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UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-122-857
Administrative Review
POR: 1/1/2024 – 12/31/2024
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October 13, 2026

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

FROM: Eric Greynolds
Director, Office IV
Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the 2024 Administrative Review of the Antidumping Duty Order on Certain Softwood Lumber Products from Canada

I. SUMMARY

The U.S. Department of Commerce (Commerce) analyzed the case and rebuttal briefs submitted by interested parties following the *Preliminary Results* of the 2024 administrative review of the antidumping duty (AD) order of certain softwood lumber products (softwood lumber) from Canada.[1] The period of review (POR) is January 1, 2024, through December 31, 2024. This administrative review covers three mandatory respondents; Canfor,[2] Resolute,[3] and West Fraser;[4] as well as 220 non-selected producers/exporters.[5] Based on our analysis of the comments received, we made certain changes to our dumping margin calculations for Canfor, Resolute, West Fraser, and the non-selected producers/exporters. We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues for which we received comments:

[1] *See Certain Softwood Lumber Products from Canada: Antidumping Duty Order and Partial Amended Final Determination*, 83 FR 350 (January 3, 2018) (*Order*); *see also Certain Softwood Lumber from Canada: Preliminary Results and Intent to Rescind, in Part, of Antidumping Duty Administrative Review; 2024*, 91 FR 19099 (April 14, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).
[2] As described in the *Preliminary Results* PDM at 7, we have treated Canfor Corporation, Canadian Forest Products Ltd., Canfor Wood Products Marketing Ltd., Canfor Fox Creek Ltd. and Canfor Whitecourt Ltd. (collectively, Canfor) as a single entity.
[3] As described in the *Preliminary Results* PDM at 8, we have treated Resolute Growth, Mauricie, Opitciwan, Resolute-LP Larouche, Resolute-LP St-Prime, and Resolute FP (collectively, Resolute) as a single entity.
[4] As described in the *Preliminary Results* PDM at 8, we have treated West Fraser Mills Ltd., Blue Ridge Lumber Inc., Manning Forest Products Ltd., and Sundre Forest Products Inc. (collectively, West Fraser) as a single entity.
[5] The *Preliminary Results* identified 328 respondents. In these final results, we are rescinding this administrative review with respect to 105 companies. *See* Comment 18, *infra*, for a detailed discussion of Commerce's changes to the list of companies under review for these final results.

INTERNATIONAL TRADE ADMINISTRATION

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Issues Specific to Canfor

Comment 1: Whether to Maintain Product Matching Restrictions for Canfor
Comment 2: Whether to Correct an Error in the Calculation of the "Total Adjustments" to Canfor's Reported Cost Information
Comment 3: Whether to Exclude Expenses Incurred by Canfor Sweden in Canfor's General and Administrative (G&A) Expense Ratio
Comment 4: Whether Commerce's Treatment of Permanent Closure Costs Is Inconsistent, Unsupported by Substantial Evidence, and Contrary to Law
Comment 5: Whether to Revise the Determination Regarding the Alleged Purchase of Electricity from Canfor Pulp Products Inc. (CPPI) at the Northwood Facility
Comment 6: Whether to Revise the Calculation of the Market Prices Used to Evaluate Canfor's Affiliated Electricity Transactions

Issues Specific to Resolute

Comment 7: Whether to Adjust Resolute's Reported Costs to Account for Affiliated Log Purchases
Comment 8: Whether to Revise Resolute's Net Interest Expense Ratio Calculation
Comment 9: Whether to Revise Resolute's G&A Expense Ratio
Comment 10: Whether to Further Revise Resolute's Cost of Production
Comment 11: Whether Non-Reportable Scope Products Should Be Removed from the Margin Calculation
Comment 12: Whether Constructed Export Price (CEP) Inventory Carrying Cost Should Include Inventory Carrying Cost in Canada
Comment 13: Whether the *Preliminary Results* for Resolute Should Be Corrected to Confirm that the Cohen's *d* Test Was Not Used

Issues Specific to West Fraser

Comment 14: Whether to Adjust the Calculation of West Fraser's By-product Offset

General Issues

Comment 15: Whether to Adjust the Price Used to Establish Export Price (EP) and CEP
Comment 16: Whether Commerce Should Identify, and Apply Certain Adjustments to the Final Dumping Margins For, the Non-Selected Exporters and Producers Subject to this Review
Comment 17: Whether to Reconsider the Price Difference Test for the Final Results
Comment 18: Whether to Revise the Mandatory Respondents' U.S. Customs and Border Protection (CBP) Liquidation Instructions

II. BACKGROUND

On April 14, 2026, Commerce published its *Preliminary Results*.[6] On August 4, 2026, Commerce extended the deadline of these final results by 53 days until October 5, 2026.[7] On

[6] *See Preliminary Results*, 91 FR at 19102.
[7] *See* Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated August 4, 2026.

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September 28, 2026, Commerce extended the deadline of these final results by an additional seven days.[8] Accordingly, the current deadline for these final results is October 13, 2026.

Between April 21 and May 12, 2026, numerous parties submitted letters in lieu of case briefs concerning Commerce's calculation of the non-selected rate.[9] On May 12, 2026, the petitioner,[10] Canfor, Resolute, West Fraser, the Canadian Parties, Sierra Pacific, and certain non-selected exporters and U.S. importers (collectively, Non-Selected Companies) submitted timely-filed case briefs.[11] On May 19, 2026, Carrier and Olympic submitted timely-filed letters in lieu of rebuttal briefs.[12] On May 27, 2026, the petitioner, Canfor, Resolute, the Canadian Parties, and Sierra Pacific submitted timely-filed rebuttal briefs.[13]

On September 29, 2026, Commerce placed draft CBP instructions on the record for public comment.[14] On October 2, 2026, the petitioner submitted timely comments regarding these draft CBP instructions.[15] No other parties commented on the draft instructions. On May 5, 2026, the Government of Canada (GOC), the Government of Québec, Canfor, Resolute, West Fraser, J.D. Irving, Limited, the Alberta Softwood Lumber Trade Council, the British Columbia Lumber Trade Council, the Conseil de l'Industrie forestière du Québec, and the Ontario Forest Industries

[8] *See* Memorandum, "Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated 28, 2026.
[9] For citations to the letters in lieu of case briefs submitted in this proceeding, *see* Memorandum, "Calculation of the Margin for Non-Examined Companies," dated concurrently with this memorandum.
[10] 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.
[11] *See* Canfor's Letter, "Canfor's Case Brief," dated May 12, 2026 (Canfor's Case Brief); *see also* GOC, Governments of Alberta, British Columbia, Ontario, and Québec, the Alberta Softwood Lumber Trade Council, the British Columbia Lumber Trade Council, Interfor Corporation, Interfor Sales & Marketing Ltd., EACOM Timber Corporation, Chaleur Forest Products Inc. and Chaleur Forest Products LP's (collectively, Canadian Parties) Letter, "Canadian Parties' Case Brief," dated May 13, 2026 (Canadian Parties' Case Brief); the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations' (the petitioner) Letter, "Case Brief," dated May 12, 2026 (Petitioner's Case Brief); Resolute's Letter, "Resolute's Case Brief," dated May 12, 2026 (Resolute's Case Brief); Sierra Pacific Industries' (Sierra Pacific) Letter, "Case Brief," dated May 12, 2026 (Sierra Pacific's Case Brief); West Fraser's Letter, "West Fraser Mills Ltd. Case Brief," dated May 12, 2026 (West Fraser's Case Brief); and Non-Selected Companies' Letter, "Case Brief of Non-Selected Exporters and U.S. Importers," dated May 12, 2026 (Non-Selected Companies' Case Brief).
[12] *See* Carrier Forest Products Ltd. and Carrier Lumber Ltd.'s (collectively, Carrier) Letter, "Letter in Lieu of Rebuttal Brief," dated May 19, 2026; *see also* Olympic Industries, Inc. and Olympic Industries ULC's (collectively, Olympic) Letter, "Letter in Lieu of Rebuttal Brief," dated May 19, 2026.
[13] *See* Canfor's Letter, "Canfor's Rebuttal Brief," dated May 27, 2026 (Canfor's Rebuttal Brief); *see also* Canadian Parties' Letter, "Canadian Parties' Rebuttal Brief," dated May 27, 2026 (Canadian Parties' Rebuttal Brief); Petitioner's Letter, "Rebuttal Brief," dated May 27, 2026 (Petitioner's Rebuttal Brief); Sierra Pacific's Letter, "Rebuttal Brief," dated May 27, 2026 (Sierra Pacific's Rebuttal Brief); and Resolute's Letter, "Resolute's Rebuttal Brief," dated May 27, 2026 (Resolute's Rebuttal Brief).
[14] *See* Memorandum, "Correction to List of Companies Under Review, Notice of Intent to Rescind Review, In Part, and Release of Draft Customs Instructions," dated September 29, 2026 (September 29 Memorandum).
[15] *See* Petitioner's Letter, "Comments on Draft Customs instructions," dated October 2, 2026 (Petitioner's Comments on Draft CBP Instructions).

Association submitted a request for a hearing.[16] On September 28, 2026, they withdrew their hearing request.[17]

III. 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.

[16] *See* GOC, the Government of Québec, Canfor, Resolute, West Fraser, J.D. Irving, Limited, the Alberta Softwood Lumber Trade Council, the British Columbia Lumber Trade Council, the Conseil de l'Industrie forestière du Québec, and the Ontario Forest Industries Association's Letter, "Request for Hearing," dated May 5, 2026.
[17] *See* GOC, the Government of Québec, Canfor, Resolute, West Fraser, J.D. Irving, Limited, the Alberta Softwood Lumber Trade Council, the British Columbia Lumber Trade Council, the Conseil de l'Industrie forestière du Québec, and the Ontario Forest Industries Association's Letter, "Canadian Parties' Withdrawal of Request for Hearing," dated September 28, 2026.

- 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 Harmonized Tariff Schedule of the United States (HTSUS). This chapter of the HTSUS covers "Wood and articles of wood." Softwood lumber products that are subject to this *Order* are currently classifiable under the following ten-digit HTSUS subheadings in Chapter 44:

4406.11.0000; 4406.91.0000; 4407.10.0101; 4407.10.0102; 4407.10.0115; 4407.10.0116; 4407.10.0117; 4407.10.0118; 4407.10.0119; 4407.10.0120; 4407.10.0142; 4407.10.0143; 4407.10.0144; 4407.10.0145; 4407.10.0146; 4407.10.0147; 4407.10.0148; 4407.10.0149; 4407.10.0152; 4407.10.0153; 4407.10.0154; 4407.10.0155; 4407.10.0156; 4407.10.0157; 4407.10.0158; 4407.10.0159; 4407.10.0164; 4407.10.0165; 4407.10.0166; 4407.10.0167; 4407.10.0168; 4407.10.0169; 4407.10.0174; 4407.10.0175; 4407.10.0176; 4407.10.0177; 4407.10.0182; 4407.10.0183; 4407.10.0192; 4407.10.0193; 4407.11.0001; 4407.11.0002; 4407.11.0042; 4407.11.0043; 4407.11.0044; 4407.11.0045; 4407.11.0046; 4407.11.0047; 4407.11.0048; 4407.11.0049; 4407.11.0052; 4407.11.0053; 4407.12.0001; 4407.12.0002; 4407.12.0017; 4407.12.0018; 4407.12.0019; 4407.12.0020; 4407.12.0058; 4407.12.0059; 4407.19.0500; 4407.19.0600; 4407.19.1001; 4407.19.1002; 4407.19.1054; 4407.19.1055; 4407.19.1056; 4407.19.1057; 4407.19.1064; 4407.19.1065; 4407.19.1066; 4407.19.1067; 4407.19.1068; 4407.19.1069; 4407.19.1074; 4407.19.1075; 4407.19.1076; 4407.19.1077; 4407.19.1082; 4407.19.1083; 4407.19.1092; 4407.19.1093; 4409.10.0500; 4409.10.1020; 4409.10.1040; 4409.10.1060; 4409.10.1080; 4409.10.2000; 4409.10.9020; 4409.10.9040; 4418.50.0010; 4418.50.0030; 4418.50.0050; and 4418.99.1000.

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:

4415.20.4000; 4415.20.8000; 4418.99.9005; 4418.99.9020; 4418.99.9040; 4418.99.9095; 4421.99.7040; and 4421.99.9780.

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

IV. CHANGES SINCE THE *PRELIMINARY RESULTS*

Based on our review of the record and comments received from interested parties, we made the following changes to the *Preliminary Results*. For further details, *see* the final analysis memoranda.[18]

- We have revised the name of one respondent that was identified in the *Preliminary Results*. For further details, *see* the accompanying *Federal Register* notice.
- We rescinded review of 105 companies that that were identified in the *Preliminary Results*. For further details, *see* the accompanying *Federal Register* notice.
- We adjusted our calculation of West Fraser's byproduct adjustment to include costs for one of West Fraser's sawmills that had been inadvertently omitted in the *Preliminary Results*.
- We deducted fees paid under the Softwood Lumber Checkoff program from Canfor's EP and CEP.
- We adjusted our calculation of Canfor's margin program to correct a model-matching error.
- We adjusted Canfor's total cost of manufacturing calculation to correct an uncontested ministerial error in the total cost adjustment.
- We performed a transaction disregarded adjustment pursuant to section 773(f)(2) of the Tariff Act of 1930, as amended (the Act), to Resolute's variable wood costs with respect to one sawmill that purchased lower-priced logs from an affiliate.
- We added fire event expenses, a "lower of cost or market" inventory adjustment, and other minor adjustments to Resolute's G&A expenses.
- We removed inventory carrying costs incurred in Canada from Resolute's CEP expenses.

V. DIFFERENTIAL PRICING ANALYSIS

Pursuant to 19 CFR 351.414(c)(1), Commerce calculates a weighted-average dumping margin by comparing weighted-average NVs to weighted-average EPs (or CEPs) (*i.e.*, the average-to-average (A-to-A) method) unless Commerce determines that another method is appropriate in a particular situation. In a less-than-fair-value (LTFV) investigation, Commerce examines whether to compare weighted-average NVs with the EPs (or CEPs) of individual sales (*i.e.*, the average-to-transaction (A-to-T) method) as an alternative comparison method using an analysis consistent with section 777A(d)(1)(B) of the Act. Although section 777A(d)(1)(B) of the Act does not strictly govern Commerce's examination of this question in the context of an administrative review, Commerce nevertheless finds that the issue arising under 19 CFR

[18] *See* Memoranda, "Analysis for the Final Results of the Seventh Antidumping Duty Administrative Review of Certain Softwood Lumber Products from Canada: West Fraser Mills Ltd., Blue Ridge Lumber Inc., Manning Forest Products Ltd., and Sundre Forest Products Inc.," (West Fraser Final Analysis Memorandum); "Analysis for the Final Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada - Resolute FP Canada, Inc.," (Resolute Final Analysis Memorandum); and "Analysis for the Final Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada - Canfor Corporation, Canadian Forest Products Ltd., Canfor Wood Products Marketing Ltd., Canfor Fox Creek Ltd. and Canfor Whitecourt Ltd. (collectively, Canfor)," (Canfor Final Analysis Memorandum) dated concurrently with this memorandum (collectively, Final Analysis Memoranda).

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351.414(c)(1) in an administrative review is, in fact, analogous to the issue in an LTFV investigation.[19]

In numerous investigations and administrative reviews, Commerce has applied a "differential pricing" analysis for determining whether application of the A-to-T method is appropriate in a particular situation, consistent with 19 CFR 351.414(c)(1) and section 777A(d)(1)(B) of the Act.[20] Commerce finds that the differential pricing analysis is instructive for purposes of examining whether to apply an alternative comparison method in this administrative review.

The differential pricing analysis used in these final results examines whether there exists a pattern of prices for comparable merchandise that differ significantly among purchasers, regions, or time periods pursuant to section 777A(d)(1)(B)(i) of the Act. The analysis evaluates all U.S. sales by purchaser, region, and time period to determine whether a pattern of prices that differ significantly exists. If such a pattern is found, then the differential pricing analysis evaluates whether such differences can be taken into account when using the A-to-A method to calculate the weighted-average dumping margin. The analysis incorporates default group definitions for purchasers, regions, time periods, and comparable merchandise. Purchasers are based on the reported consolidated customer codes. Regions are defined using the reported destination code (*i.e.*, ZIP code) and are grouped into regions based upon standard definitions published by the U.S. Census Bureau. Time periods are defined by the quarter within the POR based upon the reported date of sale. For purposes of analyzing sales transactions by purchaser, region, and time period, comparable merchandise is defined using the product control number and all characteristics of the U.S. sales, other than purchaser, region, and time period, that Commerce uses in making comparisons between EP (or CEP) and normal value (NV) for the individual dumping margins.

In the first stage of the differential pricing analysis used here, the "price difference test" is applied to determine whether prices differ significantly.[21] For comparable merchandise, the

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[19] *See, e.g.*, *Ball Bearings and Parts Thereof from France, Germany, and Italy: Final Results of Antidumping Duty Administrative Reviews; 2010–2011*, 77 FR 73415 (December 10, 2012), and accompanying Issues and Decision Memorandum (IDM) at Comment 1; *Apex Frozen Foods Private Ltd. v. United States*, 37 F. Supp. 3d 1286 (CIT 2014) (*Apex I*); *see also JBF RAK LLC v. United States*, 790 F.3d 1358, 1364 (Fed. Cir. 2015) (*JBF RAK*) (affirming Commerce's practice of applying its differential pricing analysis in administrative reviews "that parallels the methodology used in investigations").

[20] *See, e.g.*, *Xanthan Gum from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 78 FR 33351 (June 4, 2013) (*Xanthan Gum from China*); *see also Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014); and *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015).

[21] In prior investigations and administrative reviews, Commerce used the Cohen's *d* test as part of the differential pricing analysis, but the Federal Circuit held that it is unreasonable to use the Cohen's *d* test when the Cohen's *d* test is applied to data that do not satisfy the statistical assumptions of normal distribution, equal variances, and sufficiently numerous data. *See Marmen Inc. v. United States*, 134 F.4th 1334 (Fed. Cir. 2025) (*Marmen III*); *see also Stupp Corp. v. United States*, 2025 U.S. App. LEXIS 9616 (Fed. Cir. 2025) (nonprecedential disposition) (*Stupp VII*). Subsequently, Commerce sought information and public comment regarding alternatives to the use of the Cohen's *d* test to define when prices differ significantly among purchasers, regions, and time periods, pursuant to section 777A(d)(1)(B)(i) of the Act. *See Alternatives to the Use of Cohen's d; Request for Comment*, 90 FR 21277 (May 19, 2025). Against this backdrop and in an effort to comply with the Federal Circuit's holdings, Commerce has discontinued the use of the Cohen's *d* test and has discontinued the use of the "mixed method" as a potential

price difference test examines whether the weighted-average net price to a given purchaser, region, or time period is within two percent of the weighted-average net price to all other purchasers, regions, or time periods. If the weighted-average net price to the given purchaser, region, or time period falls outside of the plus or minus two percent band around the weighted-average net price to all other purchasers, regions, or time periods, then the prices to that given purchaser, region, or time period are found to differ significantly and those sales to the given purchaser, region, or time period pass the price difference test.

Next, the "ratio test" assesses the extent of the significant price differences for all U.S. sales as measured by the price difference test.[22] The ratio test calculates the ratio of the total value of sales that pass the price difference test to the total value of sales by the respondent in the United States during the POR. If 33 percent or less of the total value of sales passes the price difference test, then the results of the price difference and ratio tests do not support consideration of the A-to-T method. If more than 33 percent of the total value of U.S. sales passes the price difference test, then Commerce will find that a pattern of prices that differ significantly existed during the POR.[23] Consequently, Commerce will examine whether there is a meaningful difference in the weighted-average dumping margins calculated using the standard A-to-A method and using the alternative A-to-T method.

If both tests in the first stage (*i.e.*, the price difference test and the ratio test) demonstrate the existence of a pattern of prices that differ significantly such that the A-to-T method could be considered, then in the second stage of the differential pricing analysis, Commerce examines whether using only the A-to-A method can account for such differences. In considering this question, Commerce examines whether using the A-to-T method yields a meaningful difference in the weighted-average dumping margin as compared to that resulting from using the A-to-A method. If the difference between the two calculations is meaningful, then this demonstrates that the A-to-A method cannot account for differences in the respondent's pricing behavior in the U.S. market, such as those observed in this analysis, and, therefore, use of the A-to-T method may be appropriate. A difference in the weighted-average dumping margins is considered meaningful if: (1) there is a 25 percent relative change in the weighted-average dumping

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alternative comparison methodology. *See also Toyo Kohan Co., Ltd. v. United States*, Court No. 24-00261, Slip Op. 26-54 (CIT May 22, 2026) (*Toyo*), at 20 (sustaining Commerce's price difference test as a reasonable method of finding whether prices differ significantly in accordance with *Marmen III* and the language of the statute, which both afford Commerce discretion to fashion its methodology) (citing *Garg Tube Export LLP v. United States*, 740 F. Supp. 3d 1355, 1367 (CIT 2024) (*Garg Tube*)); *accord Marmen Inc. v. United States*, Court No. 20-00169, Slip Op. 26-62 (CIT June 15, 2026) (*Marmen IV*); *Gov't of Canada v. United States*, Consol. Court No. 23-00187, Slip Op. 26-82 (CIT July 27, 2026) (*Gov't of Canada*); *Universal Tube & Plastic Indus., Ltd, v. United States*, Court No. 23-00113, Slip Op. 26-98 (CIT August 19, 2026) (*Universal Tube*); *Maquilacero S.A. de C.V. v. United States*, Consol. Court No. 23-00091, Slip Op. 26-111 (CIT September 14, 2026) (*Maquilacero*); *Stupp Corp. v. United States*, Consol. Court No. 15-00334, Slip Op. 26-113 (CIT September 15, 2026) (*Stupp VIII*).

[22] *See Dillinger France S.A. v. United States*, 981 F.3d 1318, 1325 (Fed. Cir. 2020) (holding that aggregation is not inconsistent with the statute, which requires that Commerce determine that there is a pattern of EP or CEPs for comparable merchandise that differ significantly among purchasers, regions, or periods of time).

[23] *See Gov't of Canada*, Slip Op. 26-82 at 19-22 (citing *Stupp Corp. v. United States*, 5 F.4th 1341, 1355 (Fed. Cir. 2021) (*Stupp V*) and holding "that Commerce's application of the 'ratio test' to determine the extent of the significant price differences of all U.S. sales as measured by the 'price difference test' applied as a component of its differential pricing analysis is in accordance with law"); *accord Marmen IV*, Slip Op. 26-62 at 17-21; *Toyo*, Slip Op. 26-54 at 15-16, 18-19; *Universal Tube*, Slip Op. 26-96 at 28-29; *Maquilacero*, Slip Op. 26-111 at 20-22; *Stupp VIII*, Slip Op. 26-113 at 13-17.

margins between the A-to-A method and the A-to-T method where both rates are above the *de minimis* threshold; or (2) the resulting weighted-average dumping margins between the A-to-A method and the A-to-T method move across the *de minimis* threshold.[24]

For Canfor, based on the results of the differential pricing analysis, Commerce finds that 98.53 percent of the value of U.S. sales pass the price difference test,[25] and confirms the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods. Further, Commerce determines that there is no meaningful difference between the weighted-average dumping margin calculated using the A-to-A method and the weighted-average dumping margin calculated using the A-to-T method. Thus, for these final results, Commerce is applying the A-to-A method to calculate the weighted-average dumping margin for Canfor.

For Resolute, based on the results of the differential pricing analysis, Commerce finds that 97.36 percent of the value of U.S. sales pass the price difference test,[26] and confirms the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods. Further, Commerce determines that there is no meaningful difference between the weighted-average dumping margin calculated using the A-to-A method and the weighted-average dumping margin calculated using the A-to-T method. Thus, for these final results, Commerce is applying the A-to-A method to calculate the weighted-average dumping margin for Resolute.

For West Fraser, based on the results of the differential pricing analysis, Commerce finds that 95.35 percent of the value of U.S. sales pass the price difference test,[27] and confirms the existence of a pattern of prices that differ significantly among purchasers, regions, or time periods. Further, Commerce determines that the A-to-A method cannot account for such differences because there is a 25 percent relative change between the weighted-average dumping margin calculated using the A-to-A method and the weighted-average dumping calculated using the A-to-T method. Thus, for these final results, Commerce is applying the A-to-T method to calculate the weighted-average dumping margin for West Fraser.

VI. DISCUSSION OF THE ISSUES

Issues Specific to Canfor

Comment 1: Whether to Maintain Product Matching Restrictions for Canfor

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 7-9.

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[24] *See Apex Frozen Foods Priv. Ltd. v. United States*, 862 F.3d 1337, 1346 (Fed. Cir. 2017) (*Apex II*) (holding Commerce's "meaningful difference" test to be "reasonable"); *see also Marmen IV*, Slip Op. 26-62 at 21-24; *Toyo*, Slip Op. 26-54 at 15-18; *Gov't of Canada*, Slip Op. 26-82 at 22-24; *Universal Tube*, Slip Op. 26-96 at 28-29; *Maquilacero*, Slip Op. 26-111 at 22; *Stupp VIII*, Slip Op. 26-113 at 14.
[25] *See* Canfor Final Analysis Memorandum.
[26] *See* Resolute Final Analysis Memorandum.
[27] *See* West Fraser Final Analysis Memorandum.

> {Commerce} does not compare (or "match") U.S. sales to sales of the foreign like product of different species, moisture content, or grade group.[28] This restriction on product matching has been applied consistently in proceedings under this order and in other softwood lumber proceedings that pre-date *Lumber V*.[29] {Commerce} acknowledged this practice in its preliminary determination and should ensure that this practice is applied in the dumping program in the final results.[30]

Canfor's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Rebuttal Brief at 10-11.

> . . . {I}n the preliminary margin program, {Commerce} inadvertently allowed U.S. products to match to similar home market products with different species, moisture contents and grade groups. On page 7 of its Analysis Memo under Section IV, Margin Program, {Commerce} states: "For the purposes of model matching in the margin program, we did not match across species, moisture content or grade group." However, in the Dumping Margin Program itself, when {Commerce} looks for similar matches, it does not make such a limitation. Rather, after it identifies all potential home market similar models and puts those identified identical matches together with the pool of potential similar matches, {Commerce} sorts the combined matches for each U.S. model from smallest to largest based on the overall difference in product characteristics, and selects the first one as the best similar match regardless of whether there is a difference in species, moisture content or grade group. {Commerce} should correct this error.

Commerce's Position: We agree with both parties and have corrected the programming error inadvertently included in the preliminary program. In these final results, we have revised the model-matching language in the SAS program to ensure that U.S. and home market sales are not compared across different species, moisture contents, and grade, in accordance with our stated methodology.[31]

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[28] *See, e.g.*, Commerce's Letter, "Questionnaire," dated April 11, 2025 (Initial Questionnaire), at B-8, C-7 (noting that the agency "will only match sales of the same species").

[29] *See Certain Softwood Lumber Products From Canada: Final Affirmative Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 82 FR 51806 (November 8, 2017) (*Lumber from Canada Investigation*), and accompanying IDM at Comment 23 (noting the Department's "intention to not match across species, moisture content, or grade group"); *see also Notice of Final Determination of Sales at Less Than Fair Value: Certain Softwood Lumber from Canada*, 67 FR 15539 (April 2, 2002), and accompanying IDM at Comment 7 ("For the final determination, based upon our analysis of the parties' comments, we concluded that it was not appropriate to match across species or product category.")

[30] *See, e.g.*, Memoranda, "Analysis for the Preliminary Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada - West Fraser," dated April 8, 2026 (West Fraser Preliminary Analysis Memorandum) at 10 ("For the purposes of model matching in the margin program, we did not match across species, moisture content or grade group"); and "Analysis for the Preliminary Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada - Resolute FP Canada, Inc.," dated April 8, 2026 (Resolute Preliminary Analysis Memorandum) at 13 ({("For the purposes of model matching in the margin program, we did not match across species, moisture content or grade group."}).

[31] *See Preliminary Results* PDM.

Comment 2: Whether to Correct an Error in the Calculation of the "Total Adjustments" to Canfor's Reported Cost Information

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 9-10.

> {Commerce} made various adjustments to Canfor Corporation's (Canfor) costs in the *Preliminary Results*.[32] In calculating the sum of these adjustments, {Commerce} made a mathematical error that should be corrected in the final results to ensure that all adjustments to Canfor's costs are properly implemented.[33]

Canfor's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Rebuttal Brief at 10-11.

> Petitioner argues that the total adjustment to Canfor's costs increases when an alleged ministerial error is corrected.[34] Canfor raised an additional ministerial error in its case brief regarding the calculation of CPPI's selling, {G&A} expenses, which {Commerce} used to adjust the cost of electricity at the Prince George (PG) sawmill.[35] In its ministerial error, {Commerce} inadvertently treated CPPI's "other income" as an expense item rather than income. Once both errors are corrected, the net total adjustment would be lower than that proposed by Petitioner, and would be even lower if {Commerce} properly excluded intangible asset items from CPPI's {G&A} expense ratio pursuant to arguments raised in Canfor's case brief.[36]

Commerce's Position: In the final results, we have corrected the uncontested ministerial error, regarding the calculation for Canfor concerning its total adjustment to cost of manufacturing.[37] Commerce addressed the CPPI's selling and G&A expenses in Comments 5 and 6 below.

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[32] *Id*. at 18-19 (noting adjustments to "certain of Canfor's seed, electricity, and log purchases and certain energy transaction").
[33] *See* Memorandum, "Analysis for the Preliminary Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada: Canfor Corporation, Canfor Wood Products Marketing Ltd., Canadian Forest Products Ltd., Canfor Fox Creek Ltd., and Canfor Whitecourt Ltd.," dated April 8, 2026 (Canfor Preliminary Analysis Memorandum).
[34] *See* Petitioner's Case Brief At 9-10 (citing 19 CFR 351.224(f)).
[35] *See* Canfor's Case Brief at 26.
[36] *Id*.
[37] *See* Canfor Final Analysis Memorandum.

Comment 3: Whether to Exclude Expenses Incurred by Canfor Sweden in Canfor's G&A Expense Ratio

Canfor's Case Brief:

The following is a summary of the argument submitted by Canfor. For further details, *see* Canfor's Case Brief at 5-11.

> . . . {Commerce} should not include in Canfor's {G&A} expense ratio indirect selling expenses incurred by Canfor's European affiliate which are related to sales of non-subject merchandise. Section 773(b)(3) of the Tariff Act of 1930 defines "cost of production" as "an amount for selling, general, and administrative expenses based on actual data pertaining to production and sales of the foreign like product." Yet, contrary to the statute, {Commerce} included in Canfor's G&A ratio the selling expenses of Canfor's European affiliate, Canfor Sweden, which sells only lumber produced in Europe, in a departure from past segments of this proceeding. Canfor's reported G&A expenses, which properly reflect the general expense associated with the production of softwood lumber in Canada, correctly did not include these expenses.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 27-31.

> {Commerce} should reject Canfor's argument that the agency's calculation of the respondent's {G&A} expense ratio was contrary to section 773 of the Tariff Act of 1930, as amended (the Act).[38] As in prior segments of this proceeding, Canfor based its G&A expense ratio calculation on the G&A expenses of the 'CFP Legal' entity as a whole.[39] Given Canfor's construction of the 'CFP Legal' entity, the G&A expenses of Canfor Sweden (like those of Canfor Southern Pine, Inc.) relate to the 'CFP Legal' entity as a whole and are properly included in the numerator of the 'CFP Legal' G&A expense ratio calculation. Moreover, Canfor failed to provide information regarding Canfor Sweden's actual selling expenses that would reasonably permit {Commerce} to analyze or otherwise breakdown the expenses of Canfor Sweden.

Commerce's Position: We disagree with Canfor that the reported selling and administrative expenses for Canfor Sweden should be excluded from its G&A ratio. Canfor argues that Canfor Sweden produces and sells non-subject European lumber, the selling expenses associated with those sales do not pertain to the cost of producing the foreign like product and, therefore, must be excluded pursuant to section 773(b)(3)(B) of the Act. While commerce's practice is to exclude

[38] *See* section 773(b)(3)(B) of the Act.
[39] *See* Canfor's Letter, "Canfor's Sections D Initial Questionnaire Response," dated June 13, 2025 (Canfor's DQR) at D-57 (calculating a G&A expense ratio "based on the actual expenses incurred for the lumber segment of CFP legal (*i.e.*, Canfor Corporation less CPPI)").

from the G&A ratio expenses that do not relate to the production and sale of the foreign like product, the respondent bears the burden of establishing, with its actual books and records, both that expenses at issue are unrelated to the foreign product and that the amount of the claimed exclusion can be reliably identified from those records. Canfor states that Canfor Sweden does not record actual selling expenses or administrative expenses in separate account codes in its normal books and records.[40] Rather, Canfor maintains a single consolidated SG&A account, and Canfor identifies the portion attributed to selling activity by applying a ratio derived from Canfor Sweden's internal budget to the actual, consolidated expense total.[41] Although the underlying expense total is an actual, recorded figure, we find the allocation ratio used to divide it is not tied to or verifiable against Canfor Sweden's actual account records for the POR. Under section 773(f)(1)(A) of the Act, we calculate cost based on a respondent's actual records, and Canfor had not shown that this allocation ratio reflects actual, historical cost data rather than a budgeted estimate. This is consistent with *Lumber from Canada 2021*, which Canfor cites.[42] There, expense amounts for three entities, including Canfor Sweden, were excluded because they had already been identified from the respondent's record as selling rather than G&A expenses. Thus, *Lumber from Canada 2021* addresses the classification of undisputed amounts; however, *Lumber from Canada 2021* did not address whether a budget-derived allocation ratio, rather than actual account records, is an adequate basis for identifying the amount to exclude.

Accordingly, in the absence of actual account-level records substantiating the claimed selling/administrative split, we continue to include Canfor Sweden's total actual recorded selling and administrative expenses in Canfor's G&A ratio for theses final results, consistent with the *Preliminary Results*.

Comment 4: Whether Commerce's Treatment of Permanent Closure Costs Is Inconsistent, Unsupported by Substantial Evidence, and Contrary to Law

Canfor's Case Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Case Brief at 11-19.

> . . . {C}ontrary to the statute, financial reporting standards, and {Commerce}'s consistent practice with regard to closure costs, {Commerce} included restructuring, asset impairment, and closure costs associated with the permanent closure of certain of Canfor's sawmills in Canfor's G&A expense ratio. Costs associated with the permanent closure of facilities are recognized as extraordinary pursuant to international financial reporting standards and are not related to the production or sale of foreign like product or to the company's normal ongoing operations. Such costs may not, therefore, be included in Canfor's cost of

[40] *See* Canfor's Letter, "Canfor's ABCD Supplemental Questionnaire Response," dated February 23, 2026 (Canfor's SQR), at 24-25.
[41] *Id.* at Exhibit D-47
[42] *See Certain Softwood Lumber Products from Canada: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments*; 2021, *88 FR 50107* (August 1, 2023) (*Lumber from Canada 2021*), and accompanying IDM at Comment 15.

> production pursuant to Section 773(b)(3)(B). The inclusion of such costs in current cost of production for antidumping purposes has the perverse consequence of penalizing Canfor for reducing production capacity. Penalizing the closure of surplus or inefficient sawmills is contrary to the purpose of the antidumping duty law because it disincentivizes, through arbitrary and punitive rate increases, the reduction of excess capacity for the production of foreign like product.
>
> {I}n the *Preliminary Results*, Commerce revised Canfor's G&A expense ratio to exclude gains on inventory valuation at the Houston sawmill and ongoing idled operations at the Mackenzie sawmill. Commerce's determination as to both gains is internally inconsistent and contrary to {Commerce}'s determinations in prior reviews of this antidumping duty order. Commerce determined to include Canfor's losses on inventory valuation in prior administrative reviews and should therefore include the corresponding gains in this review period. As to the ongoing idled operations account at Mackenzie, Commerce inconsistently excluded the gains while including the corresponding losses from the same account. Commerce must revise its treatment of both gains so that it does not arbitrarily treat similar situations differently, contrary to law.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 31-37.

> In the *Preliminary Results*, {Commerce} adjusted Canfor's reported G&A expenses to include certain "restructuring, asset impairment, and mill closure cost{s}" associated with a number of "permanently closed" sawmills.[43] Canfor contends that {Commerce} should ignore these costs and exclude such amounts from the respondent's G&A expenses.[44] Canfor's argument attempts (incorrectly) to expand {Commerce}'s practice regarding the treatment of costs associated with the permanent closure of a facility to encompass a far wider range of expenses than those generally excluded under {Commerce}'s practice. Indeed, Canfor fails to explain how expenses incurred during the 2024 POR can reasonably be considered as relating to the closures that happened, in some instances, as early as 2019.[45] Contrary to Canfor's argument, such expenses are reasonably treated as part of the respondent's G&A expenses connected to the production and sale of softwood lumber. Additionally, {Commerce}'s treatment of these expenses does not "overstate{} Canfor's actual production costs,"[46] as there is no dispute that these expenses were incurred by the respondent and reflected in the company's own records. Finally, {Commerce} should not revise its treatment of income items reported by the Mackenzie and Houston mills because the proposed revisions would

[43] *See* Canfor Preliminary Analysis Memorandum.
[44] *See* Canfor's Case Brief at 11-19.
[45] *See* Canfor's DQR at D-38 (identifying, for example, the Mackenzie sawmill as having closed in June 2019 and the Vavenby sawmill as having closed in July 2019).
[46] *See* Canfor's Case Brief at 15-17.

> be inconsistent with {Commerce}'s practices regarding changes in inventory valuation on finished goods and of disallowing offsets related to expenses incurred in a prior period.

Commerce's Position: We agree with the petitioner and continue to include the restructuring, asset impairment, and other costs associated with Canfor's eight idled sawmills in the G&A expense ratio. We are also continuing to exclude gains related to inventory valuation at the Houston sawmill and the gains from idled operations at the Mackenzie sawmill.

Canfor argues that the closure cost for the eight sawmills is extraordinary, and that the non-recurring expenses tie to the permanent facility closure and should be excluded from the G&A calculation. While Canfor has provided information regarding the closure of these sawmills,[47] the record indicates that these sawmills generated costs during the POR. In its supplemental questionnaire, Commerce requested information regarding Canfor's costs.[48] In response, Canfor provided its books and records during the POR, which demonstrated that expenses were tied to the shutdown of certain of its sawmills.[49] These costs reflect the recurring, ongoing cost of maintaining and safeguarding idled facilities that remain part of Canfor's asset base, rather than one-time expenses incurred to permanently shut down, dispose of, or prepare a facility for sale.[50] Canfor continues to incur these costs on a recurring basis, which distinguishes them from the kind of extraordinary, non-recurring closure cost we have previously excluded from the respondent's G&A expense ratio.[51] Because these costs support Canfor's general, ongoing asset base rather than representing a discrete, one-time event, they are properly included in Canfor's G&A expenses.

With respect to the income items, we continue to exclude both gains, consistent with the *Preliminary Results*. Commerce's practice is to exclude gains and losses arising from the revaluation of finished goods inventory.[52] As the record is unclear as to the specific nature of the inventory being revalued at the Houston sawmill and because the respondent bears the burden of demonstrating the nature of this gain and has not done so, we continue to exclude the gain.[53] For the Mackenzie mill, supporting documentation demonstrates that the gain is related to fixed asset sales that, when considered in totality, we find are akin to the sale of an entire facility.[54] We find that the resulting gain related to the Mackenzie Mill facility generates non-recurring income that is not part of Canfor's normal business operations and is unrelated to its general operations. We also find the generation of this non-recurring income item is distinct from the recurring costs discussed in connection with Mackenzie Mill.

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[47] *See* Canfor's DQR at D-38 and Exhibit D-15; *see also* Canfor's SQR at Exhibit D-49.
[48] *See* Canfor's SQR at 16-22.
[49] *Id*. at Exhibit D-45.
[50] *Id*.
[51] *Id*.
[52] *See Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 76 FR 12700 (March 8, 2011), and accompanying IDM at Comment 6.
[53] *See* Canfor's SQR at 16 and 20-22; *see also Stainless Steel Wire Rod From the Republic of Korea: Final Results of Antidumping Duty Administrative Review*, 69 FR 19153 (April 12, 2004) (*SWR from Korea*), an accompanying IDM at Comment 7, where Commerce declined to make a respondent's requested adjustment to the G&A ratio based on the lack of information regarding the nature of losses connected to its inventory account (citing *NSK Ltd. v. United States*, 919 F. Supp. 442, 449 (CIT 1996) ("respondents have the burden of creating an adequate record…")).
[54] *See* Canfor SQR at Exhibit D-48 and D-45).

Comment 5: Whether to Revise the Determination Regarding the Alleged Purchase of Electricity from CPPI at the Northwood Facility

Canfor's Case Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Case Brief at 19-26.

> {Commerce} incorrectly adjusted Canfor's total cost of manufacturing (TOTCOM) based on a mischaracterization of Canfor's Prince George (PG) Sawmill as purchasing electricity from Canfor's affiliated pulp manufacturer, Canfor Pulp Products Inc. (CPPI). However, CPPI neither generates nor supplies electricity. All electricity at PG Sawmill is supplied by BC Hydro, the unaffiliated electric utility in British Columbia. {Commerce} should therefore eliminate this adjustment in the *Final Results*. The purpose of the statutory transactions disregarded rule is to ensure that actual costs are not understated by less than arm's-length dealing among affiliated parties. Here, it is BC Hydro, not CPPI, that supplies electric power to the PG Sawmill, and the price that the PG Sawmill paid for the electricity is the market price set by BC Hydro. {Commerce} should make no adjustment to PG Sawmill's manufacturing costs, and should use the TOTCOM as reported by Canfor.
>
> {Commerce} mistakenly included CPPI's "other income" as an expense in the calculation of CPPI's SG&A expenses for the adjustment to the PG Sawmill's electricity purchases. {Commerce} should correct its SG&A calculation to also properly treat the "other income" line item as an income item, not an expense.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 18-21.

> In the *Preliminary Results*, {Commerce} properly adjusted Canfor's costs after analyzing the respondent's purchases of electricity from an affiliated party.[55] Contrary to Canfor's arguments, {Commerce}'s analysis does not "mischaracterize" the nature of the transactions between Canfor's Prince George (PG) sawmill and Canfor's affiliated pulp manufacturer, Canfor Pulp Products Inc. (CPPI).[56] Instead, the record shows that CPPI: (i) invoiced the PG sawmill for electricity based on that facility's consumption of electricity, (ii) collected payment from the PG sawmill for electricity, and (iii) remitted payment of the total invoice amount to BC Hydro.[57] This record evidence supports {Commerce}'s decision to

[55] *See* Canfor Preliminary Analysis Memorandum at 4-5; *see also Preliminary Results* PDM at 18-19.
[56] *See* Canfor's Case Brief at 3, 19-26.
[57] *See* Canfor's Letter, "Canfor's Section A Initial Questionnaire Response, dated May 9, 2025 (Canfor's AQR), at A-18.

> apply the transactions disregarded provision of the statute to these affiliated party transactions. Moreover, {Commerce} also reasonably calculated CPPI's selling, general, and administrative (SG&A) expense ratio inclusive of CPPI's "Intangible Asset Amortization," as SG&A expenses, by definition, relate to the general operations of a company. There is no information on the record that supports a conclusion that CPPI's software systems are unrelated to the company's SG&A activities.

Commerce's Position: For these final results, we continue to find that transactions between the PG sawmill and its affiliate should be subject to an analysis under section 773(f)(2) of the Act (the transactions disregarded rule), consistent with our decisions in all of the previous administrative reviews and the underlying investigation of this proceeding.[58] For purposes of the transactions disregarded rule, when the respondent purchases inputs from an affiliated reseller, we test the transfer price between the affiliated supplier and the respondent with the available market prices for the input.[59] Available market prices may relate to a respondent's purchases of the same input directly from unaffiliated suppliers, and/or an affiliated reseller's average acquisition price plus the affiliated reseller's SG&A expenses.[60] Commerce's established practice when the respondent purchases inputs from an affiliated reseller is to value the input at the higher of the transfer price or the adjusted market price for the input (*i.e.*, the affiliate's average acquisition cost plus the affiliate's expenses).[61] Commerce has explained that the inclusion of the affiliate's SG&A expenses ensures that the adjusted market price reflects the affiliates' cost of providing the services.[62] Further, Commerce has applied the transactions disregarded rule in instances where the affiliated services were limited to document handling and acting as the payment intermediary, as is the case here.[63]

Canfor's reliance on *Chlorinated Isocyanurates from Japan*, *Bottom Mount Combination Refrigerator-Freezers from Mexico*, and *Certain Cut-To-Length Carbon-Quality Steel Plate from Korea* for the claim that an affiliate must take title to an input, arrange its transportation, or

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[58] *See, e.g.*, *See Certain Softwood Lumber Products from Canada: Final Results of Antidumping Duty Administrative Review, Partial Rescission of Administrative Review, and Final Determination of No Shipments; 2023*, 90 FR 35666 (July 29, 2025) (*Lumber from Canada 2023*), and accompanying IDM at Comment 5; *see also Lumber from Canada Investigation* IDM at Comment 27; *see also Certain Softwood Lumber Products from Canada: Final Results of Antidumping Duty Administrative Review; 2017-2018*, 85 FR 76519 (November 30, 2020) (*Lumber From Canada 2017-18*), and accompanying IDM at Comment 6; *Certain Softwood Lumber Products from Canada: Final Results of Antidumping Duty Administrative Review; 2019*, 86 FR 68471 (December 2, 2021) (*Lumber from Canada 2019*), and the accompanying IDM at Comment 13; *Certain Softwood Lumber Products from Canada: Final Results of Antidumping Administrative Review and Final Determination of No Shipments: 2020*; 87 FR 48465 (August 9, 2022) (*Lumber from Canada 2020*), and accompanying IDM at Comment 19; and *Certain Hot-Rolled Steel Flat Products From the Netherlands: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances*, 81 FR 53421 (August 12, 2016), and accompanying IDM at Comment 1 (citing *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances Determination: Bottom Mount Combination Refrigerator-Freezers from Mexico*, 77 FR 17422 (March 26, 2012) (*Bottom Mount Refrigerator-Freezers from Mexico*), and accompanying IDM at Comment 28).
[59] *See*, *e.g.*, *Lumber from Canada 2023* IDM at Comment 5.
[60] *Id.*
[61] *Id.*
[62] *Id.*
[63] *Id.*

otherwise act as a true reseller before the transactions disregarded rule applies is misplaced.[64] Those decisions establish that some minimum level of service by the affiliate is sufficient to warrant application of the rule, they do not establish title or transportation as necessary condition in every case.[65] Indeed, in *Bottom Mount Refrigerator-Freezers*, Commerce applied the transactions disregarded rule to an affiliate preforming administrative and invoicing functions comparable to those CPPI performs here.[66] CPPI's role, invoicing the PG sawmill based on metered consumption, collection of payment, allocating costs among the Northwood Area facilities, and remitting payment for BC Hydro, constitutes the kind of document handling and payment intermediary service we have previously found sufficient to warrant analysis under section 773(f)(2) of the Act, regardless of whether CPPI ever takes title to the electricity itself.

The record demonstrates that the electricity transaction at issue runs between the PG sawmill and CPPI, not directly between the sawmill and the unaffiliated electricity supplier, BC Hydro.[67] CPPI invoices the PG sawmill based on its metered consumption, collects payment, and remits the consolidated amount to BC Hydro. CPPI additionally provides documentation allocation costs among the Northwood area facilities. These functions constitute services provided by an affiliate interposed in the transaction, regardless of whether CPPI takes title to the electricity itself. CPPI also functions as a middleman between all the facilities in what terms the Northwood area (the entities in the area include Canfor's PG Sawmill) and electricity company BC Hydro. While Canfor may consider these transactions to be only a pass-through to its affiliated Northwood area facilities, evidence shows that CPPI provided services to the Northwood area facilities by acting as the document handler (*e.g.*, providing documentation for allocating the costs to the different facilities, invoicing each of the Northwood area facilities, processing the receipt of payments from the Northwood area facilities, *etc.*) and acting as the payment intermediary.[68] Moreover, because the record shows other affiliated transactions of inputs between these parties that also require application of the transactions disregarded analysis,[69] it is entirely reasonable to analyze the electricity purchases since affiliated transactions of different inputs can impact each other (such as with swap transactions), and sales and costs of all affiliates must ultimately be reconciled for financial accounting purposes. Accordingly, for the final results, we have continued to include CPPI's SG&A expenses in the electricity market price computation to account for the services CPPI is providing. As noted above, our approach here is consistent with our treatment of the payments in the underlying investigation and previous administrative reviews of this proceeding.[70]

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[64] *See* Canfor's Case Brief at 22-23 (citing *Chlorinated Isocyanurates From Japan: Final Determination of Sales at Less Than Fair Value*, 79 FR b56059 (September 18, 2014), and accompanying IDM at Comment 4; *Bottom Mount Refrigerators from Mexico* IDM at Comment 28; and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon-Quality Steel Plate Products from Korea*, 64 FR 73196 (December 29, 1999), and accompanying IDM at Comment 12).

[65] *Id.*

[66] *Id.*

[67] *See* Canfor's DQR at Exhibit D-18 ("Affiliated Party Transactions," including electricity transactions between CPPI and PG Sawmill).

[68] *See* Canfor's DQR at Exhibit D-18.

[69] *Id.*

[70] *See Lumber from Canada Investigation* IDM at Comment 27; *see also Lumber from Canada 2017-18* IDM at Comment 6; *Lumber from Canada 2019* IDM at Comment 13; and *Lumber from Canada 2020* IDM at Comment 19.

Comment 6: Whether to Revise the Calculation of the Market Prices Used to Evaluate Canfor's Affiliated Electricity Transactions

Canfor's Case Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Case Brief at 26-28.[71]

> {Commerce} should value the electricity {BPI} using market prices from both Alberta and British Columbia (BC). This approach aligns with {Commerce}'s past practice in prior administrative reviews of this proceeding, where it has consistently considered prices from both provinces. In prior administrative reviews, {Commerce} expressly rejected a province-specific approach to calculating the market value of electricity and used both Alberta prices and BC prices to value the electricity in Canfor's affiliated electricity transactions in Alberta. There are no changed facts that warrant a change in methodology in this review.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 22-27.

> In analyzing certain affiliated party transactions in the *Preliminary Results*,[72] {Commerce} reasonably calculated a market price for electricity using only electricity transactions in Alberta.[73] The *Preliminary Results* are consistent with {Commerce}'s practice of valuing inputs such as electricity on a province-specific basis.[74] The record of this proceeding includes information regarding Canfor's purchases of electricity from unaffiliated providers in Alberta during the ({POR75}.[76] Because it was appropriate for {Commerce} to determine the market value for electricity in Alberta using prices specific to that market, {Commerce} should reject Canfor's challenge to the agency's determination of a market value for electricity and maintain its adjustment to Canfor's total cost of manufacture (COM).

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[71] We note that we requested that interested parties provide a public, executive summary for each issue raised in their briefs. *See Preliminary Results*, 91 FR at 19104. Therefore, because the executive summary in Canfor's Case Brief contains business proprietary information (BPI), we have redacted that content herein.

[72] *See* Canfor Preliminary Analysis Memorandum at 4.

[73] *See* Canfor's Case Brief at 27 (arguing that {Commerce} erred by only considering "electricity prices from Alberta in its determination of 'market price'").

[74] *See, e.g.*, *Lumber from Canada 2023* IDM at Comment 4; *see also Certain Softwood Lumber Products from Canada: Final Results of Antidumping Duty Administrative Review, Partial Rescission of Administrative Review, and Final Determination of No Shipments; 2022*, 89 FR 67067 (August 19, 2024) (*Lumber from Canada 2022*), and accompanying IDM at Comment 2.

[76] *See* Canfor's DQR at Exhibit D-16.

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Commerce's Position: We disagree with Canfor that Commerce should use market prices for electricity from both Alberta and British Columbia rather than Alberta only to benchmark electricity that Canfor purchased from affiliated parties in Alberta. We further disagree with Canfor that Commerce has a practice of preferring to use prices of multiple provinces in its electricity benchmark. In *Lumber from Canada 2022*, Commerce explained that it has consistently determined that input and byproduct prices in different provinces are not comparable.[77] Further, Commerce has previously explained that electricity is not available, marketable, or transportable from one province to another except in limited circumstances.[78] Additionally, Canfor has not provided an argument regarding the existence of extraordinary circumstances that would cause Commerce to consider using market prices from both British Columbia and Alberta. Therefore, because the record in this review includes information regarding Canfor's purchases of electricity from unaffiliated providers in Alberta, we have relied solely on Canfor's unaffiliated electricity purchases in Alberta to determine whether Canfor's Alberta-based electricity purchases from affiliated suppliers were at market prices.[79]

We acknowledge that, in *Lumber from Canada 2020*, Commerce derived Canfor's market price for electricity using the electricity prices Canfor charged to an unaffiliated company in Alberta and the prices Canfor paid to purchase electricity from unaffiliated parties in British Columbia.[80] However, in that review, Canfor did not report making unaffiliated purchases of electricity generated in Alberta. Thus, in *Lumber from Canada 2020*, Commerce deviated from its normal practice.[81] However, as noted above, because Canfor reported making unaffiliated purchases of electricity in Alberta, the facts in the instant review are distinct from those of *Lumber from Canada 2020*, Commerce's approach in that review is not applicable to our analysis here.

Issues Specific to Resolute

Comment 7: Whether to Adjust Resolute's Reported Costs to Account for Affiliated Log Purchases

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 10-12.

> During the POR, Resolute FP Canada, Inc. (Resolute) purchased logs from both affiliated and unaffiliated suppliers.[82] {Commerce} should evaluate these affiliated-party transactions in accordance with section 773(f)(2) of the {Act}, to

[77] *See Lumber from Canada 2022* IDM at Comment 2.
[78] *See Supercalendered Paper from Canada: Final Affirmative Countervailing Duty Determination*, 80 FR 63535 (October 20, 2015), and accompanying IDM at 42.
[79] *See* Canfor Final Analysis Memorandum at Attachment 2.
[80] *See Lumber from Canada 2020* IDM at Comment 18.
[81] *Id.*
[82] *See* Resolute's Letter, "Response of Resolute FP Canada Inc. to Section D Questionnaire.," dated June 6, 2025 (Resolute Section D).

> determine whether they were made on an arm's length basis and adjust Resolute's costs accordingly.[83]

Resolute's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Rebuttal Brief at 3-4.

> . . . Petitioner's affiliated log purchase adjustment is overstated because it relies on an improper all-mills average comparison. The record shows that only two mills purchased logs from {Société en Commandite Scierie Opitciwan (Opitciwan)}, during the period of review (POR). Any adjustment {Commerce} might make must be based on the log price comparison at the level of these two mills.

Commerce's Position: We agree with the petitioner in part. The petitioner is correct, and Resolute does not dispute, that Resolute has submitted information and analysis that shows that certain of its log purchases from its affiliate Opitciwan reflect prices below those of unaffiliated suppliers, requiring an adjustment pursuant to section 773(f)(2) of the Act.[84] The petitioner is also correct that Commerce performed a similar adjustment in the *Preliminary Results* with respect to Canfor's log purchases from affiliated parties.[85] However, because Resolute has provided mill-specific log purchase prices, and Resolute has used mill-specific accounting records that ultimately are rolled up into the reported costs and which they reconciled to the consolidated financial statements,[86] we have applied the log cost transactions disregarded adjustment at the level of the mill for both consistency and accuracy.[87] Given that the only transactions shown to be not of an arm's-length nature pertain to a single mill, to apply a transactions disregarded adjustment across all mills, even those that did not purchase logs from Opitiwan at all, would be distortive.

Comment 8: Whether to Revise Resolute's Net Interest Expense Ratio Calculation

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 12-15.

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[83] *See* section 773(f)(2) of the Act.
[84] *See* Resolute's Letter, "Resolute's Response To Second Supplemental Questionnaire," dated March 20, 2026 (Resolute Second Supplemental Response), at Exhibit SQ2-8.
[85] *See* Memorandum, "Analysis for the Preliminary Results of the Seventh Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada: Canfor Corporation, Canfor Wood Products Marketing Ltd., Canadian Forest Products Ltd., Canfor Fox Creek Ltd., and Canfor Whitecourt Ltd.," dated April 8, 2026, at 5.
[86] *See* Resolute Section D at 22 ("As demonstrated in Section III.B below, the aggregate cost of sales as booked at the production mills, which includes the cost of the logs, reconciles to the total cost of sales of the RFP Wood Products segment as reported in RFP's BPC reporting system, which in turn reconciles to the total costs of the Wood Products Segment as reported in Domtar's 10-K and 10-Q. This confirms that all costs are being recognized at the production mill level.").
[87] Due to the business proprietary nature of this adjustment, *see* Resolute Final Analysis Memorandum at 2.

> {Commerce}'s practice is to include the entire amount of the net foreign exchange gains or losses in the financial expense ratio.[88] Under this practice, {Commerce} includes in the financial expense ratio all foreign exchange gains and losses from the consolidated financial statements of the respondent's highest-level parent company.[89] Here, Resolute Forest Products, Inc. (RFP) is wholly owned by Domtar Corporation (Domtar).[90] Thus, any foreign exchange gains or losses booked at corporate-level should be included in Resolute's financial expense calculation so that the ratios reflect how the entity, as a whole, manages its foreign currency exposure.

Resolute's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Rebuttal Brief at 4-7.

> . . . Petitioner's proposed revision to the net interest expense ratio is contrary to {Commerce}'s established and consistent practice and explicit questionnaire instructions. {Commerce} properly relied on Domtar Corporation's consolidated audited financial statements, including all foreign exchange gains and losses reflected therein. Petitioner's attempt to isolate a single exchange-related item at a lower-tier entity departs from {Commerce}'s established consolidated approach and would distort the financial expense calculation.

Commerce's Position: We agree with Resolute. Commerce's long-standing practice is to calculate a respondent's financial expense ratio based on the net financial expenses reported on the audited financial statements of the highest level of consolidation, because corporate control on the financing operations of individual group member companies may exist even in the apparent absence of specific inter-company financing transactions.[91] Additionally, the record also reflects that the Resolute currency adjustment to inventory valuation that the petitioner contends should be added to the Domtar financial expenses, is unrelated to the borrowing of either Resolute or Domtar; rather it is a reconciling item in Resolute's books, as its Canadian inventory is recorded in Canadian dollars while its financial reporting ultimately is in U.S.

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[88] *See Large Diameter Welded Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 84 FR 6374 (February 27, 2019) (*LDWP from Turkey*), and accompanying IDM at Comment 10.
[89] *Id.*
[90] *See* Resolute's Letter, "Resolute's Response to Section A of the Initial Questionnaire," dated May 2, 2025, at A-4.
[91] *See, e.g.*, *Certain Frozen Warmwater Shrimp from India: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 72 FR 52055 (September 12, 2007), and accompanying IDM at 25 ("In general, this practice recognizes the fungible nature of invested capital resources (*i.e.*, debt and equity) within a consolidated group of companies. It also recognizes that the controlling entity within a consolidated group (*e.g.*, the Unilever Group) has the ultimate power to determine the capital structure and financial costs of each member within the group. There is a presumption that consolidated financial statements are more meaningful than separate financial statements and that they are usually necessary for a fair presentation when one entity directly or indirectly has controlling financial interest in another entity."); *see also Certain Welded Carbon Steel Pipe and Tube from Turkey: Notice of Final Results of Antidumping Duty Administrative Review*, 76 FR 76939 (December 9, 2011), and accompanying IDM at Comment 9.

dollars.[92] As such, to include the item with financial expenses under any circumstances would be an error.

Comment 9: Whether to Revise Resolute's G&A Expense Ratio

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 15-19.

> In the *Preliminary Results*, {Commerce} relied on the G&A expense ratio reported by Resolute in its initial section D response.[93] {Commerce} should make certain revisions to Resolute's G&A expenses in the final results so that the calculation more accurately reflects the actual G&A experience of the company pertaining to the production and sales of the foreign like product.

Resolute's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Rebuttal Brief at 7-8.

> . . .Petitioner's G&A arguments are both selective and flawed. The "corporate entries" identified by Petitioner are already included in the Wood Segment cost of sales and reconcile directly to Domtar's audited financial statements. {Commerce} should not reclassify these costs as G&A expenses based on Petitioner's interpretation when the audited financial statement classification supports Resolute's reported calculation. Additionally, any G&A adjustment for "Other Direct Charges" expenses must include the offsetting credits in the same category reflected in the same record evidence.

Commerce's Position: We agree with the petitioner in part. In determining whether it is appropriate to include or exclude particular income or expense items, Commerce reviews the nature of the item and its relation to the general operations of the company.[94] Based on the sparse descriptions of the "corporate entries" at issue, which are business proprietary, we find that certain expenses should be included in G&A expenses,[95] while for others it is unclear

[92] *See* Resolute Second Supplemental Response at 15.
[93] *See Preliminary Results* PDM at 18.
[94] *See, e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Frozen and Canned Warmwater Shrimp from Thailand*, 69 FR 76918 (December 23, 2004), and accompanying IDM at Comment 2; *see also Prestressed Concrete Steel Rail Tie Wire from Mexico: Final Results of Antidumping Duty Administrative Review; 2013-2015*, 81 FR 40850 (June 23, 2016), and accompanying IDM at Comment 2 ("...by definition, G&A expenses relate to the general operations of the company as a whole, and not to specific products and processes. Accordingly, the Department's well-established practice is to include in the G&A expense ratio calculation certain expenses and revenues that relate to the general operations of the company as a whole.").
[95] *See Lumber from Canada 2022* IDM at Comment 13 ("Commerce has previously determined that the gains and losses on periodic raw material and inventory revaluations are related to the general operations of the company as a whole and should be included in the reported costs.")

whether the expenses relate to general operations to be included in G&A. However, because Resolute was afforded an opportunity to explain what these expenses were, but did not explain them, we have adjusted G&A expenses to include them. For details regarding our adjustment to Resolute's G&A, *see* the Resolute Final Analysis Memorandum.

We agree with the petitioner that the losses due to an unplanned sawmill incident (fire) should be included in the calculation of the G&A expense ratio because such losses are related to the general operations of the company.[96] Regarding Resolute's argument in rebuttal that Commerce should also adjust G&A for litigation settlement proceeds as offsets to general expenses that it also reported as "Other Direct Charges," Resolute did not provide any information regarding the nature of these settlements, even to the minimal extent of its explanation of the fire event. Because Resolute bears the burden of building an adequate record and demonstrating entitlement to favorable adjustments,[97] we added the reported fire event expenses to G&A and have not offset the expenses with the reported settlement proceeds.

Comment 10: Whether to Further Revise Resolute's Cost of Production

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 19-25.

> In the *Preliminary Results*, {Commerce} adjusted Resolute's reported costs after determining that the respondent incorrectly excluded certain amounts from its reported costs.[98] {Commerce} should make further revisions to Resolute's reported costs in the final results to ensure that the costs relied on by {Commerce} reasonably reflect the respondent's actual cost of production during the POR.

Resolute's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Rebuttal Brief at 8-14.[99]

> . . . Petitioner's cost-of-production arguments fail because they are inconsistent with both the record and the methodology required by {Commerce}. {Commerce} permitted Resolute to exclude {Resolute Engineered Wood St-Prime Limited

[96] *See Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Non-Refillable Steel Cylinders from India*, 89 FR 29294 (April 22, 2024), and accompanying IDM at Comment 13; *see also Certain Pasta from Italy: Final Results of the Sixth Antidumping Duty Administrative Review (2001-2002)*, 69 FR 6255 (February 10, 2004), and accompanying IDM at Comment 47.

[97] *See ABB, Inc. vs. United States*, 273 F.Supp.3d 1200, 1209 (CIT 2017) ("Commerce has reasonably placed the burden to establish entitlement to adjustments on {respondent}, the party seeking the adjustment and the party seeking the adjustment and the party with access to the necessary information.")

[98] *See* Resolute Preliminary Analysis Memorandum at 12.

[99] We note that we requested that interested parties provide a public, executive summary for each issue raised in their briefs. *See Preliminary Results*, 91 FR at 19104. Therefore, because the executive summary in Resolute's Rebuttal Brief contains business proprietary information (BPI), we have redacted that content herein.

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Partnership (Resolute ST-Prime), and Resolute Engineered Wood Larouche Inc. (Resolute Larouche)}. from detailed reporting. Petitioner's proposed inclusion of them would add costs unrelated to subject merchandise.

Petitioner's proposed reversal of intercompany eliminations likewise is unsupported by substantial record evidence because the mill-specific cost data used to calculate Resolute's costs of manufacturing (COM) contain no elimination entries.

Finally, Petitioner's proposed {BPI} adjustment misinterprets Resolute's production-step cost methodology, which is based on total POR costs and production volumes at each processing stage and is unaffected by whether inventory changes relate to {BPI}.

Commerce's Position: We agree with Resolute that it would be inconsistent for Commerce to make an adjustment to Resolute's total cost of manufacturing (TOTCOM) to account for the cost of sales of Resolute ST-Prime and Resolute Larouche given Commerce's reporting requests. As Resolute notes, Commerce's memorandum regarding parties' various limited reporting requests specifically stated that it was "permitting Resolute an exemption from reporting sales and cost data for sales sold by Resolute ST-Prime and Resolute Larouche."[100] To simply add these companies' cost of sales to Resolute's TOTCOM as an overall percentage adjustment would be incongruent with Commerce's decision early in this review to allow Resolute to exclude them from cost reporting. Furthermore, we explicitly told Resolute that we did not require the information on the record, so it would not be appropriate to apply facts available pursuant to section 776 of the Act when we did not alert Resolute that its response was deficient pursuant to section 782(d) of the Act. We did not require that these companies be included in Resolute's product-specific cost reporting, so are not making an adjustment based on Resolute's failure to do so.

We also agree with Resolute that for Commerce to make the inter-company eliminations and work-in-process adjustments to TOTCOM would not be consistent with the reporting methodology that Commerce requested from Resolute. In its questionnaire, Commerce stated that "the value allocation should be made at the mill/facility level, using the company-wide weighted average worldwide {net realizable value (NRV)} for the specific products produced at the mill, along with the mill specific production quantities."[101] To the extent that this cost methodology takes unfinished units into account (*i.e.*, work-in-process), the adjustment is done at the mill level.[102] Resolute's actual costs are based on the costs at the mill level, and ultimately, its unconsolidated financial statements, not its consolidated financial statements.[103] Resolute only reported its financial expense ratio using consolidated financial statements, as Commerce calculates net financial expenses reported on the audited financial statements of the highest level of consolidation, as noted above. As such, no inter-company eliminations are needed to

[100] *See* Memorandum, "Response to Requests Not to Report Certain Sales and Cost Data," dated June 3, 2025 (Limited Reporting Memorandum) at 3.
[101] *See* Initial Questionnaire at D-14.
[102] *Id.* at D-10; *see also* Resolute Section D at 40.
[103] *See* Resolute Section D at 38.

reconcile Resolute's unconsolidated financial statements to its reported costs, based on the actual cost of producing lumber.

Comment 11: Whether Non-Reportable Scope Products Should Be Removed from the Margin Calculation

Resolute's Case Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Case Brief at 2-5.

> {Commerce} improperly included non- reportable scope products in the margin calculation. Although {Commerce} instructed respondents to report non-reportable and non-scope sales data in the databases, {Commerce}'s established practice, followed in both the investigation and the first administrative review of the antidumping order on certain softwood lumber products from Canada, is to exclude such sales from the comparison market and margin programs. In the *Preliminary Results*, {Commerce} excluded non-scope products but failed to remove non-reportable scope products, resulting in an inconsistency with prior segments. {Commerce} should revise the Comparison Market and Margin programs in the Final Results to exclude all non-reportable scope products (identified by PRODSTAT = "E").

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 11-13.

> Resolute claims that {Commerce} erred by not removing certain products coded "E" in the PRODSTAT field from the comparison market and margin programs. In presenting this argument, Resolute incorrectly implies that it was exempted from reporting sales and cost data for the subject bed-frame products coded "E" in the PRODSTAT field. Resolute fails to acknowledge that, unlike earlier segments, it was not granted a reporting exemption for this in-scope merchandise. Rather, {Commerce} responded to Resolute's request to limit reporting by stating, "Commerce is not granting Resolute an exclusion for the sales and cost of bedframes at this time."[104] As such, Resolute's argument that products coded "E" in the PRODSTAT field are "non-reportable" and should be excluded from the comparison market and margin programs is without merit. {Commerce} should therefore reject Resolute's attempt to remove reportable, in-scope merchandise from the databases for purposes of the margin calculations.

Commerce's Position: We disagree with Resolute. Resolute cites Commerce's questionnaires with respect to its NRV cost of production methodology, and our request to include all sales prices in the NRV allocation, to support its argument that Commerce intended to exclude specific

[104] *See* Limited Reporting Memorandum at 4.

merchandise from home market and U.S. sales. First, the NRV cost methodology has no direct relationship with the universe of sales of subject merchandise. Generally, Commerce prefers to calculate NRVs on an expansive universe of products to avoid the circularity of using allegedly dumped prices in the calculation.[105] Moreover, because the theory behind an NRV cost allocation method is to allocate costs relative to the revenue generating power identifiable with each individual product, all products and all sales need to be included in the allocation.[106]

Secondly, Resolute overlooks Commerce's response to the parties' various limited reporting requests, which included Resolute's requests to exclude bed frames, flangestock and finger jointed strip, as well as products from its affiliates Opitciwan, Resolute ST-Prime, and Resolute Larouche.[107] In its letter, Commerce instructed Resolute to report bedframes, and Opitciwan's dimensional and decking lumber, while allowing an exemption for sales by Resolute ST-Prime and Resolute Larouche, and Opitciwan's treated or finger-jointed softwood lumber.[108] While the specific products that Resolute classified as excluded or non-subject merchandise in its home market and U.S. sales databases is business proprietary information, Commerce has reviewed the merchandise that Resolute has designated as out-of-scope or otherwise excluded, and we find that these are products are among the products that Commerce requested that Resolute report in its database, with the intent of including these products in the universe of subject merchandise and foreign like product, for the purpose of calculating Resolute's dumping margin.[109] To the extent that any of these products fall under a category of merchandise for which Commerce did grant an exclusion, *e.g.*, nondimensional, treated or finger-jointed softwood lumber made by Opitciwan, we must emphasize that Commerce's memorandum only permitted Resolute an exemption from reporting sales and cost data for those specific products. If Resolute reported sales of these products regardless of the exemption Commerce granted, there is no factual basis for Commerce to delete the sales from the data if they are sales of subject merchandise or foreign like product. If Resolute has designated the sales to be sales of subject merchandise meeting the description in the scope of *Order* or has not otherwise provided a factual basis for Commerce to consider the merchandise to be non-subject merchandise, there is no reason for Commerce to exclude the sales from Resolute's margin calculation. For this reason, we have continued to include them.

Comment 12: Whether CEP Inventory Carrying Cost Should Include Inventory Carrying Cost in Canada

Resolute's Case Brief:

The following is a verbatim summary of the argument submitted by Resolute. For further details, *see* Resolute's Case Brief at 6-8.

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[105] *See Certain Lemon Juice from Brazil: Final Affirmative Determination of Sales at Less Than Fair Value*, 87 FR 78939 (December 23, 2022), and accompanying IDM at Comment 2; *see also Notice of Final Results of Antidumping Duty Administrative Review: Certain Softwood Lumber Products from Canada*, 70 FR 73437 (December 12, 2005), and accompanying IDM at Comment 10 (*Lumber 2003-04*).
[106] *See Lumber 2003-04* at Comment 10.
[107] *See* Limited Reporting Memorandum at 4.
[108] *Id.*
[109] *See* Resolute Final Analysis Memorandum at 2.

> {Commerce} incorrectly included Canadian mill-specific inventory carrying costs (DINVCARU) in the calculation of CEP inventory carrying costs (CEPICC). The *Preliminary Results* margin program aggregates DINVCARU with U.S. inventory carrying costs and assigns the total to CEPICC, thereby overstating U.S. expenses. This treatment is inconsistent with {Commerce}'s established practice of deducting from CEP only those expenses incurred in the United States. Resolute's questionnaire response demonstrates that DINVCARU reflects costs incurred in Canada and is unrelated to U.S. economic activity. {Commerce}, therefore, should revise the margin program to exclude DINVCARU from CEP inventory carrying costs and ensure that only U.S.-incurred expenses are deducted.

No other party commented on this issue.

Commerce's Position: We agree with Resolute that Commerce only deducts inventory carrying costs incurred in the United States, and not those incurred domestically, in the calculation of CEP, pursuant to 19 CFR 351.402(b). We have continued this practice in this proceeding even if such CEP sales expenses to the unaffiliated U.S. customer are incurred by Canadian sales offices.[110]

Comment 13: Whether the Preliminary Results for Resolute Should Be Corrected to Confirm that the Cohen's *d* Test Was Not Used

Non-Selected Companies' Case Brief:

The following is a verbatim summary of the argument submitted by the Non-Selected Companies. For further details, *see* Non-Selected Companies' Case Brief at 3.

> {Commerce}'s *Preliminary Results* Memorandum for Resolute contains indications that Cohen's *d* was used in the differential pricing analysis. If the reference to Cohen's *d* was an error, the Resolute Preliminary Results Memorandum should be corrected to remove such reference and to clarify that Cohen's *d* played no role in calculation of Resolute's dumping margin. If Cohen's *d* was used in the calculation of Resolute's dumping margin, the margin calculation should be revised using a methodology that does not incorporate Cohen's *d*.

No other party commented on this issue.

Commerce's Position: We confirm that the "price difference test" conducted in our differential pricing analysis with respect to Resolute, did not use the Cohen's *d* test that Commerce has discontinued, as we noted in the *Preliminary Results*.[111] The chart title referencing the Cohen's *d* test was an error, which has been corrected.[112]

[110] *See Lumber from Canada Investigation* IDM at Comment 21.
[111] *See Preliminary Results* PDM at 11.
[112] *See* Resolute Final Analysis Memorandum at 5.

Issues Specific to West Fraser

Comment 14: Whether to Adjust the Calculation of West Fraser's By-product Offset

West Fraser's Case Brief:

The following is a verbatim summary of the argument submitted by West Fraser. For further details, *see* West Fraser's Case Brief at 2-4.[113]

> {Commerce} must correct its omission of the mill code for {BPI}, as reflected in the West Fraser Preliminary Analysis Memorandum and {Commerce}'s calculation of the margin for West Fraser in its preliminary decision. Specifically, {Commerce}, apparently through inadvertence or ministerial error, failed to include the mill code (that is, "{BPI}") for West Fraser's {BPI} sawmill in the programming language that {Commerce} added to the Database 4 program that West Fraser had submitted in a March 9, 2026, supplemental questionnaire response[114] relating to the calculation of the province-specific average byproduct adjustment ratios. This error caused the generation of missing values in the resulting cost database, and further in incorrect byproduct offset calculations for every control number that involved any production at West Fraser's {BPI} sawmill. The result was a ripple effect that adversely impacted the West Fraser byproduct offset calculations and thus West Fraser's margin in the *Preliminary Results*. Accordingly, {Commerce} must correct these errors in its Final Results of this review.
>
> As detailed below, to correct the error, {Commerce} needs to add "{BPI}" to the list of {BPI} mills in its revised Database 4 program, and then reference the updated/corrected Database 4 in the comparison market program for the final results.

No other party commented on this issue.

Commerce's Position: We agree with West Fraser. Accordingly, we have adjusted our calculation of West Fraser's by-product offset in these final results. Due to the business proprietary nature of this issue, *see* West Fraser's Final Analysis Memorandum for more detailed discussion.

[113] We note that we requested that interested parties provide a public, executive summary for each issue raised in their briefs. *See Preliminary Results*, 91 FR at 19104. Therefore, because the executive summary in West Fraser's Case Brief contains business proprietary information (BPI), we have redacted that content herein.
[114] *See* West Fraser's Letter, "Response to February 17. 2026 Supplemental Questionnaire," dated March 9, 2026 (West Fraser SQR), at "Database 4".

General Issues

Comment 15: Whether to Adjust the Price Used to Establish EP and CEP

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 34-45.

> In the final results of the preceding administrative review {(AR6)}, {Commerce} found that "respondents pay Softwood Lumber Checkoff fees on their imports of subject merchandise, which are collected by CBP upon entry along with U.S. duties."[115] {Commerce} explained that these amounts must be deducted in accordance with section 772(c)(2)(A) of the Act when calculating {EP} and {CEP} because "making physical entry of merchandise into the United States requires the payment of Softwood Lumber Checkoff fees on the CBP Form 7501."[116] The record of this review demonstrates that respondents, like all importers of merchandise covered by the checkoff program, continue to pay this fee at the time of entry.[117] Thus, because this amount is both included in the price used to establish EP and CEP and a duty, cost, charge, or expense that is incident to bringing subject softwood lumber products from Canada to the United States, {Commerce} should maintain its adjustment from AR6 and deduct checkoff fees in calculating EP and CEP.
>
> Imports of softwood lumber are subject to countervailing duties {(CVD)} that are collected by {CBP} upon entry.[118] Like all other duties, payment of these CVD costs is necessary to "mak{e} physical entry of merchandise into the United States."[119] The respondents paid these CVD costs on entries where they acted as importer of record in order to bring the subject merchandise from the place of shipment in Canada to the place of delivery in the United States. These CVD costs are therefore no different than other movement expenses that {Commerce} deducts in calculating EP and CEP. Accordingly, because CVD costs paid on imports of subject merchandise are both included in the price used to establish U.S. price and a cost, charge, expense, or import duty incident to bringing subject softwood lumber products from the original place of shipment in Canada to the place of delivery in the United States, {Commerce} should deduct CVD costs from the price used to establish EP and CEP in the final results.

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[115] *See Lumber from Canada 2023* IDM at Comment 7.
[116] *Id*.
[117] *See Preliminary Results* PDM at 3 (noting that "the Petitioner submitted factual information regarding {the} U.S. Department of Agriculture's softwood lumber checkoff program").
[118] *See Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 347 (January 3, 2018).
[119] *See Lumber from Canada 2023* IDM at Comment 7 (determining that Softwood Lumber Checkoff fees should be deducted in calculating EP and CEP under section 772(c)(2)(A) of the Act).

Sierra Pacific's Case Brief:

The following is a verbatim summary of the argument submitted by the Sierra Pacific. For further details, *see* Sierra Pacific's Case Brief at 1-4.

> As discussed in Section II below, {Commerce} should make an adjustment to the prices used to {EP} and {CEP} to account for {CVDs}. This adjustment is permitted under the statute because {CVDs} are "costs, charges, or expenses and United States import duties" that are "incident to bringing the subject merchandise from the original place of shipment in the exporting country to the place of delivery in the United States."[120] Further, this adjustment is necessary to ensure a "fair comparison" between EP or CEP and {NV}. Accordingly, for purposes of the final results, {Commerce} should make an adjustment to the respondents' reported EP or CEP to account for {CVDs} paid on subject imports during the POR.

Canfor's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Rebuttal Brief at 4-8.

> Petitioner's request to deduct softwood lumber checkoff fees assessed by the {U.S. Department of Agriculture (USDA)} on a transaction-specific basis would result in double counting. The checkoff fees Canfor paid on its imported subject merchandise, as a cost of doing business in the United States, are reflected in Canfor's {ISE} ratio.[121] The checkoff fees have already been included in Canfor's reported expenses and deducting the fee again at the transaction level would improperly double count the cost, inflating reported expenses contrary to Department practice.
>
> Even if it were possible in principle for Canfor to report lumber checkoff fees on a transaction-specific basis, neither {Commerce} nor Petitioner has requested that Canfor do so in this proceeding. By waiting to raise this issue until after the *Preliminary Results*, Petitioner has ensured that it is too late for {Commerce} to collect this information, which would require Canfor to revise its sales and cost databases to report the checkoff fees on a sale-by-sale basis and then make corresponding revisions to its reported ISE expenses. Petitioner's request is unreasonable and untimely.
> Commerce} has never deducted CVD deposits or duties from U.S. price,[122] including in the most recent review of *Softwood Lumber from Canada*.[123] {Commerce} clarified its practice concerning this issue in the 2004 review of *Low*

[120] *See* section 772(c) of the Act.
[121] *See* Canfor's Letter, "Canfor's Sections B-D Initial Questionnaire Response," dated June 6, 2025 (Canfor BCDQR), at B-61, C-63, and Exhibit B-25.
[122] *See Notice of Final Results of Antidumping Duty Administrative Review: Low Enriched Uranium from France*, 69 FR 46501, 46506 (August 3, 2004) (*Low Enriched Uranium from France*), and cases cited therein.
[123] *See Lumber from Canada 2023* IDM at Comment 7.

> *Enriched Uranium From France*, after formal notice and comment procedures.[124] Since then, it has remained {Commerce}'s unbroken practice that neither CVD deposits nor {CVDs} are deducted from U.S. price,[125] and the U.S. Court of International Trade and {U.S. Court of Appeals for the Federal Circuit (Federal Circuit)} have consistently upheld {Commerce}'s determinations in this regard.[126]
>
> To the extent that Petitioner suggests the Supreme Court's recent decision in *Loper Bright*[127] requires a different result, that case does not offer an intervening precedent that should alter {Commerce}'s practice. *Loper Bright* marked a change in how courts weigh agency interpretations of statutes but has not changed how agencies are to interpret statutes. Accordingly, {Commerce} should reject Petitioner's unwarranted request that {Commerce} adjust Canfor's U.S. price.

Canadian Parties' Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the Canadian Parties. For further details, *see* Canadian Parties' Rebuttal Brief at 13-23.

> {Commerce} should reject Petitioner's and Sierra Pacific's request for {Commerce} to deduct {CVD} cash deposits from U.S. price. First, the plain language of the statute does not permit {Commerce} to deduct {CVD} deposits or {CVDs} from the U.S. price when calculating the {AD} margin, as {CVDs} are distinct from "costs, charges, and expenses" and not "United States import duties." Second, although Petitioner and Sierra Pacific argue that {Commerce}'s interpretation of the statute is inconsistent with its plain language, the {Federal Circuit} has sustained the logic behind {Commerce}'s practice that {CVDs} are not "United States import duties" in light of the supporting legislative history. Third, {Commerce}'s approach has been endorsed in numerous decisions by the Court of International Trade. Fourth, Petitioner's and Sierra Pacific's argument requesting {Commerce} deduct {CVDs} fails because such a deduction would result in a double remedy. Fifth, Petitioner's and Sierra Pacific's cited case law is incorrect and misleading.

Resolute's Rebuttal Brief:

> Resolute incorporates Canfor's and the Canadian Parties' arguments by reference. *See* Resolute's Rebuttal Brief at 1.

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[124] *See Lumber from Canada 2023*, 90 FR at 46502 (citing *Antidumping Proceedings: Treatment of Section 201 Duties and Countervailing Duties*, 68 FR 53104 (September 9, 2003), at Appendix I).
[125] *See, e.g.*, *Certain Cut-To-Length Carbon Steel Plate from Germany: Final Results of Antidumping Duty Administrative Review*, 62 FR 18390, 18395 (April 15, 1997); *see also Certain Corrosion-Resistant Carbon Steel Flat Products From Korea: Final Results of Antidumping Duty Administrative Review*, 61 FR 18547, 18553 (April 26, 1996).
[126] *See Wheatland Tube Co. v. United States*, 495 F.3d 1355, 1363-64 (Fed. Cir. 2007) (*Wheatland Tube*); *see also AK Steel Corp. v. United State*s, 988 F. Supp. 594, 607-08 (CIT 1997) (*AK Steel*); and *U.S. Steel Group v. United States*, 15 F. Supp. 2d 892, 898-900 (CIT 1998).
[127] *See Loper Bright Enters. v. Raimondo*, 603 U.S. 369 (2024) (*Loper Bright*).

Commerce's Position: We agree with the petitioner, in part, that it would be appropriate for Commerce to deduct fees collected by CBP, such as fees under the Softwood Lumber Checkoff program, but find that CVDs should not be deducted from either EP or CEP pursuant to *Wheatland Tube*.[128]

Based on record evidence, the respondents pay Softwood Lumber Checkoff fees on their imports of subject merchandise, which are collected by CBP upon entry along with U.S. duties.[129] Duties are specifically set forth in section 772(c)(2)(A) of the Act as movement expenses to be subtracted in the calculation of the U.S. price. The statute further defines movement expenses as expenses that are "incident to bringing the subject merchandise from the original place of shipment in the exporting country to the place of delivery in the United States."[130] Because the fees are collected by CBP, aggregated on the same form (*i.e.*, CBP Form 7501), and paid along with duties that are specifically set forth as movement expenses in the statute, duties and the Softwood Lumber Checkoff fees are sufficiently analogous that Commerce must classify them as the same type of expense. Because both expenses are paid together, the payment of Softwood Lumber Checkoff fees is indistinguishable from the payment of duties, and for practical purposes, Softwood Lumber Checkoff fees are U.S. duties, at least in the context of importation into the United States. Moreover, as with duties, making physical entry of merchandise into the United States requires the payment of Softwood Lumber Checkoff fees on the CBP Form 7501.[131] Thus, softwood lumber cannot be released into U.S. customs territory unless the importer pays Softwood Lumber Checkoff fees.[132]

As noted above, record evidence indicates that the respondents paid Softwood Lumber Checkoff fees.[133] Additionally, record evidence indicates that Resolute and West Fraser have included Softwood Lumber Checkoff fee payments during the POR in their most recently reported U.S. sales databases,[134] which we used to calculate their respective weight-average dumping margins in the *Preliminary Results*.[135] Therefore, we find that no additional adjustment is needed with respect to Resolute and West Fraser's payment of Softwood Lumber Checkoff fees in these final results. However, the record does not contain evidence that Canfor's most recently reported U.S. sales database includes payments of Softwood Lumber Checkoff fees.[136] Canfor argues that its Softwood Lumber Checkoff fee payments are captured in its reported indirect selling expense (ISE) ratio, and thus that an adjustment its U.S. price would result in double counting of these

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[128] *See Wheatland Tube*, 495 F.3d at 1363-64.
[129] *See* Canfor AQR at Exhibit A-13; *see also* Resolute AQR at Exhibit A-13; and West Fraser AQR at Exhibit WF-AR7-A-8 (entry summary documentation showing payment of softwood lumber fees upon entry into the United States).
[130] *See* section 772(c)(2)(A) of the Act.
[131] *See* 19 CFR 141.111(b)(2) ("Form of release. The release order may be executed on any of the following documents ... The official entry form").
[132] *Id.*
[133] *See* Canfor AQR at Exhibit A-13; *see also* Resolute AQR at Exhibit A-13; and West Fraser AQR at Exhibit WF-AR7-A-8.
[134] *See* Resolute's Letter, "Response to Sections B, C, and D of the Initial AD Questionnaire BCDQR," dated June 6, 2025, at C-30; *see also* West Fraser SQR at 6 and Exhibit WF-AR7-SABCD-14.
[135] *See* Resolute Preliminary Analysis Memorandum; *see also* West Fraser Preliminary Analysis Memorandum.
[136] *See* Canfor's SQR at "canus01_REPORT".

expenses.[137] We disagree. In Canfor's initial questionnaire response, Canfor made no mention of Softwood Lumber Checkoff fees in its reporting of ISEs.[138] Accordingly, in these final results, we have deducted these fees in calculating Canfor's EP and CEP.[139]

With respect to the petitioner's arguments related to *Loper Bright*, in *Loper Bright* the Supreme Court instituted a prospective rule, which did not "call into question prior cases that relied on the *Chevron* framework."[140] Therefore, extant precedent still controls an issue unless there is a consideration beyond a court's reliance on *Chevron* that would call the legitimacy of that precedent into question.[141] Regarding CVDs, the Federal Circuit has previously addressed whether ADs and CVDs constitute U.S. import duties for purposes of section 772(c)(2)(A) of the Act. Specifically, as explained in *Wheatland Tube*, Congress recognized a distinction between ADs and CVDs and normal duties, and the legislative history demonstrates that ADs and CVDs are "special dumping duties" that should be treated differently from normal customs duties.[142] Based on this distinction between "United States import duties" and "special dumping duties" intended by Congress and addressed by the Federal Circuit in *Wheatland Tube*, ADs and CVDs should not be deducted from U.S. price because they are separate and distinguishable from the United States import duties covered by 772(c)(2)(A) of the Act. ADs and CVDs are intended to provide relief from the injurious effects of imports and are imposed for a limited time, unlike normal duties which are permanent unless modified by Congress.[143] By contrast, "special duties," like ADs and CVDs, are intended to provide temporary relief from the adverse effects of imports. Normal U.S. customs duties have no remedial purpose.[144] Thus, normal customs duties are imposed regardless of whether a U.S. industry is suffering from adverse effects and, instead, address broad national concerns. Thus, consistent with Congress' intent as set forth in the legislative history and the Court's analysis of "special dumping duties" in *Wheatland Tube*, for the final results, we have made no adjustment for either mandatory respondent, and have continued not to deduct CVDs in our calculations of EP and CEP for the final results. We note that our decision not to deduct CVDs from EP and CEP in the instant review is consistent with all previous segments of this proceeding.[145]

[137] *See* Canfor's Rebuttal Brief at 4-6.
[138] *See* Canfor's SQR at B-61, C-63, and Exhibit B-25.
[139] *See* Canfor Final Analysis Memorandum.
[140] *See Loper Bright*, 603 U.S. at 412.
[141] *Id.*
[142] *See Wheatland Tube*, 495 F.3d at 1361 (citing *SWR from Korea*, 69 FR at 19159; and S.Rep. No. 67–16 at 4 (1921)).
[143] *Id.* at 1361-1363; *see also Borusan Mannesmann Boru Sanayi ve Ticaret A.S. v. United States*, 63 F.4th 25, 34-35 (Fed. Cir. 2023) (regarding duties pursuant to § 232 of the Trade Expansion Act of 1962)
[144] *See Wheatland Tube*, 495 F.3d at 1363 ("Countervailing duties remedy unfair competitive advantages that foreign exporters have over domestic producers as a result of foreign countervailable subsidies.")
[145] *See, e.g.*, *Lumber from Canada 2023* IDM at Comment 7.

Comment 16: Whether Commerce Should Identify, and Apply Certain Adjustments to the Final Dumping Margins For, the Non-Selected Exporters and Producers Subject to This Review

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 45-47.

> {Commerce} did not identify the "non-examined" or "non-selected" respondents under review in its *Preliminary Determination*.[146] Instead, {Commerce} stated that "all respondents identified in the *Initiation Notice* remain subject to this administrative review."[147] This statement is incorrect and ignores the timely partial withdrawal filed by the {petitioner} of its administrative review request.[148] {Commerce}'s regulations require the agency to "rescind an administrative review, in whole or in part, if a party that requested a review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review."[149] Here, the {petitioner} timely withdrew its request for administrative review of numerous producers and exporters that were not covered by any other review request. {Commerce} should therefore give effect to the partial withdrawal filed by the {petitioner} of its administrative review request and correctly identify the exporters and producers subject to this administrative review.

Non-Selected Companies' Case Brief:

The following is a verbatim excerpt from the Non-Selected Companies Case Brief. *See* Non-Selected Companies Case Brief at 1.

> This case brief is submitted by the non-selected Canadian exporters of subject merchandise identified in Annex I (Non-Selected Exporters) and the U.S. importers identified in Annex II (U.S. Importers), for consideration by {Commerce}(in the seventh administrative review ({…} of the antidumping duty order for certain softwood lumber products from Canada.[150] The Non-Selected Exporters are participants in the administrative review that were not selected for individual review; therefore, in accordance with longstanding {Commerce} practice, the final rate assessed for merchandise exported by the Non-Selected Exporters during the period of review will be calculated based on a weighted average of the individually examined respondents.[151] The U.S. Importers have requested review of their suppliers of subject merchandise in the instant review, and therefore their entries

[146] *See Preliminary Results*, 91 FR at 19102-191105 (not providing a list of the "non-selected" exporters and producers under review).
[147] *See Preliminary Results* PDM at 9.
[148] *See* Petitioner's Letter, "Partial Withdrawal of Request for Administrative Review," dated May 12, 2025 (Petitioner's Partial Withdrawal of Review Request).
[149] 19 CFR 351.213(d)(1).
[150] *See Preliminary Results*, 91 FR at 19102.
[151] *Id*., 90 FR at 19103.

> will be subject to the final rates calculated by {Commerce} in this review. As such, the methodologies and data used to calculate dumping margins for the mandatory respondents as well as the non-selected participants in this proceeding are directly relevant to both the Non-Selected Exporters and the U.S. Importers.

PalletSource's Letter in Lieu of Case Brief:[152]

The following is a verbatim excerpt from PalletSource's Letter in Lieu of Case Brief. *See* PalletSource's Letter in Lieu of Case Brief at 2.

> We submit this Letter to urge {Commerce} to follow its usual practice of calculating the dumping margin applicable to companies not selected for individual review according to the methodology set forth in {section 705(c)(5)(A) of the Act}. In particular, we understand that the respondents selected for individual review, as well as other interested parties, have and will assert grounds supporting downward adjustments to the dumping margins calculated by {Commerce} in its *Preliminary Results*. We respectfully request that any downward adjustments made to the calculations of the dumping margins in the final results of this administrative review, whether due to changes to the dumping margin calculated for the mandatory respondents or otherwise, be applied to the companies not selected for individual review, including PalletSource.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 9-11.

> The Non-Selected Exporters include in their case brief an appendix that claims to identify certain "non-selected exporters" covered by this proceeding.[153] This list improperly includes an exporter that is not under review in this segment. Specifically, the only interested party that requested a review of CNH Products Inc. {(CNH)} was the {petitioner}.[154] However, because the {petitioner} timely withdrew its request for administrative review of this exporter,[155] this company should not be included in the list of entities subject to the final results. Thus, {Commerce} should make clear that CNH Products Inc. is not subject to the final results of this administrative review and reaffirm that the company remains subject to the cash deposit rate determined in the final results of the preceding administrative review.[156]

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[152] *See* PalletSource Inc.'s (PalletSource) Letter, "Letter in Lieu of Case Brief," dated May 5, 2025 (PalletSource's Letter in Lieu of Case Brief).
[153] *See* Non-Selected Exporters' Case Brief at Appendix I ("Non-Selected Exporters").
[154] *See* Petitioner's Letter, "Request for Administrative Review," dated January 31, 2025 (Petitioner's Review Request).
[155] *See* Petitioner's Partial Withdrawal of Review Request; *see also* 19 CFR 351.213(d).
[156] *See Lumber from Canada 2023*, 90 FR at 35668 (including CNH Products Inc. in the list of "Non-Selected Exporters/Producers" under review).

> Through counsel, PalletSource filed a letter in lieu of case brief claiming that any "adjustments made to the calculations of the dumping margins in the final results" should be applied to PalletSource.[157] However, PalletSource did not request that the agency conduct an administrative review of its own shipments, and the only interested party that requested a review of PalletSource—the {petitioner}—timely withdrew its request.[158] Therefore, {Commerce} should make clear that PalletSource Inc. is not subject to the final results of this administrative review and confirm that this exporter remains subject to the cash deposit rate determined in the final results of the preceding administrative review.[159]

Commerce's Position: We agree with the petitioner. Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if a party who requested a review withdraws its request within 90 days of the date of publication of notice of initiation. Commerce initiated this administrative review on February 21, 2025.[160] On May 12, 2025, the petitioner timely withdrew its request for administrative reviews of 304 companies,[161] out of which 93 companies were not subject to a review request by any other party.[162] On September 29, 2026, Commerce gave notice in a memorandum of its intent to rescind review of these 93 companies.[163] No parties commented on the September 29 Memorandum regarding Commerce's intent to rescind review of the above-mentioned 93 companies. Therefore, as the petitioner was the only party that requested review of 93 companies, Commerce is rescinding this review with respect to these companies, in accordance with 19 CFR 351.213(d)(1). Additionally, we note that CNH, one of the companies that submitted the Non-Selected Companies' Case Brief, as well as Pallet Source, which submitted a Letter in Lieu of a Case Brief,[164] are included in the above-mentioned 93 companies for which we are rescinding review in these final results. For further discussion regarding the rescission of administrative review of certain companies, *see* the accompanying *Federal Register* Notice.

Additionally, the petitioner requests that the *Federal Register* notice accompanying this memorandum include an appendix listing the non-selected companies subject to these final results. We have included this appendix in the above-mentioned notice. *See* the accompanying *Federal Register* notice at Appendix II.

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[157] *See* PalletSource's Letter in Lieu of Case Brief at 2.
[158] *See* Petitioner's Review Request at 5; Petitioner's Partial Withdrawal of Review Request at 2.
[159] *See Lumber from Canada 2023*, 90 FR at 35669 (including PalletSource Inc. in the list of "Non-Selected Exporters/Producers" under review).
[160] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 90 FR 10048 (February 21, 2025) (*Initiation Notice*).
[161] *See* Petitioner's Partial Withdrawal of Review Request.
[162] *See* Petitioner's Review Request.
[163] *See* September 29 Memorandum at 2.
[164] We note that in its Letter in Lieu of a Case Brief, PalletSource cites section 705(c)(5)(A) of the Act, which concerns CVD proceedings and is thus not relevant to these final results. *See* PalletSource's Letter in Lieu of Case Brief at 2. The corresponding statute pursuant to AD proceedings is section 735(c)(5)(A) of the Act.

Comment 17: Whether to Reconsider the Price Difference Test for the Final Results

Petitioner's Case Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Case Brief at 25-34.

> {Commerce}{Commerce}applied the {A-to-A} comparison method to calculate the weighted-average dumping margins assigned to Resolute and Canfor in the *Preliminary Results*.[165] In the final results, {Commerce}{Commerce} should modify its methodology when using the {A-to-A} method and apply zeroing regardless of comparison method, *i.e.*, deny offsets to positive dumping margins by assigning a value of zero to non-dumped sales. Using zeroing when applying the {A-to-A} comparison method will enable {Commerce}to address the full extent of dumping in the U.S. market. Moreover, using zeroing regardless of comparison method would advance the Administration's goal of reevaluating {Commerce}'s{Commerce}policies regarding "zeroing" and protecting American workers and industries from unfair trade.[166]

Canfor's Case Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Case Brief at 29-40.

> . . . {Commerce} has adopted an inflexible test that arbitrarily and conclusively determines that price differences of more than two percent over the POR are "significant," and has applied this "test" in the *Preliminary Results* without any analysis of the conditions of the U.S. market during the POR. In the Final Results, {Commerce} must reconsider its price difference test and its two percent threshold, as it is contrary to the plain meaning of the statutory term "significant," Congressional intent, Department practice, and record evidence.
>
> Lastly, {Commerce}'s finding of a "pattern" of prices that differed significantly in this case is contrary to the plain meaning of the term "pattern" in the statute, because {Commerce} aggregates random price variations with no shared characteristics. Congress used the disjunctive "or" because the inference that targeted dumping may be occurring is only reasonable where there is some sort of consistency in the relationship between U.S. prices that have been found to differ significantly. {Commerce} must reconsider its finding of a pattern pursuant to {section 777A(d)(1)(B)(i) of the Act}.

[165] *See Preliminary Results* PDM at 12.
[166] *See America First Trade Policy*, 90 FR 8471, 8472 (January 30, 2025).

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Canadian Parties' Case Brief:

The following is a verbatim summary of the argument submitted by the Canadian Parties. For further details, *see* Canadian Parties' Case Brief at 8-35.[167]

> {Commerce}'s price difference test is an inflexible and arbitrary rule that deems prices that differ by more than two percent to be "prices that differ significantly."[168] {…} This rigid threshold {…} defies Congress' expressed intent, articulated in the SAA,[169] that targeted dumping should be identified on a "case-by-case basis," recognizing that "small differences may be significant for one industry or one type of product, but not for another." {…}
>
> {Commerce} previously rejected a two-percent threshold for determining significant price differences and did so for compelling reasons that remain valid today.[170] It recognized that a mechanical, bright-line threshold fails to account for the market conditions of the industry in question and may find targeted dumping where none exists.[171] {…}
>
> The *Preliminary Results* likewise offer no explanation for why a two-percent price difference is "significant" as a general matter, much less in the context of the highly volatile U.S. lumber market. {…}
>
> The test has generated consistent and abnormally high pass rates {…} with near-universal findings of patterns of "significant" price differences purportedly indicative of targeted dumping. A test for "significant" price differences under which the overwhelming majority of comparisons across a wide range of industries and products "pass" is not a meaningful or reliable test. {…}
>
> Finally, the price difference test adopted by {Commerce} is flawed because its identification of price differences among purchasers and regions does not control

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[167] We note that we requested that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. *See Preliminary Results*, 91 FR at 19104. Therefore, because the executive summary in the Canadian Parties' Case Brief exceeds this word limit, we have compressed the comment summary herein.

[168] *See* section 777A(d)(1)(B)(i) of the Act (setting forth the criteria for applying the A-to-T methodology in investigations). For reviews, {Commerce} has expressly adopted the same default preference for the {A-to-A} methodology and the same criteria for use of the {A-to-T} methodology as applicable in investigations. *See* 19 CFR 351.414(c)(1); *see also Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

[169] *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316 (1994) (SAA), at 843.

[170] *See, e.g.*, *Certain Steel Nails from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances*, 73 FR 33977 (June 16, 2008) (*Nails from China*), and accompanying IDM.

[171] *Id.* at 23 (". . . the two-percent price difference threshold does not adequately account for price variations specific to the market in question. In so doing, the P/2 test may find targeted dumping in many cases when arguably no such dumping is occurring.").

for market-tracking price differences among the time periods in which the sales to particular purchasers and regions occurred.

The plain meaning of the statute, {…} the SAA,[172] and {Commerce}'s past practice[173] support the conclusion that {Commerce} may find the "pattern" referenced in the statute only when the U.S. sales found to differ significantly are interrelated and logically connected. {Commerce} incorrectly chose to aggregate the allegedly differentially- priced U.S. sales by purchasers, regions, and time periods into a single "pattern."[174] Such sales {…} are not indicative of discriminatory pricing. {…}

As with the previous administrative review, {Commerce} has, without any explanation, improperly chosen to abandon the intermediate mixed methodology result of its ratio test. {Commerce} has failed to provide any substantiated explanation for its decision to do so. {…}

Should {Commerce} {…} apply the {A-to-T} methodology based on a pass rate predominantly consisting of time-based price differences, which it would find if it corrected for contemporaneity in the purchaser and regional comparisons, {Commerce} would be unable to explain why the monthly {A-to-A} methodology cannot account for "such differences" {…}.

The Canadian Parties provided evidence that the observed price differences reflected in the U.S. prices of Canfor, Resolute and West Fraser followed generally applicable and market-driven price changes in the overall U.S. lumber market. These market changes, not targeted dumping by these respondents, "account" for the differences in their pricing.[175] {…}

Finally, if {Commerce} revises its price difference test and continues to apply the {A-to-T} methodology based on a pass rate that predominantly consists of time-based price differences, {Commerce}'s use of the {A-to-T} methodology would overlook the statutory requirement that the dumping calculation must be based on a "fair comparison."[176] {…}

West Fraser's Case Brief:

West Fraser incorporates the Canadian Parties' arguments by reference. *See* West Fraser's Case Brief at 1.

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[172] *See* SAA at 842–43.
[173] *See Lumber from Canada Investigation* IDM at 57 (citing *Webster's Ninth New Collegiate Dictionary* (1989) at 863–64).
[174] *See Preliminary Results* PDM at 11 (stating that "The ratio test calculates the ratio of the total value of sales that pass the price difference test to the total value of sales by the respondent in the United States during the POR.").
[175] *See* GOC's Letter, "Submission of New Factual Information," dated March 9, 2026 (GOC's NFI Submission) at Exhibit 1.
[176] *See* section 773(a)(1)(A) of the Act.

Non-Selected Companies' Case Brief:

The following is a verbatim summary of the argument submitted by the Non-Selected Companies. For further details, *see* Non-Selected Companies' Case Brief at 6-9.

> The 2 percent threshold used by {Commerce} to determine whether a difference in prices is "significant" for purposes of {section 777A(d)(1)(B) of the Act} does not comport with the interpretation of that provision mandated by the {SAA}. The SAA requires that "in determining whether a pattern of significant price differences exist, Commerce will proceed on a case-by-case basis, because small differences may be significant for one industry or one type of product, but not for another."[177] This language requires that the magnitude of price difference determined to be "significant" for purposes of {section 777A(d)(1)(B) of the Act} must be determined individually, case-by-case, with each case being "one type of industry or product" as opposed to "another."[178] The 2 percent price difference significance threshold used in this review was not established by {Commerce} following a case-specific consideration of what price differences are "significant" in the context of softwood lumber from Canada; rather, it is a blanket threshold that {Commerce} has applied to every product, industry and country in every administrative review since July 2025. As such, it does not comply with the SAA and therefore does not comply with the requirements of {section 777A(d)(1)(B) of the Act}. {Commerce} should conduct an analysis of what constitutes a significant price difference within the specific context of the Canadian softwood lumber industry.

Petitioner's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the petitioner. For further details, *see* Petitioner's Rebuttal Brief at 37-52.

> Canfor, the Canadian Parties, and the Non-Selected Exporters challenge various aspects of {Commerce}'s use of the price difference test as part of the agency's differential pricing methodology. These arguments are all without merit and fail to demonstrate that {Commerce}'s methodology is based on an unreasonable construction of the statute. Rather, as confirmed by recent judicial precedent, the statute affords {Commerce} discretion to define significant price differences,[179] and the two-percent threshold used in the price difference test is reasonable.[180]
>
> The U.S. Court of Appeals for the Federal Circuit's (Federal Circuit) decisions in *Dillinger France S.A. v. United States* and *Stupp Corporation v. United States* (*Stupp I*) are dispositive of the Canadian Parties' challenges to the ratio test. First, in *Dillinger France*, the Federal Circuit rejected the argument that {Commerce}

[177] *See* SAA at 843.
[178] *Id.*
[179] *See Garg Tube*, 740 F. Supp. 3d at 1367 (CIT 2024) (noting that "{t}he text of the statute and its legislative history indicate that Congress gave Commerce flexibility by its use of the open-ended term 'differ significantly'").
[180] *See, e.g.*, *Toyo*, Slip Op. 26-54, at 20-21.

acts unlawfully by aggregating sales across categories (*i.e.*, purchasers, regions, or time periods), holding that "{s}uch aggregation is not inconsistent with the statute."[181] The Federal Circuit again sustained {Commerce}'s use of the ratio test in *Stupp I* where it confirmed that the ratio test "reasonably implements the statutory requirement that Commerce determine whether there is 'a pattern of export prices' 'differ{ing} significantly among purchasers, regions, or periods of time' before selecting the average-to-transaction method."[182]

The Canadian Parties contend that {Commerce} failed to provide justification for discontinuing the "mixed methodology," which {Commerce} previously applied if between 33 and 66 percent of a respondent's U.S. sales passed the differential pricing test. Contrary to the Canadian Parties' claim, {Commerce} reasonably explained its decision to discontinue the "mixed methodology" in the preliminary results.[183] Moreover, nothing in the statutory text contemplates the use of a "mixed methodology," and {Commerce}'s revised methodology aligns more closely with the statutory text, which contemplates a choice between the {A-to-A} comparison methodology or the Average-to-Transaction (A-T) comparison method (rather than a hybrid of the two). Finally, even if {Commerce} still employed the "mixed methodology," it would not apply to West Fraser because 95.35 percent of the company's sales pass {Commerce}'s differential pricing test. Accordingly, the Canadian Parties' arguments concerning the "mixed methodology" are also irrelevant.

{Commerce}'s use of the meaningful difference test is reasonable and has been sustained by the Federal Circuit. Notably, in *Apex II*, the Federal Circuit held that the meaningful difference test satisfies the statutory directive that {Commerce} explain why the {A-to-A}method is inadequate in certain cases.[184] In reaching this holding, the Federal Circuit emphasized that nothing in the statute instructs {Commerce} "how to perform a threshold 'account' determination."[185] Thus, Federal Circuit precedent clearly supports {Commerce}'s continued use of the meaningful difference analysis in the final results.

Sierra Pacific's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the Sierra Pacific. For further details, *see* Sierra Pacific's Rebuttal Brief at 2-11.

First, {Commerce} should reject the Canadian Parties' argument that the price difference test does not show "significant" price differences. {Commerce} uses a two-percent threshold for "significant" price differences in other contexts of its antidumping analysis. Moreover, {Commerce}'s use of a two-percent threshold

[181] *See Dillinger France S.A. v. United States*, 981 F.3d 1318, 1325 (Fed. Cir. 2020).
[182] *See Stupp V*, 5 F.4th at 1355 (quoting section 777A(d)(1)(B)(i) of the Act).
[183] *See Preliminary Results* PDM at 11.
[184] *See Apex II*, 862 F.3d at 1346-48.
[185] *Id.* at 1347-48 (noting further that "{a} meaningful difference test is not even required under the statute").

for the price difference test is not an unreasoned departure from prior practice because the cases the respondents cite involved the P/2 test, which {Commerce} rejected for other reasons.

Second, the language in the {SAA} indicating that {Commerce} proceed with a targeted dumping analysis on a "case-by-case basis" does not preclude {Commerce} from using a two- percent threshold for "significant" price differences. It also does not require {Commerce} to consider whether there are other factors that could explain the observed price differences, such as purported volatility in the U.S. lumber market.

Third, {Commerce} should reject the Canadian Parties' argument that the ratio test is unlawful. {Commerce} developed the ratio test as a reasonable exercise of discretion in filling the gap left by Congress regarding how to determine whether a "pattern" of prices that differ significantly among purchasers, regions, or periods of time exists, and the courts have affirmed it on that basis. {Commerce} should continue to follow the binding Federal Circuit and U.S. Court of International Trade precedent affirming the ratio test as a reasonable interpretation of "pattern" in section 777A(d)(1)(B)(i) of {the "Act}.

Fourth, {Commerce} should reject the Canadian Parties' challenge to the meaningful difference test. The courts have repeatedly affirmed the meaningful difference test as a reasonable exercise of the discretion accorded to {Commerce} under the statute and that the test satisfies the statute's requirement to explain why the {A-to-A}comparison methodology is inadequate.

Canfor's Rebuttal Brief:

The following is a verbatim summary of the argument submitted by Canfor. For further details, *see* Canfor's Rebuttal Brief at 9-10.

In response to {World Trade Organization (WTO)} decisions regarding zeroing, {Commerce} and the Office of the United States Trade Representative (USTR) promulgated rules to cease zeroing in {A-to-A} comparisons because such zeroing was determined to be inconsistent with the international obligations of the United States.[186] The Federal Circuit has held that the antidumping duty law does not require zeroing and ruled that {Commerce}'s *Final Modification* that ceased zeroing in {A-to-A}comparisons in investigations is consistent with US law.[187]

[186] *See Antidumping Proceedings: Calculation of the Weighted Average During an Antidumping Duty Investigation*, 71 FR 11189 (March 6, 2006) (*Calculation of the Weighted-Average Margin*) (stating that a WTO panel found zeroing in A-A comparisons in investigation WTO inconsistent and "the United States has not appealed this aspect of the panel's report"); *see also Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation; Final Modification*, 71 FR 77772 (December 27, 2026); and *Final Modification*, 77 FR at 8101.

[187] *See U.S. Steel Corp. v. United States*, 621 F.3d 1351, 1361 (Fed. Cir. 2010) (*U.S. Steel*); *see also Corus Staal*, 502 F.3d at 1370; and *Timken Company v. United States*, 354 F.3d 1334, 1342 (Fed. Cir. 2004) (*Timken*).

> The best reading of the statute does not require zeroing in {A-to-A}comparisons. The Tariff Act of 1930 defines the "dumping margin" to be the "amount by which the {NV} exceeds the export price or constructed export price of the subject merchandise."[188] In *Timken*, the Federal Circuit held that the term "exceeds" in Sections 777(35)(A) and (B) of the Tariff Act of 1930 does not require {Commerce} to zero.[189]
>
> Statutory interpretation is a holistic endeavor,[190] and the definition of "exceeds" alone should not dictate whether {Commerce} may zero. When the question of how {Commerce} should conduct {A-to-A}comparisons in investigations is considered in light of the entire antidumping duty law and the international obligations of the United States that Congress implemented through those laws, the best reading of Sections 771(35)(A) and (B) of the Act, is one in which {Commerce} does not zero in {A-to-A}comparisons in investigations.

Canadian Parties' Rebuttal Brief:

The following is a verbatim summary of the argument submitted by the Canadian Parties. For further details, *see* Canadian Parties' Rebuttal Brief at 3-13.

> {Commerce} should reject Petitioner's request for {Commerce} to alter its nearly fifteen-year-old methodology in administrative reviews. The {Federal Circuit} has held that {Commerce}'s methodology of offsetting (*i.e.*, averaging) when using the {A-to-A} methodology is consistent with the statute. Those decisions are and remain binding precedent. And indeed, if they were no longer binding, the best interpretation of the law is that it requires {Commerce} to calculate average margins consistent with its current methodology. Each of Petitioner's statutory interpretation arguments has previously been rejected by the Federal Circuit. Finally, even if {Commerce} were to mistakenly change course on its longstanding practice, {Commerce} could not do so in the context of an administrative review. Rather, {Commerce} would have to engage in the full notice and comment procedure required by Section 123 of the Uruguay Round Agreements Act (URAA).

Resolute's Rebuttal Brief:

> Resolute incorporates Canfor's and the Canadian Parties' arguments by reference. *See* Resolute's Rebuttal Brief at 1.

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[188] *See* section 771(35)(A) of the Act.
[189] *See Timken*, 354 F. 3d at 1341-1342; *see also Corus*, 502 F.3d at 1372; and *U.S. Steel*, 621 F.3d at 1360-61.
[190] *See United Savings Assciation of Texas v. Timbers of Inwood Forest Associates, Ltd.*, 484 U.S. 365, 371 (1998) (*United Sav. Ass'n of Tex.*) ("Statutory construction … is a holistic endeavor."); *see also Czyzewski v. Jevic Holding Corp.*, 580 U.S. 451, 466-67 (2017) (citing *United Sav. Ass'n of Tex.*, 484 U.S. at 371 for the proposition that statutory construction is holistic).

Commerce's Position: Commerce determines to continue applying the modified differential pricing methodology issued in its *Preliminary Results*. Commerce explained how and why it changed its practice in the *Preliminary Results*. In the *Preliminary Results*, Commerce explained how each step of the revised differential pricing analysis addresses the criteria set forth in section 777A(d)(1)(B) of the Act.[191] The explanation provided is nearly identical to the explanation provided in the prior differential pricing analysis (first used in 2013),[192] but explicitly notes two changes: we now identify price differences according to a two-percent test and we are discontinuing the use of a "mixed method" as a potential alternative comparison methodology. Specifically, we stated:

> In prior investigations and administrative reviews, Commerce used the Cohen's *d* test as part of the differential pricing analysis, but the Federal Circuit recently held that it is unreasonable to use the Cohen's *d* test when the Cohen's *d* test is applied to data that do not satisfy the statistical assumptions of normal distribution, equal variances, and sufficiently numerous data. *See Marmen {III}*; *see also Stupp {VIII}* (nonprecedential disposition). Subsequently, Commerce sought information and public comment regarding alternatives to the use of the Cohen's *d* test to define when prices differ significantly among purchasers, regions, and time periods, pursuant to section 777A(d)(1)(B)(i) of the Act. *See Alternatives to the Use of Cohen's d; Request for Comment*, 90 FR 21277 (May 19, 2025). Against this backdrop and in an effort to comply with the Federal Circuit's holdings, Commerce has discontinued the use of the Cohen's *d* test and has discontinued the use of the "mixed method" as a potential alternative comparison methodology.[193]

Additionally, Commerce released complete calculations for the *Preliminary Results* detailing the implementation of the revised analysis.[194]

Regarding the basis for eliminating the use of the mixed comparison method, the mixed method was introduced when Commerce adopted the Cohen's *d* test in connection with the Cohen's *d* test.[195] The statute does not require Commerce to use a "mixed" method as a comparison methodology. While the statute permits Commerce's previous policy that adopted a hybrid version of the two available comparison methodologies, Commerce's new policy aligns more closely with the statutory text, which permits Commerce to use the A-to-T method when certain conditions set forth in section 777A(d)(1)(B) of the Act are satisfied. In light of the foregoing, Commerce does not consider it necessary to continue to use the mixed method, particularly when

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[191] *See Preliminary Results* PDM at 9-12.
[192] *See, e.g.*, *1-Hydroxyethylidene-1, 1-Diphosphonic Acid from India: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012; and Intent to Revoke Order (in Part)*, 78 FR 25699 (May 2, 2013), and accompanying PDM at 4-6, unchanged in *1-Hydroxyethylidene-1, 1- Diphosphonic Acid From India: Final Results of Antidumping Duty Administrative Review and Revocation of Order (in Part); 2011–2012*, 78 FR 40099 (July 3, 2013); *Certain Cut-to-Length Carbon-Quality Steel Plate Products from the Republic of Korea: Preliminary Results and Rescission in Part of Antidumping Duty Administrative Review; 2023- 2024*, 90 FR 21891 (May 22, 2025), and accompanying PDM at 4-7, unchanged in *Certain Cut-to-Length Carbon-Quality Steel Plate Products From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2023-2024*, 90 FR 45373 (September 22, 2025)
[193] *See Preliminary Results* PDM at 10-11, n.57.
[194] *See, e.g.*, Canfor Preliminary Analysis Memorandum at 11-12.
[195] *See Xanthan Gum from China* IDM at 28.

discontinuation of the "mixed" method enhances the ability to address masked dumping, which is consistent with the objective of the statute, and more closely aligns with the statutory language that expressly authorizes the use of the A-to-T comparison method when the conditions set forth in section 777A(d)(1)(B) of the Act are satisfied. The Federal Circuit has recognized Commerce's "growing experience" in applying section 777A(d)(1)(B) of the Act as a basis for establishing what ratio justifies application of an alternative methodology.[196] In addition, these arguments are inconsequential to the outcome of our calculations, because the result of the ratio test for all respondents is that more than 66 percent of their sales passed the price difference test. Thus, even if we were to retain the mixed method, it would not apply to any of the respondents here. Also, the Federal Circuit explained that "Commerce should have the opportunity to set forth an alternative policy analysis, which may then be subject to judicial review."[197] Here, Commerce has explained its change in policy.[198] The U.S. Court of International Trade (CIT) has affirmed Commerce's discontinuation of the mixed method in *Marmen IV*.[199]

Regarding the two-percent test, its use is consistent with the statute. The CIT has held that the language in section 777A of the Act affords Commerce flexibility to implement a test that it deems appropriate to identify significant price differences.[200] As more fully explained below, a two-percent threshold is a reasonable measure of significance, is used by Commerce in other contexts, and is consistent with other aspects of Commerce's practice in antidumping proceedings.

Price Difference Test

Commerce determines to continue applying the modified differential pricing analysis, including the two-percent price difference test. The two-percent test is consistent with the statute. The CIT has held that the language in section 777A of the Act affords Commerce flexibility to implement a test that it deems appropriate to identify significant price differences.[201] Commerce's price difference test conforms with Congress' intent that Commerce determines whether prices differ significantly on a "case-by-case basis."[202] In *Garg Tube*,[203] the CIT found that "{t}he text of the statute and its legislative history indicate that Congress gave Commerce flexibility by its use of the open-ended term 'differ significantly.'" First, the CIT explained that "Congress' mandate to Commerce to assess not merely whether prices differ, but whether they differ 'significantly' necessarily affords Commerce flexibility to assess the degree of difference depending on the particular context."[204] Next, the CIT observed that the SAA provides that Commerce will proceed on a case-by-case basis, which confirms the flexibility provided by the words of the statute.[205] Finally, the CIT found that the context in which the phrase "differ

[196] *See Stupp V*, 5 F.4th at 1355.
[197] *See Mid Continent Steel & Wire, Inc. v. United States*, Ct. No. 24-1556, ECF No. 99 (December 2, 2025).
[198] *See SKF USA Inc. v. United States*, 630 F.3d 1365, 1377 (Fed. Cir. 2011) (affirming Commerce's change in practice because of its reasoned explanation).
[199] *See Marmen IV*, Slip Op. 26-62 at 20; *see also Toyo*, Slip Op. 26-54 at 16-19.
[200] *See Garg Tube*, 740 F. Supp. 3d at 1366.
[201] *Id*.
[202] *See* SAA at 842.
[203] *See Garg Tube*, 740 F. Supp. 3d at 1366.
[204] *Id.*, 740 F.Supp.3d at 1367.
[205] *Id.* (citing SAA at 843).

significantly" appears, alongside the subsection that allows Commerce to decline taking into account insignificant adjustments, section 777A(a) of the Act, and another subsection that exclusively allows Commerce to select averages and statistically valid samples, section 777A(b) of the Act, further confirms that Congress meant to afford the agency with flexibility and discretion.[206] Therefore, the CIT held that "Congress delegated to Commerce the power to use its discretion when determining whether prices differ significantly under {section 777A of the Act}."[207] Notably, the CIT has sustained Commerce's differential pricing analysis, including the price difference test.[208]

A two-percent threshold is a reasonable measure of significance and is consistent with other aspects of Commerce's practice in antidumping proceedings. In the arm's-length test conducted pursuant to 19 CFR 351.403(c), Commerce finds that sales between affiliated parties in the comparison market are not at arm's length and fall outside the ordinary course of trade if the average, product-specific, comparison market prices to an affiliated customer are not within a range of 98 percent to 102 percent of the average, product-specific, comparison market prices to unaffiliated customers (*i.e.*, a plus or minus a two-percent difference from the weighted-average price to unaffiliated customers). In fact, Commerce has found that average prices to an affiliated customer that differ by at least two percent, and therefore fail the arm's-length test, "differ significantly" from market prices.[209] The distinction between being within or outside of the ordinary course of trade is a significant difference, as sales which are found to be outside the ordinary course of trade are excluded from Commerce margin calculations, *e.g.*, excluded from the calculation of normal value.

Moreover, pursuant to sections 733(b)(3) and 735(a)(4) of the Act, the *de minimis* threshold for an estimated weighted-average dumping margin in an investigation is two percent. In other words, an estimated weighted-average dumping margin of at least two percent is significant and offset positive margins with non-dumped sales. Commerce has synonymously referred to non-*de minimis* levels of dumping as a "significant" amount of dumping.[210] If a weighted-average difference of two percent between U.S. prices and normal value is significant enough to warrant an affirmative determination of sales at less-than-fair-value, then it is reasonable to conclude that a two-percent price difference is significant within the context of section 777A(d)(1)(b)(ii) of the Act. Furthermore, in an administrative review, the *de minimis* threshold is one half of one (0.5) percent, which suggests that the two percent threshold from investigations is more conservative. (According to 19 CFR 351.106(c), in an administrative review, Commerce will treat as *de minimis* any weighted-average dumping margin that is less than 0.5 percent and will liquidate

[206] *Id.*
[207] *Id.*
[208] *See, e.g.*, *Toyo*, Slip Op. 26-54 at 11-14, n. 10 (holding that "Commerce's overall methodology is reasonable" including its application of the price difference test); *Marmen IV*, Slip Op. 26-62 at 17 (holding "that Commerce's adoption of the 2% threshold in the first stage of its differential pricing analysis in the new "price difference test" is reasonable and complies with *Marmen III*").
[209] *See LDWP from Korea* and accompanying IDM at Comment 4 ("the prices at issue differ significantly from the prices charged to an unaffiliated company (*i.e.*, they are not within 98 to 102 percent of the price charged for or by an unaffiliated party), which leads us to conclude that these prices are affected by the relationship between Borusan and Borusan Logistik.")).
[210] *See Circular Welded Non-Alloy Steel Pipe from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 26401 (June 6, 2019), and accompanying IDM at Comment 2 ("Under scenario (4), there is a significant (*i.e.*, non-*de minimis*) amount of dumping…").

without regard to antidumping duties all entries during the relevant period of review, but dumping duties will be collected if the weighted-average dumping margin is 0.5 percent or more.)

We disagree that the revised price difference test amounts to a brightline rule that is inconsistent with language in the SAA to conduct the analysis on a case-by-case basis. The test does not stipulate an absolute value as a threshold (*e.g.*, $5 per kg) but a threshold that measures relative differences (*i.e.*, a percentage) on a case-by-case basis by a comparison to case-specific averages dependent upon the customer, region, and temporal data provided by the respondent, specific to the period under examination and to the merchandise, and thus, the market under consideration. Because the difference between the weighted-average net price to a given purchaser, region, or time period and the weighted-average net price to all other purchasers, regions, or time periods is measured relative to the weighted-average net price to all other purchasers, regions, or time periods, the price difference test is not a brightline test.

Further, Commerce's price difference test conforms with Congress' intent that Commerce determines whether prices differ significantly on a "case-by-case basis." The SAA states that, "in determining whether a pattern of significant price differences exist, Commerce will proceed on a case-by-case basis, because small differences may be significant for one industry or one type of product but not for another."[211] As explained above under, Commerce's "price difference test" examines whether the weighted-average net price to a given purchaser, region, or time period is within two-percent of the weighted-average net price to all other purchasers, regions, or time periods. Thus, whether the prices to a given purchaser, region, or time period differ significantly is determined relative to the weighted-average net price to all other purchasers, regions, or time periods. As a result, the data on which Commerce relies in performing the price difference test changes on a case-by-case basis, *i.e.*, specific to the respondent's pricing of comparable merchandise to all other purchasers, regions, or time periods, and Commerce's analysis therefore conforms with Congress' intent that an analysis of whether a pattern of prices exists be carried out on a case-by case basis.

The purpose of section 777A(d)(1)(B) of the Act is to provide an alternative comparison method when one of the standard comparison methods provided for under section 777A(d)(1)(A) of the Act (*e.g.*, the A-to-A method)[212] masks dumping through offsetting lower prices with higher prices.[213] As such, the pattern requirement, section 777A(d)(1)(B)(i) of the Act, requires that Commerce identify that conditions are present in the respondent's pricing behavior in the U.S. market where masked dumping could be occurring, *i.e.*, when lower prices offset higher prices where prices differ significantly. This canary-in-the-coal-mine analysis should reasonably identify conditions where the margin calculations based on the A-to-A method could fail to unearth masked dumping. Commerce's use of a two-percent threshold correlates with other parts of its margin calculations which are found to "differ significantly," and, therefore, Commerce finds that the two-percent threshold in the price difference test is reasonable.

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[211] *See* SAA at 843.
[212] As the transaction-to-transaction method is only used in "unusual situations," we will only reference the A-to-A method. *See* 19 CFR 351.414(c)(2).
[213] *See* SAA at 842.

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We are also not persuaded by the Canadian Parties' argument regarding *Sodium Metal from France*.[214] In that determination, Commerce disagreed with the petitioners' argument that Commerce should reject the "nails test" (newly adopted at that time). The petitioners in that determination argued that "the new test cannot detect obvious patterns of dumping" and that Commerce should instead revert to the test used "in the antidumping duty investigation of coated free sheet paper from South Korea, until the criticism of its new test is completely answered."[215] In rejecting the petitioners' argument, Commerce explained that the new test addressed the price significance and pattern requirements through the gap and standard deviation tests while the test proposed by the petitioners did "not account for price variations specific to the market in question" and "collapses the pattern and significant price difference requirements of the statute."[216] In contrast to the standalone test proposed by the petitioners in *Sodium Metal from France*, under the current methodology, the price difference test is used in conjunction with the ratio test, which addresses the pattern requirement. The price difference and ratio tests also examine case-specific pricing data, including any case-specific, respondent-specific price variations, as explained above.

With respect to the argument that Commerce has previously rejected a two-percent threshold in *Coated Free Sheet from Korea*, Commerce has never used the "P/2 test" as part of its differential pricing analysis.[217] The P/2 test and the price difference test are not equivalent to each other. The P/2 test examined whether the weighted-average U.S. prices of allegedly "targeted" sales were two percent lower than the weighted-average U.S. prices of non-targeted sales with the stated aim of identifying "targeted dumping." As discussed below, the P/2 test was the basis for the petitioner's targeted dumping allegation in *Coated Free Sheet from Korea*.[218] Given Commerce's lack of experience at that time in addressing section 777A(d)(1)(B) of the Act, Commerce relied on the petitioner's analysis in that investigation.[219] However, in the following less-than-fair-value investigations in which the petitioner submitted a similar targeted dumping allegation, Commerce developed its own analysis to address section 777A(d)(1)(B) of the Act, *i.e.*, the "Nails Test."[220] Commerce found that the P/2 test is not "a reliable indicator that {obvious} targeted dumping has occurred…"[221]

Commerce has substantially more experience now than in 2008. In *Coated Free Sheet from Korea*, Commerce employed the P/2 test to examine whether use of an alternative comparison method was permitted and addressed petitioner's targeted dumping allegation.[222] Subsequently, in the final determination in *Nails from China*, Commerce explained:

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[214] *See Sodium Metal from France: Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances*, 73 FR 62252 (October 20, 2008) (*Sodium Metal from France*), and accompanying IDM.
[215] *Id.* at 9.
[216] *Id.*
[217] *see Toyo*, Slip Op. 26-54 at 10, n. 9 (citing *Qingdao Sea-Line Trading Co. v. United States*, 766 F.3d 1378, 1387 (Fed. Cir. 2014) and stating that "{w}hether Commerce previously used and rejected the two percent price difference test does not influence the court's reasoning on the reasonableness of the test" as {e}ach administrative review is a "separate exercise of Commerce's authority").
[218] *See* Coated Free Sheet from Korea IDM at Comment 1.
[219] *Id.*
[220] *See Nails from China* IDM at 23.
[221] *Id.* at 23 (emphasis added).
[222] *See Coated Free Sheet from Korea* IDM at Comment 1.

> Prior to {*Coated Free Sheet from Korea*}, {Commerce's} only experience with analyzing targeted dumping in an antidumping duty investigation was the case specific analysis in the court remand that followed the antidumping investigation of certain pasta from Italy (*see Borden, Inc., Gooch Foods, Inc., and Hershey Foods Corp. v. United States*, Slip Op. 99-50, CIT, June 4, 1999), also referred to as the "Pasta Test." The petitioner's allegations of targeted dumping in {Coated Free Sheet from Korea} presented {Commerce} with a host of issues that it had not previously confronted. Given the short time available in that proceeding to address these issues, {Commerce} stated:
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> > In the years since the Pasta Test was developed, {Commerce} has had no further experience analyzing targeting and we are examining how the Pasta Test standards and thresholds could be modified in developing a standard practice for addressing targeting allegations. In view of {Commerce}'s uncertainty regarding the general applicability of the Pasta Test standards, the overall lack of case precedent on this matter, and the unique circumstances of this case, {Commerce} accepts the petitioner's targeting allegation without endorsing the petitioner's test standards and procedures as a general practice.

At the same time, {Commerce} signaled its intention to develop a standardized targeted dumping test to replace the P/2 test for application in subsequent investigations. Thus, while allowing the petitioner's targeted dumping allegation to proceed to conclusion in {*Coated Free Sheet from Korea*}, {Commerce} simultaneously announced in {*Coated Free Sheet from Korea*} at Comment 2 that it would develop "a new, more standardized test" (*i.e.*, a replacement for the P/2 test) through a proceeding open to public input, which we initiated simultaneously with the publication of {*Coated Free Sheet from Korea*}. *See {Targeted Dumping in Antidumping Investigations; Request for Comment*, 72 FR 60651 (October 25, 2007)}. As such, Commerce introduced a new analysis, what became known as the "Nails Test," to examine whether the statutory requirements under section 777A(d)(1)(B)(i) and (ii) were satisfied.[223] Afterwards, Commerce would replace the Nails Test with a methodology called the "differential pricing analysis."[224] Specifically, Commerce stated:

> While the Nails Test is a statutorily consistent and statistically sound methodology for identifying whether the average-to-transaction method might be appropriate, Commerce} has continued to seek to refine its approach with respect to the use of an alternative comparison method. Given {Commerce}'s experience over the last several years, and based on {Commerce}'s further research, analysis and consideration of the numerous comments and suggestions on what guidelines, thresholds, and tests should be used in determining whether to apply an alternative

[223] *See, e.g.*, *Certain Steel Nails from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances and Postponement of Final Determination*, 73 FR 3928 (January 23, 2008) (*Nails from China Prelim*).

[224] *See Differential Pricing Analysis; Request for Comments*, 79 FR 26720, 26722 (May 9, 2014) (*Differential Pricing Analysis*); *see also Xanthan Gum from China*, 78 FR at 33351.

> comparison method based on the average-to-transaction method, {Commerce} is developing a new approach for determining whether application of such a comparison method is appropriate in a particular segment of a proceeding pursuant to 19 CFR 351.414(c)(1) and consistent with section 777A(d)(1)(B) of the Act. The new approach is referred to as the "differential pricing" analysis, as a more precise characterization of the purpose and application of section 777A(d)(1)(B) of the Act.[225]

After performing the differential pricing analysis since 2013, Commerce has continued to gain experience in addressing the statutory requirements provided under section 777A(d)(1)(B) of the Act. With the issuance of the mandate following *Marmen III*,[226] Commerce introduced the price difference test to determine whether prices for comparable merchandise differ significantly among purchasers, regions, or time periods.[227] In contrast to the P/2 test described above, the price difference test examines whether U.S. prices differ significantly among purchasers, regions, and time periods. Specifically, the price difference test examines whether the weighted average U.S. price to a given purchaser, region, or time period is within two percent of the weighted average U.S. price to all other purchasers, regions, or time periods. If the difference between the two weighted-average prices is within two percent of the weighted-average U.S. price to all other purchasers, then the sale prices to the individual purchaser, region, or time period do not differ significantly. Alternatively, if the difference is two percent or greater, or two percent or less, then the sale prices to the individual purchaser, region, or time period do differ significantly.

The only common aspect of the P/2 test and the price difference test is the two percent threshold. However, the P/2 test only examines whether prices to alleged "targets" are at least two percent lower than the prices for all other sales, whereas the price difference test considers whether prices to each purchaser, region, or time period are at least two percent higher or lower than the prices for all other sales. As discussed above, the price difference test shares the two percent threshold with the arms-length test (with the same four percent band around the price), which is the basis for whether the prices of comparison market sales made to an affiliate are at arm's length.[228] Thus, the price difference test is simply a different test than the P/2 test.

The argument that the price difference test does not adequately determine whether a "pattern" of pricing exists, as required by statute, misunderstands the function of the price difference test. The price difference test determines whether prices differ significantly. The ratio test determines whether there is a pattern. The ratio test is consistent with the ordinary meaning of the word "pattern," which is "a frequent or widespread incidence."[229] Therefore, more than 33 percent of

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[225] *See Differential Pricing Analysis*, 79 FR at 26722.
[226] *See Marmen III*, 134 F.4th at 1343-1348.
[227] *See, e.g.*, *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2022-2023*, 90 FR 30050 (July 8, 2025), and accompanying IDM at 2-5 (applying the price difference test for the first time).
[228] *See Marmen IV*, Slip Op. 26-62 at 15-16 (noting Commerce's explanation of how the arm's length test supported Commerce's selection of a two percent threshold in sustaining Commerce's application of the price difference test).
[229] *See also Toyo*, Slip Op. 26-54 at 19 (rejecting respondent Toyo Kohan's argument that the price difference test fails to find a pattern of prices because "Commerce uses the ratio test, the second step in the differential pricing analysis, to determine whether there is a pattern to the price differences identified by the two percent price difference test").

the value of a respondent's U.S. sales must pass the price difference test before Commerce determines that there is a pattern. As such, if 33 percent or less of the sales value for the U.S. sales pass the price difference test, then Commerce will find that there is no evidence that a pattern exists. These definitions support Commerce's approach because the ratio test quantifies the extent of the significant price differences.[230] The Federal Circuit has upheld the ratio test as a reasonable method for addressing the pattern requirement of section 777A(d)(1)(B)(i) of the Act and has held that Commerce "has discretion to determine a reasonable methodology to implement the statutory directive."[231] Moreover, we note that the Federal Circuit has explained that there is no statutory requirement that Commerce examine the ontological reasons underlying the price differences observed in a respondent's U.S. prices, as this "would create a tremendous burden on Commerce that is not required or suggested by the statute."[232] Therefore, Commerce need not determine why the respondent's prices in the U.S. market differ, just that a difference exists.

In *Dillinger*, the Federal Circuit addressed arguments that Commerce's ratio test fails to implement the pattern requirement because Commerce aggregates prices found to differ among different purchasers, different regions, and different time periods, into a single pattern. In construing section 777A(d)(1)(B) of the Act, the Federal Circuit held that Commerce's "aggregation" methodology is a proper interpretation of the pattern requirement. Moreover, the courts have long acknowledged that "or" can mean "and." Under the ratio test, a pattern is found to exist if more than 33 percent of the sales value is found to be prices that differ significantly. Therefore, by arguing that the price difference test instead of the ratio test fails to find a "pattern," the Canadian Parties demonstrates their misunderstanding of the mechanics of Commerce's differential pricing analysis, thereby rending their arguments meritless. The statutory interpretation that the Federal Circuit sustained in *Dillinger* is the best interpretation of the statute and their disagreement with binding Federal Circuit precedent is not a basis for reconsideration of Commerce's ratio test.[233]

Additionally, the "meaningful difference" test provides additional tailoring of the differential pricing analysis to the specifics of each respondent. The question of whether the A-to-A method or the A-to-T method is warranted is specific to the administrative segment as well as the respondent under examination. If the selection of the alternative A-to-T method does not result in a meaningful difference in the weighted-average dumping margins, then that is evidence that the respondent's pricing behavior in the U.S. market can be adequately addressed through the standard A-to-A methodology. Accordingly, Commerce's determination of whether the A-T method is permitted under section 777A(d)(1)(B) of the Act is determined on a case-specific basis.

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[230] *See* Pattern, Merriam-Webster Online Dictionary, available at https://www.merriamwebster.com/dictionary/pattern (last visited December 2, 2025).
[231] *See, e.g.*, *Large Residential Washers from Mexico: Final Results of Antidumping duty Administrative Review; 2018-2019*, 85 FR 81450 (December 16, 2020).
[232] *See JBF RAK*, 790 F.3d at 1368; *see also Large Diameter Welded Pipe from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2023–2024*, 91 FR 23400, and accompanying IDM.
[233] *See Marmen IV*, Slip Op. 26-62 at 18-23 (holding "that Commerce's application of the 'ratio test' to determine the extent of the significant price differences of all U.S. sales as measured by the 'price difference test' applied as a component of its differential pricing analysis is in accordance with law").

The respondents and Canadian Parties argue that Commerce should effectively ignore outliers in the data. However, the purpose of the differential pricing test is to determine if there are any instances of masked dumping that the A-to-A method might not be able to account for. The A-to-A method, whether based on period wide or monthly weighted-average U.S. prices, will include both implicit and explicit offsetting of lower prices with higher prices. Implicitly, within each weighted-average U.S. price the A-to-A method offsets lower prices with higher prices. The A-to-T method eliminates implicit offsets through the use of individual U.S. prices rather than weighted-average U.S. prices. Furthermore, explicitly in the A-to-A method, offsets for lower prices in one weighted-average U.S. price can be made by higher prices in a different weighted-average U.S. price. Thus, if Commerce were to ignore the outliers or somehow incorporate a method for taking into account variability in the data such that it only considered the mean or average, we would be effectively recreating the exact problem that the differential pricing analysis is intended to identify, and, that application of the A-to-T method is meant to address.

Finally, the *Preliminary Results* offered parties the opportunity to make case-specific arguments and we intend to continue to do so in the future.[234] In particular, while parties have commented that Commerce does not demonstrate how a two-percent threshold is significant in comparison to the normal variance that may exist across prices of the "base group," no party has provided an alternative method for identifying and quantifying the so-called "normal" variance that might exist among prices in the U.S. market. We also disagree with the logic of the Canadian Parties that an "outlier" price, presumably lower and dumped, is present in the U.S. market. This is exactly the situation that resorting to the A-to-T method is meant to address, where an exporter may sell at a dumped price for a specific transaction, while selling at higher prices for other sales.[235] If this individual sale with an "outlier" price is dumped, then it may be taking a sale away from the domestic industry which has incurred injury as a result of the respondent's pricing behavior in the U.S. market. Given that the purpose of the antidumping statute is to remedy injurious unfair trade,[236] the logic of the Canadian Parties that ignoring the "outlier" sale would be appropriate is not persuasive.

Ratio Test

Commerce determines to continue applying the modified differential pricing analysis, including the ratio test. The ratio test is consistent with the ordinary meaning of the word "pattern," which can be defined as "a frequent or widespread incidence." The Federal Circuit has upheld the ratio test as a reasonable method for addressing the pattern requirement of section 777A(d)(1)(B)(i) of the Act and has held that "there is no statutory language telling Commerce how to detect patterns of significantly differing export prices, much less how to aggregate and quantify pricing comparisons across product groups in order to select a statutorily defined comparison method.

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[234] *See Preliminary Results* PDM at 9-12.
[235] *See* SAA at 842.
[236] *See Koyo Seiko Co., Ltd. v. United States*, 20 F.3d 1156, 1159 (Fed. Cir. 1994) ("The purpose of the antidumping statute is to protect domestic manufacturing against foreign manufacturers who sell at less than fair market value. Averaging U.S. prices defeats this purpose by allowing foreign manufacturers to offset sales made at less-than-fair value with higher priced sales. Commerce refers to this practice as 'masked dumping.' By using individual U.S. prices in calculating dumping margins, Commerce is able to identify a merchant who dumps the product intermittently—sometimes selling below the foreign market value and sometimes selling above it. We cannot say that this is an unfair or unreasonable result." (internal citations omitted)).

Commerce therefore has discretion to determine a reasonable methodology to implement the statutory directive."[237] The Federal Circuit has also rejected the argument that the statute requires Commerce "to determine the reasons why there is a pattern of export prices for comparable merchandise that differs significantly among purchasers, regions, or time periods{.}"[238] The Federal Circuit agreed with the CIT that there is no intent requirement in the statute and that requiring Commerce to determine intent of targeted dumping "would create a tremendous burden on Commerce that is not required or suggested by the statute."[239]

Meaningful Difference Test

Commerce determines to continue applying the modified differential pricing analysis, including the meaningful difference test. The Federal Circuit has upheld the meaningful difference test, as a component of the differential pricing analysis, on multiple occasions.[240] Contrary to respondents' assertions, Commerce does explain why the standard methodology fails to address the pattern of significant price differences, and it does so through the results of the test itself and the Federal Circuit sustained Commerce's explanation.[241] If there is no meaningful difference between the results under the A-to-A and A-to-T comparison methods, such price differences can be taken into account by using the A-to-A comparison method. However, if there is a meaningful difference, that difference is the explanation, because the A-T method unmasks a meaningful amount of masked dumping which the A-to-A comparison method fails to unmask. It shows that the standard method cannot adequately account for the pricing behavior, and that is precisely why the law allows the use of the alternative methodology.

"Zeroing"

We have made no changes from the *Preliminary Results*. The petitioners are correct in that Commerce stopped applying its "zeroing" methodology — *i.e.*, denying offsets to positive dumping margins for non-dumped sales by assigning a value of zero to the comparison result — when applying the A-to-A comparison method in response to a series of adverse decisions by the Appellate Body of the WTO[242] rather than domestic litigation.

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[237] *See Stupp V*, 5 F.4th at 1354.
[238] *See JBF RAK*, 790 F.3d at 1368; *see also Borusan Mannesmann Boru Sanayi Ve Ticaret A.S. v. United States*, 608 Fed. Appx. 948, 949 (Fed. Cir. 2015) (non-precedential); and *Nan Ya Plastics Corp., Ltd. v. United States*, 128 F. Supp. 3d 1345 (CIT 2015).
[239] *See JBF RAK*, 790 F.3d at 1368.
[240] *See, e.g.*, *Stupp V*, 5 F.4th at 1355-56; *Apex II*, 862 F.3d at 1346-48 ("We find Commerce's provided rationales in support of its meaningful difference analysis to be reasonable. … We affirm Commerce's decision to analyze all of {respondents'} sales in conducting its meaningful difference analysis as a reasonable exercise of its delegated authority.").
[241] *See, e.g.*, *Apex*, 862 F.3d at 1346 ("First, we agree that the difference in the actual antidumping rates that would be assessed—below *de minimis* when calculated with the {A-to-A} methodology; above *de minimis* when calculated with an alternative methodology—indeed informs the question of whether the {A-to-A} methodology can adequately account for a pattern of significant price differences 'because {A-to-A} masked the dumping that was occurring as revealed by the {A-to-T} calculated margin.'").
[242] *See* Appellate Body Reports: (1) *United States—Laws, Regulations and Methodology for Calculating Dumping Margins ("Zeroing")*, WT/DS294/AB/R (April 18, 2006); (2), *United States - Measures Relating to Zeroing and Sunset Reviews*, WT/DS322/AB/R (January. 9, 2007); (3) *United States - Laws, Regulations and Methodology for Calculating Dumping Margins ("Zeroing") - Recourse to Article 21.5 of the DSU*, WT/DS294/AB/RW

We disagree with the petitioners that the Supreme Court's decision in *Loper Bright* requires that Commerce not offset positive margins in all instances, including when using the A-to-A method.[243] The Supreme Court's holding in *Loper Bright* does not negate prior Federal Circuit holdings that held Commerce was neither required to use nor prohibited from using zeroing methodology by its governing statute.[244] The Supreme Court stated:

> By overruling *Chevron*, though, the Court does not call into question prior cases that relied on the *Chevron* framework. The holdings of those cases that specific agency actions are lawful — including the Clean Air Act holding of *Chevron* itself — are still subject to statutory *stare decisis* despite the Court's change in interpretive methodology.[245]

Further, the Federal Circuit in *Timken* held that the definition of "dumping margin" and the meaning of the word "exceeds" is not "so clear as to compel a finding that Congress expressly intended to require zeroing."[246] Further, in *Union Steel*, the Federal Circuit has held that the definition of "dumping margin" and the meaning of the word "exceeds" may have different meanings in different contexts.[247] As a result, as Federal Circuit precedent has recognized, zeroing in one context may be appropriate, while granting offsets may be appropriate in a different context. Accordingly, consistent with this Federal Circuit precedent, and in accordance with *Loper Bright*, which "did not call into question prior cases that relied on the *Chevron* framework," we have not changed our practice in this final determination.

Separate from the issue of whether Commerce can apply zeroing in some contexts but not others, which has already been upheld by the Federal Circuit, parties debate whether "mathematical equivalence" would exist without the application of zeroing in both the A-to-A and A-to-T methods.[248] We agree that without zeroing, a weighted-average dumping margin calculated using the A-to-A method and the A-to-T method will normally result in the identical value (*i.e.*, the calculated results are mathematically equivalent). This would render the alternative A-to-T method, the exception to the A-to-A method, inoperative. However, this does not mean that Commerce is required to start applying zeroing when making A-to-A comparisons. In *U.S. Steel*, for example, the Federal Circuit sustained Commerce's decision to cease zeroing when making A-to-A comparisons in antidumping duty investigations while recognizing Commerce intended to continue zeroing in other circumstances.[249] In particular, the Federal Circuit relied upon the

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(May 14, 2009); (4) *United States - Measures Relating to Zeroing and Sunset Reviews - Recourse to Article 21.5 of the DSU*, WT/DS322/AB/RW (August 18, 2009); (5) *United States - Laws, Regulations and Methodology for Calculating Dumping Margins ("Zeroing") - Recourse to Article 22.6 of the DSU by the United States: Communication from the Arbitrator*, WT/DS294/39 (December 8, 2010); and (6) *United States - Measures Relating to Zeroing and Sunset Reviews - Recourse to Article 22.6 of the DSU by the United States: Communication from the Arbitrator*, WT/DS322/38 (December 15, 2010).

[243] *See* Petitioners' Case Brief at 2-7.

[244] *See U.S. Steel*, 621 F.3d at 1361 (citing *Timken*, 354 F.3d at 1341-43; and *Corus Staal BV v. Department of Commerce*, 395 F.3d 1343, 1347 (Fed. Cir. 2005) (*Corus Staal*)).

[245] *See Loper Bright*, 603 U.S. at 376.

[246] *See Timken*, 354 F.3d at 1341.

[247] *See Union Steel v. United States*, 713 F.3d 1101, 1110 (Fed. Cir. 2013) (*Union Steel*); *see also U.S. Steel*, 621 F.3d at 1361-63.

[248] *See* Petitioners' Case Brief at 8-12; GOC's Case Br. at 12.

[249] *See U.S. Steel*, 621 F.3d at 1355 n.2, 1362-63.

differences among various types of comparison methodologies, recognizing that section 777A(d)(1) of the Act allows Commerce to use A-to-T comparisons in investigations where certain patterns of significant price differences exist.[250] Because Commerce does not grant offsets when applying the A-to-T method, mathematical equivalence does not exist between the A-to-A method (with offsets) and the A-to-T method (without offsetting), and Commerce practice's does not render the statutory provision for the alternative comparison method inoperative. The petitioners' logic that mathematical equivalence demonstrates that Commerce must apply offsets in all situations, including when using the A-to-A method, is without merit.

In their respective comments, the petitioners do not challenge the revised differential pricing analysis adopted by Commerce in the *Preliminary Results* or make any arguments about whether the revised differential pricing analysis complies with the Federal Circuit's holdings in *Marmen*.[251] Indeed, the petitioners state that if Commerce decides not to engage in zeroing when using the A-to-A method in this final results, then it should use the same revised differential pricing analysis that it issued in the *Preliminary Results*.[252]

Comment 18: Whether to Revise the Mandatory Respondents' CBP Liquidation Instructions

Petitioner's Comments:[253]

- Commerce should revise the CBP liquidation instructions for the mandatory respondents.[254]
- Commerce should correct a typographical error in the draft CBP liquidation instructions for Resolute with regard to Resolute's company specific case number.[255]

No other party commented on this issue.

Commerce's Position: We agree with the petitioner. Accordingly, we have revised the CBP liquidation instructions for the mandatory respondents in these final results. Due to the business proprietary nature of this issue, for further discussion *see* the Final Analysis Memoranda.

Additionally, the petitioner notes that paragraph 1a of the draft CBP liquidation instructions for Resolute incorrectly lists Resolute's company-specific case number as A-122-857-001. Resolute's correct company-specific case number is A-122-857-002. Therefore, for these final results, we have corrected this error in Resolute's CBP liquidation instructions.[256]

[250] *Id.*, 621 F.3d at 1362.
[251] *See* Petitioners' Case Brief at 1-14.
[252] *Id.* at 14.
[253] *See* Petitioner's Comments on Draft CBP Instructions.
[254] *Id.* at 2-3.
[255] *Id.* at 3.
[256] *See* Resolute Final Analysis Memorandum at Attachment VI.

VI. RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the *Final Results* in this administrative review and the final weighted-average dumping margins in the *Federal Register*.

☒	☐
Agree	Disagree

X 

Signed by: SCOT FULLERTON
Scot Fullerton
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

Filed By: Joshua Jacobson, Filed Date: 10/14/26 2:17 PM, Submission Status: Approved