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Administrative Review
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June 29, 2026

MEMORANDUM TO: Christopher Abbott
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance

FROM: Scot Fullerton
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Post-Preliminary Results of Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada; 2024

I. SUMMARY

The U.S. Department of Commerce (Commerce) preliminarily determines that additional countervailable subsidies were provided to Resolute FP Canada Inc.[1] (Resolute) and West Fraser Mills Ltd.[2] (West Fraser), producers and exporters of certain softwood lumber products (softwood lumber) from Canada during the period of review (POR) January 1, 2024, through December 31, 2024.

II. BACKGROUND

On April 14, 2026, Commerce published its *Preliminary Results* in the seventh administrative review of the countervailing duty order on softwood lumber from Canada.[3] Within the *Preliminary Results*, Commerce stated that it would address certain programs in a post-preliminary decision memorandum.[4] This memorandum addresses those programs.

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[1] Commerce finds the following companies to be cross-owned with Resolute: Forest Products Mauricie L.P., Fibrek General Partnership, Resolute Engineered Wood St. Prime Limited Partnership, Resolute Engineered Wood Larouche Inc., Profor Renaissance LP, 15477468 Canada Inc., 9340939 Canada Inc., Resolute Forest Products Inc., Bowater Canadian Holdings Incorporated, AbitibiBowater Canada Inc., and Bowater Canadian Limited.
[2] Commerce finds the following companies to be cross-owned with West Fraser: Blue Ridge Lumber Inc., Manning Forest Products, Ltd., Spray Lake Sawmills (1980) Ltd., Sundre Forest Products Inc., West Fraser Alberta Holdings, Ltd., and West Fraser Timber Co., Ltd.
[3] *See Certain Softwood Lumber from Canada: Preliminary Results and Intent To Rescind, in Part, of Antidumping Duty Administrative Review; 2024*, 91 FR 19102 (April 14, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).
[4] *See Preliminary Results* PDM at 93-94.

Between April 16 and June 4, 2026, Commerce issued supplemental questionnaires to the Government of Québec (GOQ) and Resolute,[5] and received the parties' responses between April 22 and June 12, 2026.[6]

III. SUBSIDIES VALUATION INFORMATION

A. Allocation Period

The allocation period of 10 years is unchanged from the *Preliminary Results*.[7]

B. Attribution of Subsidies

The attribution methodology applied is unchanged from the *Preliminary Results*.[8]

C. Denominators

The sales denominators used to calculate the *ad valorem* subsidy rates are unchanged from the *Preliminary Results*.[9]

D. Discount Rates

We are examining non-recurring, allocable subsidies that the respondents received.[10] 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 do not require the use of discount rates in these post-preliminary results for non-recurring subsidies received by Resolute.

IV. ANALYSIS OF PROGRAMS

A. Programs Preliminarily Determined To Be Countervailable

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[5] *See* Commerce's Letters, "Second Non-Stumpage Supplemental Questionnaire for the {GOQ}," dated April 16, 2026; "Fifth Non-Stumpage Supplemental Questionnaire for Resolute," dated April 16, 2026; "Stumpage Supplemental Questionnaire for Resolute," dated May 20, 2026; and "Non-Stumpage Supplemental Questionnaire for Resolute," dated June 4, 2026.

[6] *See* Resolute's Letter, "Response to Fifth Supplemental Non-Stumpage Questionnaire," dated April 22, 2026 (Resolute April 22, 2026 Non-Stumpage SQR Response); *see also* GOQ's Letter, "Second Non-Stumpage Supplemental Questionnaire Response," dated May 7, 2026 (GOQ May 7, 2026 Non-Stumpage SQR Response); Resolute's Letter, "Response to May 20, 2026 Stumpage Supplemental Questionnaire," dated May 27, 2026 (Resolute May 27, 2026 Stumpage SQR Response); and Resolute's Letter, "Response to June 4, 2026 Non-Stumpage Supplemental Questionnaire," dated June 12, 2026 (Resolute June 12, 2026 Non-Stumpage SQR Response);

[7] *See Preliminary Results* PDM at 5-6.

[8] *Id*. at 6-10.

[9] *Id*. at 10.

[10] *See* 19 CFR 351.524(b)(1).

1. Grant Programs

Ontario Grant Programs

1. Government of Ontario Silviculture Reimbursements

The Government of Ontario (GOO) requires that Crown tenure holders (*i.e.*, firms that hold a Sustainable Forest License (SFL)) perform a certain level of silviculture, either on their own or by retraining a contractor to perform silviculture activities.[11] The GOO's Crown stumpage fee includes a forest renewal charge, and the revenue that the GOO receives through the forest renewal charge goes into a Forest Renewal Trust (FRT) which is specific to each management unit *(i.e*., the area specific to an SFL).[12] After an SFL holder or a contractor retained by the tenure holder performs eligible silviculture work, the SFL holder/contractor documents the work performed and submits a claim to the FRT to be reimbursed for the actual cost of the eligible silviculture work performed.[13]

We preliminarily determine that the GOO's silviculture reimbursements are specific under section 771(5A)(D)(i) of the Tariff Act of 1930, as amended (the Act), because the funding is limited to a specific enterprise or industry, or group thereof: companies that manage Ontario Crown tenure licenses under a Sustainable Forest License or contractors hired by SFL license holder. We further preliminarily find that the GOO's reimbursements for silviculture activities performed constitute a financial contribution in the form of a direct transfer of funds pursuant to section 771(5)(D)(i) of the Act. The funds provided under this program constitute recurring benefits under 19 CFR 351.524(c)(2). These reimbursements relieve Resolute of expenses it is legally obligated to incur as part of its tenure agreements.

We preliminarily determine that the GOO's silviculture reimbursements confer a benefit equal to the value of silviculture reimbursements received by Resolute during the POR. To calculate the subsidy rate applicable to Resolute, under 19 CFR 351.524(a) and 19 CFR 351.525(b)(6)(i), we divided the benefit received by Resolute during the POR under this program by Resolute's total sales for the POR, as described in the "Attribution of Subsidies" section of the *Preliminary Results*.[14] On this basis, we preliminarily determine that Resolute received a net subsidy rate of 0.05 percent *ad valorem* for the POR.

[11] *See* GOO's Letter, "Stumpage Response of the Government of Ontario to the Department's April 22, 2025 Questionnaire," dated June 15, 2025 (GOO Stumpage IQR), at Exhibit ON-TEN-16; *see also* GOO's Letter, "Response of the Government of Ontario to the Department's February 10, 2026, Second Non-Stumpage Supplemental Questionnaire," dated February 27, 2026 (GOO Second Non-Stumpage SQR), at 11-13; and Resolute's Letter, "CVD Seventh Administrative Review, Response to the Initial CVD Questionnaire," dated June 9, 2025, at 11-13 and Exhibit RES-STUMP-ON-3.
[12] *See* GOO Stumpage IQR at 71 and 78-84; *see also* GOO Second Non-Stumpage SQR at 11.
[13] *See* GOO Stumpage IQR at 114-115; *see also* GOO Second Non-Stumpage SQR at 12-14.
[14] *See Preliminary Results* PDM at 6-8.

Québec Grant Programs

2. <u>Énergir Feasibility Study and Implementation</u>

Énergir L.P. is a limited partnership and the largest national gas distribution company in Québec.[15] It is owned, in part, by Caisse de Dépôt et Placement du Québec (CDPQ).[16] CDPQ was created by the GOQ and now manages more than C$300 billion on behalf of pension plans and public and para-public insurance funds for the benefit of over six million Québecois.[17] CDPQ's mission is to manage deposits from pension and insurance plans while conducting investment policies that contribute to Québec's economic development.[18]

CDPQ is a "mandatary of the State," or an entity authorized to act on behalf of the State, created by the *Act Respecting the Caisse De Dépôt Et Placement Du Québec* (*CDPQ Act*).[19] The GOQ controls the composition and the remuneration of CDPQ's board of directors and executive leadership.[20] The government must also approve the appointment of CDPQ's President/Chief Executive Officer.[21] According to the *CDPQ Act*, with the exception of certain regulations, the board of directors shall make the regulations of the CDPQ and submit the regulations to the government for approval.[22] The *CDPQ Act* states that "{t}he board of the directors shall hear the Auditor General at the latter's request."[23] The *CDPQ Act* states that CDPQ "shall furnish the Minister of Finance with any information that the Minister may require on its operations and activities and those of its wholly-own subsidiaries."[24] The *CDPQ Act* also mandates CDPQ to submit an annual report to the Minister of Finance on CDPQ's operations for the previous year.[25]

As noted above, by CDPQ's own admission in its annual reports, CDPQ implements government policy.[26] According to the *CDPQ Act*, CDPQ's mission is, "to receive moneys on deposit as provided by law and manage them with a view to achieving optimal return on capital within the

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[15] *See* GOQ's Letter, "Response to the Department's April 22, 2025 Initial Questionnaire: Non-Stumpage," dated June 16, 2025 (GOQ Non-Stumpage IQR Response), at Exhibits QC-EFSI-A and QC-EFSI-7; *see also* Resolute's Letter, "Response to the Initial CVD Questionnaire: Volume 2 - Non-Stumpage Response," dated June 9, 2025 (Resolute Non-Stumpage IQR Response), at Exhibit RES-NS-ENE-APP.

[16] *See* GOQ Non-Stumpage IQR Response at Exhibit QC-EFSI-7; *see also Certain Fabricated Structural Steel from Canada: Final Negative Countervailing Duty Determination*, 85 FR 5387 (January 30, 2020) (*Fabricated Structural Steel from Canada*), and accompanying Issues and Decision Memorandum (IDM) at Comment 13.

[17] *See* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibits QC-CDPQ-01; *see also Certain Corrosion-Resistant Steel Products from Canada: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 90 FR 9231 (February 10, 2025) (*CORE from Canada Prelim*), and accompanying PDM at 34, unchanged in *Certain Corrosion-Resistant Steel Products from Canada: Final Affirmative Countervailing Duty Determination*, 90 FR 42200 (August 29, 2025) (*CORE from Canada Final*), and accompanying IDM at Comment 23.

[18] *See* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibits QC-NSSUP2-02 through QC-NSSUP2-05; *see also Fabricated Structural Steel from Canada* IDM at Comment 13.

[19] *See* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibit QC-NSSUP2-01 (*CDPQ Act*, sections 1 and 4).

[20] *Id*. (*CDPQ Act*, "Division II Administration").

[21] *Id*. (*CDPQ Act*, section 5.3).

[22] *Id*. (*CDPQ Act*, section 13).

[23] *Id*. (*CDPQ Act*, section 13.2).

[24] *Id*. (*CDPQ Act*, section 49).

[25] *Id*. (*CDPQ Act*, sections 44 and 46).

[26] *Id*. at Exhibits QC-NSSUP2-02 through QC-NSSUP2-05.

framework of depositors' investment policies while at the same time contributing to Québec's economic development."[27] CDPQ's annual reports show CDPQ's implementation of this government mandate.[28] Furthermore, CDPQ is a mandatary of the state, whose property, based on the *CDPQ Act*, "shall be the property of the State."[29] CDPQ also has sovereign immunity.[30] Based on the totality of the facts on the record in the instant proceeding, we conclude that CDPQ is an authority under section 771(5)(B) of the Act.

We further find Énergir L.P. to be an authority within the meaning of section 771(5)(B) of the Act. The totality of record evidence shows that the government's involvement in CDPQ extends to Énergir L.P. The record evidence shows that each of the entities in the corporate ladder between CDPQ and Énergir L.P. is controlled by CDPQ (either by owning a majority interest, controlling the general partner, and/or controlling a plurality or simple majority of seats to the board of directors), thereby ensuring that CDPQ is able to direct and control Énergir L.P. by virtue of its control of each entity in the chain between itself and Énergir L.P.[31] Specifically, CDPQ is the majority stakeholder in Trencap, which is the majority stakeholder (through Noverco and Énergir Inc.) of Énergir L.P.[32] This is consistent with Commerce's findings in *Fabricated Structural Steel from Canada* where Commerce determined that CDPQ controls Énergir L.P., through its ownership of Trencap.[33]

Additionally, Énergir Inc. is the general partner of Énergir L.P. and Énergir Inc.'s board of directors controls Énergir L.P.[34] CDPQ has the right to nominate and see elected directors of Énergir Inc. in proportion to its unit holding in Énergir L.P.[35] Thus, CDPQ controls a clear plurality of the seats on Énergir Inc.'s board.

We have also previously found in other proceedings that Énergir follows the GOQ's initiatives, particularly those related to the implementation of Québec's energy policy goals.[36] We find that this same information is present on the record of the instant proceeding. Énergir L.P. must apply annually to the Régie de l'énergie du Québec (Régie) for approval of Énergir L.P.'s annual rate case and other regulated activities as required under regulations providing that authorization is required from the Régie.[37] The Régie is Québec's energy regulator.[38] As part of its annual approval of Énergir L.P.'s rate for the provision of natural gas in the province, the Régie

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[27] *Id*. at Exhibit QC-NSSUP2-01 (*CDPQ Act*, section 4.1).
[28] *Id*. at Exhibits QC-NSSUP2-02 through QC-NSSUP2-05.
[29] *Id*. at Exhibit QC-NSSUP2-01 (*CDPQ Act*, section 4).
[30] *Id*.
[31] *See* GOQ Non-Stumpage IQR Response at Exhibit QC-EFSI-7; *see also* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibits QC-NSSUP2-27 through QC-NSSUP2-36.
[32] *Id*.
[33] *See Fabricated Structural Steel from Canada* IDM at Comment 13; *see also CORE from Canada Prelim* PDM at 34, unchanged in *CORE from Canada Final* IDM at Comment 23.
[34] *See* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibit QC-NSSUP2-35.
[35] *Id*. at 9-11.
[36] *See CORE from Canada Prelim* PDM at 34, unchanged in *CORE from Canada Final* IDM at Comment 23; *see also Fabricated Structural Steel from Canada* IDM at Comment 13.
[37] *See* GOQ May 7, 2026 Non-Stumpage SQR Response at 11-12 and Exhibits QC-NSSUP2-08 and QC-NSSUP2-44.
[38] *Id*. at Exhibit QC-NSSUP2-08.

approves any program related to energy efficiency for that year.[39] Further, amounts granted under the program are offset against grants from other energy distributors or government organizations for the same project.[40] Moreover, the 2030 Energy Policy provides for further integration of the activities of Énergir L.P. with GOQ energy policy objectives.[41] We determine that the preceding facts, taken in totality, demonstrate that the GOQ has meaningful control of Énergir L.P. through CDPQ and that Énergir L.P. pursues government policy objectives; thus, Énergir L.P. possesses, exercises, and is vested with governmental authority. Therefore, we preliminarily find that Énergir constitutes an "authority" within the meaning of section 771(5)(B) of the Act.

The funds from this program are to encourage the acquisition of new, more efficient gas equipment or the adoption of more efficient processes that consume natural gas.[42] Under the program, Énergir reimburses customers for a portion of the cost of acquiring and installing high efficiency gas equipment.[43] We preliminarily determine that Énergir, as an authority, is providing a financial contribution under section 771(5)(D)(i) of the Act in the form of a direct transfer of funds and bestows a benefit in the amount of the grants under section 771(5)(E) of the Act and 19 CFR 351.504(a). We preliminarily determine that this program is *de facto* specific under section 771(5A)(D)(iii)(I) of the Act because record evidence demonstrates that the actual number of recipients on an industry basis is limited in number, *i.e.*, those industries with high efficiency gas equipment.[44] The exact number of recipients is business proprietary information.[45]

Regarding benefit, Resolute asserts that because the grants were approved and received specifically for three facilities that are pulp and paper mills and, thus, have no connection to Resolute's production of softwood lumber, the funding that Resolute received from Énergir did not benefit Resolute's production of subject merchandise.[46] We disagree. Commerce recognizes that money is fungible and its use for one purpose may free up money to benefit another purpose.[47] Subsidies provided to a division of a company, such as a pulp and paper mill, will impact the overall production and sale of all other products of the company. The three pulp and paper mill facilities which were approved for the grant are operated by Resolute. Because money is fungible within a single, integrated corporate entity, we preliminarily find that Resolute's production of subject merchandise did benefit from the Énergir funding.

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[39] *Id*. at Exhibit QC-NSSUP2-44; *see also* GOQ Non-Stumpage IQR Response at Exhibit QC-EFSI-3.
[40] *See* GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-5 and QC-EFSI-6.
[41] *Id*. at Exhibits QC-EFSI-3, QC-EFSI-7, and QC-EFSI-18 through QC-EFSI-20; *see also* GOQ May 7, 2026 Non-Stumpage SQR Response at Exhibits QC-NSSUP2-40, QC-NSSUP2-45 through QC-NSSUP2-50, and QC-NSSUP2-53 through QC-NSSUP2-54.
[42] *See* GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-A, QC-EFSI-1, and QC-EFSI-5; *see also* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-ENE-APP and RES-NS-ENE-1.
[43] *See* GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-A, QC-EFSI-1, and QC-EFSI-5; *see also* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-ENE-APP and RES-NS-ENE-1.
[44] *See* GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-A and QC-EFSI-15 to QC-EFSI-17.
[45] *See* Resolute Post-Preliminary Calculation Memorandum.
[46] *See* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ENE-APP.
[47] *See Certain Softwood Lumber Products from Canada: Final Results and Final Rescission, in Part, of the Countervailing Duty Administrative Review, 2020*, 87 FR 48455 (August 9, 2022) (*Lumber V AR3 Final*), and accompanying IDM at Comments 48 and 81.

Resolute reported receiving grants under this program.[48] The benefits under this program are not provided on an on-going basis.[49] In accordance with 19 CFR 351.524(c)(1), we have preliminarily treated these grants as non-recurring subsidies. Therefore, we conducted the "0.5 percent test," pursuant to 19 CFR 351.524(b)(2), on the amounts of the grants approved by Énergir over the recipient's total sales in the years the grants were approved. The amounts of the grants approved for Resolute did not pass the "0.5 percent test" and we expensed the benefits in the year of receipt. To calculate the net countervailable subsidy rate, we divided the grant payments received during the POR by Resolute's total sales for the POR, as described in the "Attribution of Subsidies" section of the *Preliminary Results*.[50] On this basis, we calculated the following *ad valorem* subsidy rate:[51]

Resolute: 0.01 percent

3. Forest Management Activities on Multiuse Roads Reimbursement Program

In the *Preliminary Results*, we preliminarily countervailed the Multi-resource Road Coast Reimbursement Program (MCRP).[52] We have also countervailed the MCRP in previous administrative reviews.[53] The Forest Management Activities on Multiuse Roads Reimbursement Program (MCCRP), is the successor program to the MCRP.[54] Established on July 6, 2021,[55] and administered by the Ministry of Natural Resources and Forests (MRNF),[56] the MCCRP provides reimbursement for certain road, bridge, and culvert construction, improvement, and repair.[57] Eligibility is limited to persons or enterprises that "under an agreement, is required to pay the fees payable for the volumes of wood from the public forest" and, in certain instances, Rexforêt, a Crown Corporation.[58] Resolute reported that it received payments under the program during the AUL period, including during the POR.[59]

We preliminarily determine that the assistance that Resolute received under the PRCCM constitutes a financial contribution in the form of a direct transfer of funds from the government, pursuant to section 771(5)(D)(i) of the Act, and that the program bestows a benefit in the amount of the grants, pursuant to section 771(5)(E) of the Act and 19 CFR 351.504(a). We also

[48] *See* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-ENE-APP and RES-NS-ENE2 to RES-NS-ENE-5; *see also* Resolute's Letter, "Resolute's Response to Non-Stumpage Supplemental Questionnaire," dated January 26, 2026 (Resolute January 26, 2026 Non-Stumpage SQR Response), at 5-6 and Exhibits RES-NS-SQR-ENE-1 to RES-NS-SQR-ENE-4; and GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-A and QC-EFSI-4.
[49] *See* GOQ Non-Stumpage IQR Response at Exhibits QC-EFSI-A.
[50] *See Preliminary Results* PDM at 6-8.
[51] *See* Memorandum, "Post-Preliminary Results Calculations for Resolute FP Canada Inc.," dated concurrently with this memorandum (Resolute Post-Preliminary Calculation Memorandum).
[52] *See Preliminary Results* PDM at 64-65.
[53] *See, e.g., Lumber V AR3 Final* IDM at 21 and Comment 74.
[54] *See* GOQ Non-Stumpage IQR Response at Exhibit QC-MCCRP-A at 1.
[55] *Id.* at 2.
[56] *Id.*
[57] *Id.*
[58] *Id.* at Exhibit QC-MCCRP-2 at Section 5. The MRNF delegated to Rexforêt the responsibility of sustainable forest management of Québec's public forest.
[59] *See* Resolute Non-Stumpage IQR Response at 26 and Exhibit RES-NS-PRCCM-APP.

preliminarily determine that the program is *de jure* specific, under section 771(5A)(D)(i) of the Act because recipients are limited on an industry basis to those in the forestry sector.[60]

Financial assistance provided under the program is not automatically received as a participant must have a signed agreement with the MRNF and, once work is completed, submit competition reports signed by a forest engineer.[61] Only once the MRNF validates the compliance of the work will payment be made to the beneficiary.[62] We thus are treating the program as a non-recurring subsidy in accordance with 19 CFR 351.524(c). Accordingly, we conducted the "0.5 percent test" pursuant to 19 CFR 351.524(b) on the grants received by Resolute. Because the grant amounts did not pass the "0.5 percent test," we expensed the grants to the year of receipt. To calculate the net countervailable subsidy rates, 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 the *Preliminary Results*.[63] On this basis, we preliminarily determine that Resolute received a net countervailable subsidy rate of 0.44 percent *ad valorem* in the POR.[64]

1. Tax and Other Revenue Forgone Programs

In this administrative review, Commerce inquired about tax and other revenue forgone programs examined in prior segments of this proceeding (*i.e.*, those found to be countervailable, not measurable, and not used) in the Initial Questionnaire.[65] Additionally, Resolute and West Fraser self-reported tax programs used during the POR, for which the Canadian Parties 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 programs below confer benefits under section 771(5)(E) of the Act and 19 CFR 351.509(a)(1) in the amounts preliminarily determined within each program discussion below. We further find that the following programs are specific under different provisions of section 771(5A) of the Act, as described in each respective program analysis.

We calculated the benefit as the difference between what the firm would have paid absent the program and what the firm paid as a result of participating in the program. Unless otherwise noted, we calculated the benefit based on the information contained in the income tax returns filed during the POR, or in the case of non-income tax-based programs, on the savings realized during the POR. To calculate the net countervailable subsidy rate for a program used by a respondent, we applied the attribution rules discussed in the "Attribution of Subsidies" section of the *Preliminary Results*.[66] 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

[60] *See* GOQ IQR at Exhibit QC-MCCRP-2 at Section 5.
[61] *Id.* at Exhibit QC-MCCRP-A at 8.
[62] *Id.*
[63] *See Preliminary Results* PDM at 6-8.
[64] *See* Resolute Post-Preliminary Calculation Memorandum.
[65] *See* Initial Questionnaire at Part 1 – Non-Stumpage Questionnaire.
[66] *See Preliminary Results* PDM at 6-10.

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

For the tax programs listed below that were found countervailable in a prior segment of this proceeding 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. Accelerated Capital Cost Allowance (ACCA) for Class 53 Assets

Commerce found the accelerated CCA for Class 53 Assets program countervailable in the *Lumber V AR6 Final*.[67] As set out in Schedule II of the Canadian Income Tax Regulations (CITR), under Class 53, machinery and equipment that is used for manufacturing or processing goods for sale or lease, which otherwise would be included in Class 43, are eligible for an accelerated CCA rate of 50 percent.[68] We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination that the program is countervailable.[69] Therefore, we preliminarily continue to find that the ACCA for Class 53 Assets program constitutes a financial contribution, is *de jure* specific because the program is limited to certain enterprises or industries by expressly excluding firms engaged in various manufacturing/processing industries,[70] 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 AR6 Final*.[71]

Both Resolute and West Fraser claimed deductions against their taxable income under the ACCA for Class 53 Assets within their income tax returns filed during the POR.[72] To determine each

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[67] *See Certain Softwood Lumber Products from Canada: Final Results and Rescission, in Part, of the Countervailing Duty Administrative Review*; 2023, 90 FR 38755 (August 12, 2025) (*Lumber V AR6 Final*), and accompanying IDM at 10 and Comments 33, 34, and 35.
[68] *See* GOC's Letter, "Initial Questionnaire Response: Non-Stumpage," dated June 17, 2025 (GOC Non-Stumpage IQR Response), at Volume II at 1-4.
[69] *Id*. 1-35 (and all referenced exhibits therein); *see also* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-1 and QC-2 (and all referenced exhibits therein); and West Fraser's Letter, "Response to the Department's April 22, 2025 Initial Countervailing Duty Complaint: Volume I-General Questions and Volume II-Other Government Assistance," dated June 9, 2025 (West Fraser Non-Stumpage IQR Response), at Volume II at 60-66 (and all referenced exhibits therein).
[70] *See* GOC Non-Stumpage IQR Response Volume II at 15 and Exhibit GOC-AR7-CRA-CLASS53-1. Subsection 1104(9) of the CITR provides that, for purposes of defining what constitutes manufacturing or processing for Class 53 in Schedule II, "manufacturing or processing" does not include certain described categories of activities, such as farming and fishing, construction, logging, and extraction of natural gas, oil, and minerals.
[71] *See Lumber V AR6 Final* IDM at Comments 33, 34, and 35.
[72] *See* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-TAX-FED-2 (p. 4-5) and QC-3 (p. 4-5); *see also* Resolute's Letter, "Response to Non-Stumpage Supplemental Questionnaire," dated January 26, 2026 (Resolute January 26, 2026 Non-Stumpage SQR Response), at 15-20 and Exhibit RES-NS-USAGE-SQR-2; Resolute April 22, 2026 Non-Stumpage SQR Response at Exhibit RES-NS5-1; Resolute June 12, 2026 Non-Stumpage SQR

respondent's benefit under the program,[73] we applied the methodology from the *Lumber V AR6 Final*.[74] Accordingly, we continue to find that the standard base rate for Class 43—a CCA rate of 30 percent—is the appropriate benchmark to apply to determine whether a benefit was provided by accelerated depreciation for the capital cost of machinery and equipment under the Class 53 Assets program.[75] We also continue to determine that the appropriate opening balance for undepreciated capital costs that should be used to construct the Class 43 benchmark is the balance for Class 53 assets.[76] The Class 53 opening balance for undepreciated capital costs is the balance that is reported in CCA tax schedule of the income tax returns that were filed by the companies during the POR.[77]

The ACCA for Class 53 Assets program confers 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 respondents' income tax returns filed during the POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c) and 19 CFR 351.524(b), we divided the sum of the tax savings that Resolute and West Fraser received during the POR by each company's total sales for the POR, as described in the "Attribution of Subsidies" section of the *Preliminary Results*,[78] to determine the net countervailable subsidy rates. On this basis, we calculated the following *ad valorem* subsidy rates:[79]

Resolute:	0.01 percent
West Fraser:	0.20 percent

2. CCA for Class 1 Assets

Commerce found the CCA for Class 1 Assets program countervailable in the *Lumber V AR6 Final*.[80] As set out in Schedule II of the CITR, the depreciated rates for buildings under Class 1 are four percent for residential, six percent for non-residential used for retails sales, and 10

Response at Exhibits RES-NS6-TAX-1 through TAX-5; and West Fraser Non-Stumpage IQR Response Volume II at 60-61 and Exhibit WF-AR7-ACCA-1.

[73] We note that Resolute utilized both the Federal and Québec ACCA for Class 53 Assets in its income tax returns. *See* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-1 and QC-2; *see also* Resolute June 12, 2026 Non-Stumpage SQR Response at Exhibits RES-NS6-TAX-1 through TAX-5. As discussed in the *Lumber V AR1 Final*, because the federal and provincial allowances apply the same depreciation rules to the same assets in each jurisdiction, Commerce treats the Federal and Québec ACCA for Class 53 Assets as the same program. *See Certain Softwood Lumber Products from Canada: Final Results of the Countervailing Duty Administrative Review; 2017–2018*, 85 FR 77163 (December 1, 2020) (*Lumber V AR1 Final*), and accompanying IDM at Comment 93.

[74] *See Lumber V AR6 Final* IDM at Comments 34 and 35.

[75] *Id*. at Comment 34.

[76] *Id*. at Comment 35.

[77] *See* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-GEN-4-A9, GEN-4-B, GEN-4-C, GEN-4-D5, and GEN-4-E for Schedule 8 in the Federal income tax returns and Schedule CO-130.A-T in the Québec income tax returns; *see also* West Fraser Non-Stumpage IQR Response Volume II at Exhibits WF-AR7-GEN-8, GEN-9, GEN-10, GEN-11, and GEN-12 for the Schedule 8.

[78] *See Preliminary Results* PDM at 6-10.

[79] *See* Resolute Post-Preliminary Calculation Memorandum; *see also* Memorandum, "Post-Preliminary Results Calculations for West Fraser Mills, Ltd.," dated concurrently with this memorandum (West Fraser Post-Preliminary Calculation Memorandum).

[80] *See Lumber V AR6 Final* IDM at 10 and Comment 36.

percent for non-residential used in manufacturing.[81] We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination that this program which provides an accelerated depreciation rate for non-residential buildings is countervailable.[82] Therefore, we preliminarily continue to find that 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. For additional information, *see* the *Lumber V AR6 Final*.[83] Resolute and West Fraser reported that they claimed an additional allowance of two or six percent in addition to the four percent base rate for their qualifying assets under Class 1 in their income tax returns filed during the POR.[84]

Based on the record evidence, 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 GOC reported that, out of 24,808,590 corporate tax filers in Canada for the 2023 tax year, 32,820 companies claimed and were allowed the additional Class 1 CCA of six percent, and 5,440 companies claimed and were allowed the additional Class 1 CCA of 10 percent.[85] Based on this usage information, we find the actual recipients of tax savings under the Class 1 Assets program, relative to total corporate tax filers, are limited in number on an enterprise basis. Consequently, we preliminarily determine that this program is *de facto* specific, in accordance with section 771(5A)(D)(iii)(I) of the Act.

The CCA for Class 1 Assets program confers a benefit equal to the amount of the tax savings, pursuant to 19 CFR 351.509(a)(1). Consistent with the *Lumber V AR6 Final*, we continue to find that the standard depreciation rate of four percent for Class 1 is the appropriate benchmark to apply to determine whether a benefit was conferred on respondents for eligible non-residential buildings.[86] For purposes of determining the timing of receipt of the benefit, we relied upon the respondents' income tax returns filed during the POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c) and 19 CFR 351.524(b), we divided the sum of the tax savings that Resolute[87] and West Fraser received during the POR by each company's

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[81] *See* GOC Non-Stumpage IQR Response Volume II at 74-77 and 97.

[82] *Id*. at 74-104 (and all referenced exhibits therein); *see also* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-2 and QC-3 (and all referenced exhibits therein); and West Fraser Non-Stumpage IQR Response Volume II at 66-72 (and all referenced exhibits therein).

[83] *See Lumber V AR6 Final* IDM at Comment 36.

[84] *See* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-TAX-FED-2 (p. 4-5) and QC-3 (p. 4-5), and Schedule 8 within the Federal income tax returns and Schedule CO-130.A-T within the Québec income tax returns at Exhibits RES-NS-GEN-4-A9, GEN-4-B, GEN-4-C, GEN-4-D5, and GEN-4-E; *see also* Resolute January 26, 2026 Non-Stumpage SQR Response at 15-20 and Exhibit RES-NS-USAGE-SQR-2; Resolute April 22, 2026 Non-Stumpage SQR Response at Exhibit RES-NS5-1; Resolute June 12, 2026 Non-Stumpage SQR Response at Exhibits RES-NS6-TAX-1 through TAX-5; and West Fraser Non-Stumpage IQR Response Volume II at 68-69, Exhibit WF-AR7-OS-1 (Table 4.2), and Schedule 8 within the income tax returns at Exhibits WF-AR7-GEN-8, GEN-9, GEN-10, GEN-11, and GEN-12.

[85] *See* GOC Non-Stumpage IQR Volume II at 94 and Exhibit GOC-AR7-CRA-CLASS1-7.

[86] *See Lumber V AR6 Final* IDM at Comment 36.

[87] We note that Resolute utilized both the Federal and Québec CCA for Class 1 Assets in its income tax returns. *See* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-2 and QC-3. As discussed in the *Lumber V AR1 Final*, because the federal and provincial allowances apply the same depreciation rules to the same assets in each jurisdiction, Commerce treats the Federal and Québec CCA for Class 1 Assets as the same program. *See Lumber V AR1 Final* IDM at Comment 93.

total sales for the POR, as described in the "Attribution of Subsidies" section of the *Preliminary Results*,[88] to determine the net countervailable subsidy rates. On this basis, we calculated the following *ad valorem* subsidy rates:[89]

Resolute: 0.02 percent
West Fraser: 0.02 percent

3. CCA for Class 43.2 Assets

Commerce found the CCA for Class 43.2 Assets program countervailable in the *Lumber V AR2 Final*.[90] Under Class 43.2 in Schedule II of the CITR, certain capital costs of systems that produce energy by using renewable energy sources (such as solar and wind energy) and energy from waste (or fuels from waste), or that conserve energy by using fuels more efficiently, are eligible for an accelerated CCA.[91] Such equipment acquired after February 22, 2005, and before 2025, is eligible for inclusion in Class 43.2 and depreciated at a rate of 50 percent per year on a declining balance basis versus 30 percent per year under Class 43.1.[92]

We find that interested parties have not submitted any new information or argument that warrants reconsideration of Commerce's prior determination that the CCA for Class 43.2 Assets program is countervailable.[93] Therefore, we preliminarily 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 AR2 Final*.[94] Resolute reported that it claimed tax deductions under Class 43.2 within its income tax returns filed during the POR.[95] West Fraser reported that it did not use this program in its 2023 income tax return filed during the POR.[96]

Based on the record evidence, we continue to find that the tax 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

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[88] *See Preliminary Results* PDM at 6-10.
[89] *See* Resolute Post-Preliminary Calculation Memorandum; *see also* West Fraser Post-Preliminary Calculation Memorandum.
[90] *See Certain Softwood Lumber Products from Canada: Final Results of the Countervailing Duty Administrative Review*, 2019, 86 FR 68467 (December 2, 2021) (*Lumber V AR2 Final*), and accompanying IDM at 21 and Comments 95 and 96.
[91] *See* GOC Non-Stumpage IQR Response Volume II at 105.
[92] *Id*.
[93] *Id*. at 105-126 (and all referenced exhibits therein); *see also* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-3 and QC-4 (and all referenced exhibits therein).
[94] *See Lumber V AR2 Final* IDM at 21 and Comments 95 and 96; *see also Certain Softwood Lumber Products from Canada: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review, 2019*, 86 FR 28556 (May 27, 2021), and accompanying PDM at 69-70.
[95] *See* Resolute Non-Stumpage IQR Response at 31 and Exhibits RES-NS-TAX-FED-3 and QC-4, and Schedule 8 within the Federal income tax returns and Schedule CO-130.A-T within the Québec income tax returns at Exhibits RES-NS-GEN-4-A9, GEN-4-B, GEN-4-C, GEN-4-D5, and GEN-4-E; *see also* Resolute January 26, 2026 Non-Stumpage SQR Response at 15-20 and Exhibit RES-NS-USAGE-SQR-2; Resolute April 22, 2026 Non-Stumpage SQR Response at Exhibit RES-NS5-1; and Resolute June 12, 2026 Non-Stumpage SQR Response at Exhibits RES-NS6-TAX-1 through TAX-5.
[96] *See* West Fraser Non-Stumpage IQR Response Volume II at 78.

GOC reported that, out of 24,808,590 corporate tax filers in Canada for the 2023 tax year, 3,190 companies claimed and were allowed the Class 43.2 CCA.[97] 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.

The CCA for Class 43.2 Assets program confers 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 Resolute's income tax returns filed during the POR, as provided under 19 CFR 351.509(b)(1). As a recurring subsidy under 19 CFR 351.509(c) and 19 CFR 351.524(b), we divided the sum of the tax savings that Resolute[98] received during the POR by the company's total sales for the POR, as described in the "Attribution of Subsidies" section of the *Preliminary Results*,[99] to determine the net countervailable subsidy rate. On this basis, we calculated the following *ad valorem* subsidy rate:[100]

Resolute: 0.01 percent

B. Programs Preliminarily Determined To Be Not Countervailable

4. Ministry of Transportation of Ontario Roads Maintenance

Ontario's Ministry of Transportation (OMOT) signed a contract with Resolute in 1993 for a cost-sharing agreement where OMOT reimburses Resolute for fifty percent of Resolute's direct costs for maintaining provincial Tertiary Road 811 (811).[101] This road is one of several classifications of public, OMOT-owned highways under the Public Transportation and Highway Improvement Act (PTHIA).[102] Under provisions within the PTHIA, OMOT can only conduct winter maintenance on a Tertiary Road through a cost-sharing agreement with "any person" and pay a maximum of 50 percent of the costs for such work.[103] Under the terms of the agreement, Resolute maintains 811 to a standard that meets both the needs of the travelling public as directed by OMOT and the company's use of the road.[104] The GOO reports that funds used to compensate Resolute for this maintenance work are not part of any particular funding program,

[97] *See* GOC Non-Stumpage IQR Response Volume II at 119 and Exhibit GOC-AR7-CRA-CLASS43.2-8.
[98] We note that Resolute utilized both the Federal and Québec CCA for Class 43.2 Assets during the POR. *See* Resolute Non-Stumpage IQR Response Volume 2 at Exhibits RES-NS-TAX-FED-3 and QC-4. Similar to the ACCA for Class 53 Assets and CCA for Class 1 Assets programs discussed above, because the Federal and Québec allowances under Class 43.2 apply the same depreciation rules to the same assets in each jurisdiction, we are treating the Federal and Québec CCA for Class 43.2 Assets as the same program.
[99] *See Preliminary Results* PDM at 6-10.
[100] *See* Resolute Post-Preliminary Calculation Memorandum; *see also* West Fraser Post-Preliminary Calculation Memorandum.
[101] *See* GOO's Letter, "Non-Stumpage Response of the Government of Ontario to the Department's April 22, 2025 Questionnaire," dated June 14 20025 (GOO Non-Stumpage IQR Response), at ON-MTO-1; *see also* Resolute Non-Stumpage IQR Response at Exhibits RES-NS-ONTOADSMTO-APP and RES-NS-ONROADSMTO-1.
[102] *See* GOO Non-Stumpage IQR Response at ON-MTO-1.
[103] *Id.* at ON-MTO-1 and Exhibit ON-MTO-1.
[104] *Id.* at ON-MTO-1; *see also* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-ONROADSMTO-1 at 3.

but drawn from the same general allocation used for highway maintenance across the entire OMOT highway network, including King's Highways and Secondary Highways.[105]

We do not find that there is record evidence that 811 is tied to Resolute's forestry licenses, nor record evidence demonstrating that 811 is tied to Resolute's resulting obligations under those licenses to maintain and repair forestry roads on lands covered by the licenses. We have countervailed reimbursements of road maintenance and repair when the record sufficiently establishes that the reimbursements relieve the respondent of obligations that it is legally obligated to incur under its forestry licenses or where the respondent would have incurred the reimbursed costs in its ordinary course of business, *see*, *e.g.*, the MCCRP above, or the Ontario Forest Roads Funding Program (OFRFP) which we countervailed in the *Preliminary Results* and in previous administrative reviews.[106] Unlike the OFRFP, where the Ontario Ministry of Natural Resources and Forestry reimburses SFL holders and certain FRL holders fully for the construction and maintenance of primary roads, and partially for the construction and maintenance of branch roads on lands covered by the SFL or FRL, we do not find that record evidence here demonstrates that Resolute is being relieved of an obligation under one of its licenses. Accordingly, based on the evidence on this record, we preliminarily find that such road maintenance services provided to OMOT are beyond the responsibilities of a tenure holder. Thus, we preliminarily find that such payments do not constitute a financial contribution that confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act.

5. Rexforêt Silviculture Works: Spruce Budworm Salvage

Fibrek contracted with Rexforêt to perform clearing of trees damaged by the spruce budworm in the Saguenay-Lac-St. Jean region.[107] Fibrek was paid a per hectare fee for clearing the diseased timber and allowed to salvage whatever timber it could for use in its pulp mill for pulp production.[108] Resolute reported that the work performed by Fibrek was in areas consisting "mainly of premature stands which were not suitable for processing into lumber" and that "the diseased recovery wood had no commercial value for lumber production."[109]

Commerce has countervailed a similar program where Resolute has performed road/bridge construction work under contracts with Rexforêt.[110] In that example, Commerce determined that certain payments provided by Rexforêt relieved Resolute of financial burdens the company otherwise would have incurred.[111] There is no evidence on the record that Fibrek held a Timber Supply Guarantee (TSG) license during the POR and, therefore, performance of this clearance/salvage work in exchange for the fees outlined in the contract did not relieve Fibrek of an obligation that it otherwise would have been required to perform as part of holding a forestry license or would have incurred in its normal course of operations. Accordingly, based on the evidence on the record, Commerce preliminarily determines that such payments do not constitute a financial contribution that confers a benefit under sections 771(5)(D) and 771(5)(E) of the Act.

[105] *See* GOO Non-Stumpage IQR Response at ON-MTO-2.
[106] *See Preliminary Results* PDM at 55.
[107] *See* Resolute Non-Stumpage IQR Response at Exhibit RES-NS-REX-APP.
[108] *Id.*
[109] *Id.*
[110] *See Lumber V AR1 Final* IDM at Comment 116.
[111] *Id.*

Commerce intends to seek additional information about this program in subsequent administrative reviews. If Fibrek performs work under this contract in a subsequent administrative review, Commerce intends to seek further information about the relationship between the areas on which Fibrek performed this work and the TSG licenses that Resolute held that may have overlapped with that work.

B. Program Preliminarily Determined Not To Provide Measurable Benefits During the POR

1. CCA for Class 43.1 Assets

We preliminarily determine that neither Resolute nor West Fraser received a measurable benefit under the CCA for Class 43.1 Assets program during the POR.[112]

V. POST-PRELIMINARY *AD VALOREM* RATES FOR MANDATORY RESPONDENTS

As a result of these post-preliminary results, we preliminarily determine a total net countervailable subsidy rate of 12.24 percent *ad valorem* for Resolute and 16.15 percent *ad valorem* for West Fraser.[113]

VI. POST-PRELIMINARY *AD VALOREM* RATE FOR NON-SELECTED COMPANIES UNDER REVIEW

Consistent with the *Preliminary Results*, we calculated the non-selected rate by weight-averaging the subsidy rates calculated for Resolute and West Fraser using each company's publicly-ranged U.S. sales value for the subject merchandise during the POR.[114] On that basis, for each company for which a review was requested and not rescinded, and which were not individually examined or found to be cross-owned with an individually-examined respondent, we determine a post-preliminary subsidy rate of 14.52 percent *ad valorem*.[115]

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[112] *See* Resolute Post-Preliminary Calculation Memorandum; *see also* West Fraser Post-Preliminary Calculation Memorandum.
[113] *See* Resolute Post-Preliminary Calculation Memorandum; *see also* West Fraser Post-Preliminary Calculation Memorandum.
[114] *See Preliminary Results* PDM at 93.
[115] *See* Memorandum, "Non-Selected Rate for Post-Preliminary Results," dated currently with this memorandum.

VII. RECOMMENDATION

We recommend that you approve the post-preliminary findings described above.

☒	☐
Agree	Disagree

X

Signed by: CHRISTOPHER ABBOTT