commerce	JDIL Preliminary Calculation Memorandum	Memorandum, "Prelim Results Calculations for JDIL," dated May 20, 2021.	JDIL
05/20/21	Commerce	Resolute Preliminary Calculation Memorandum	Memorandum, "Preliminary Results Calculations for Resolute FP Canada Inc.," dated May 20, 2021	Resolute
05/20/21	Commerce	West Fraser Preliminary Calculation Memorandum	Memorandum, "Prelim Results Calculations for West Fraser," dated May 20, 2021.	West Fraser
05/20/21	Commerce	Canfor Preliminary Calculation Memorandum	Memorandum, "Preliminary Results Calculations for Canfor Corporation.," dated May 20, 2021	Canfor
05/20/21	Commerce	Non-Selected Preliminary Rate Memorandum	Memorandum, "Non-Selected Rate for the Preliminary Results," dated May 20, 2021	Interested Parties
05/20/21	Commerce	Draft Customs Instructions	Memorandum, "Draft Customs Instructions," dated May 20, 2021	Interested Parties