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DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-854]

Supercalendered Paper from Canada: Final Results of Countervailing Duty Expedited Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) has conducted an expedited review of the countervailing duty (CVD) order on supercalendered paper (SC paper) from Canada. The period of review (POR) for which we are measuring subsidies is January 1, 2014, through December 31, 2014. We determine that Irving Paper Limited received countervailable subsidies during the POR and that Catalyst received *de minimis* countervailable subsidies. As a result of this determination, we are excluding Catalyst from the countervailing duty order on SC paper from Canada.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Toby Vandall or Peter Zukowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1664 and (202) 482-0189, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the *Preliminary Results* of the expedited review on November 28, 2016.[1] A summary of the events that occurred since the Department published the

[1] *See Supercalendered Paper From Canada: Preliminary Results of Countervailing Duty Expedited Review*, 81 FR 85520 (November 28, 2016) (*Preliminary Results*).

Preliminary Results, as well as a full discussion of the issues raised by parties for the final results, may be found in the Issues and Decision Memorandum[2] issued concurrently with, and hereby adopted by, this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at http://access.trade.gov, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at http://enforcement.trade.gov/frn/. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Scope of the Order

The product covered by this order is SC paper from Canada. A full description of the scope of the order is contained in the Issues and Decision Memorandum.[3]

Methodology

The Department has conducted this CVD expedited review in accordance with 19 CFR 351.214(k). For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum. The subsidy programs under review, and the issues raised in the case and rebuttal briefs submitted by the parties, are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at the Appendix.

Based on our review and analysis of the comments received from parties, we made certain changes to Catalyst's and Irving's subsidy rate calculations since the *Preliminary Results*.

[2] *See* Department Memorandum, "Issues and Decision Memorandum for the Final Results of Expedited Review of the Countervailing Duty Order on Supercalendered Paper from Canada" (dated concurrently with this notice).
[3] *Id.*

For a discussion of these changes, see the Issues and Decision Memorandum and the Final Calculation Memoranda.[4]

We calculated a CVD rate for each producer/exporter of the subject merchandise that requested an expedited review.

Final Results of the Expedited Review

As a result of this expedited review, we determine the countervailable subsidy rates to be:

Company	**Subsidy Rate**
Catalyst Paper Corporation (Catalyst)	0.94 percent (*de minimis*)
Irving Paper Limited (Irving)	5.87 percent

Cash Deposit Instructions

Pursuant to section 19 CFR 351.214(k)(3)(iii), the final results of this expedited review will not be the basis for the assessment of countervailing duties. Upon the issuance of these final results, the Department will instruct Customs and Border Protection (CBP) to collect cash deposits of estimated countervailing duties for the companies subject to this expedited review, at the rates shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this expedited review. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Pursuant to 19 CFR 351.214(k)(3)(iv), because we have determined a countervailable subsidy rate for Catalyst that is *de minimis*, with these final results of expedited review, we determine to exclude Catalyst from the countervailing duty order. The Department's practice

[4] *Id; see also* Department Memorandum, "Final Results Calculations for Catalyst Paper" (April 17, 2017); *see also* Department Memorandum, "Final Results Calculations for Irving Paper Limited" (April 17, 2017).

with respect to exclusions of companies from a countervailing duty order is to exclude the subject merchandise both produced and exported by those companies.[5] As a result, we will instruct CBP to discontinue the suspension of liquidation and the collection of cash deposits of estimated countervailing duties on all shipments of SC paper produced and exported by Catalyst, entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results. In addition, we will instruct CBP to liquidate, without regard to countervailing duties, all suspended entries of shipments of SC paper produced and exported by Catalyst, and to refund all cash deposits of estimated countervailing duties collected on all such shipments. Merchandise which Catalyst exports but does not produce, as well as merchandise Catalyst produces but is exported by another company, remains subject to the countervailing duty order.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with 19 CFR 351.214(k).

[5] *See, e.g. Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016).

Dated: April 17, 2017

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Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Subsidies Valuation
V. Analysis of Programs
VI. Analysis of Comments
Comment 1: The Correct *de minimis* Rate in an Expedited Review
Comment 2: Whether to Exclude or Revoke Catalyst from the Order
Comment 3: Whether the Powell River City Revitalization Area Tax Exemption Program Provided a Financial Contribution to Catalyst
Comment 4: Whether to Recognize the Change in Catalyst's Property Values in Calculating the Benefit of the Powell River City Revitalization Area Tax Exemption Program
Comment 5: Whether to use 2007-2009 or 2009 Alone to Measure the Benefit for the Powell River City Revitalization Area Tax Exemption Program
Comment 6: Whether to consider Catalyst's Former Properties as an Offset to the Benefit of the Powell River City Revitalization Area Tax Exemption Program
Comment 7: Whether to Consider Catalyst's One-Third Interest in the PRSC Limited Partnership in the Benefit Calculation of the Powell River City Revitalization Area Tax Exemption Program
Comment 8: Whether BC Hydro's Power Smart Industrial Energy Manager Program is *De Jure* or *De Facto* Specific
Comment 9: Whether the Thermo-Mechanical Pulp (TMP) Subprogram of the BC Hydro Power Smart Program is a Recurring Program
Comment 10: Whether the Department Should Revise its Nonrecurring Subsidy Benefit Calculation of the BC Hydro Power Smart TMP Subprogram
Comment 11: Whether the British Columbia (BC) Ban on Exports of Logs and Wood Residue is a Countervailable Subsidy
Comment 12: Whether the BC Ban on Exports of Logs and Wood Residue Provides a Financial Contribution
Comment 13: Whether the Department Should Use Tier 1 Benchmarks in BC
Comment 14: Whether the Department Failed to Apply its Own Evidentiary Standards on the BC Ban on Exports of Logs and Wood Residue
Comment 15: Whether the Department Needs to Conduct a Feedback Effect Analysis

Comment 16: Whether the Department Should Use a Transaction-By-Transaction Calculation Methodology for the BC Ban on Exports of Logs and Wood Residue
Comment 17: Whether the Department Should Revise the Transportation Cost for Logs Purchased in BC by Catalyst
Comment 18: Whether the Department Selected the Appropriate Log Benchmarks
Comment 19: Whether the Wood Chip Benchmark Dataset is Distortive
Comment 20: Whether the Department Should Revise the Wood Chip Benchmark Transportation Cost
Comment 21: Whether the Department Should Revise the Transportation Cost Applied to Catalyst's Purchases of Wood Chips in BC
Comment 22: Whether the Department Should Adjust the Sawdust and Hog Fuel Calculations Based Upon Changes to the Wood Chip Benchmark
Comment 23: Whether the Government of New Brunswick Provided Stumpage to Irving for LTAR
Comment 24: Whether the Department Should Grant an Adjustment to New Brunswick (NB) Stumpage Rates
Comment 25: Whether the Department Should Use a Transaction-By-Transaction Calculation Methodology for NB Stumpage
Comment 26: Whether the Department Should Zero Comparisons That Generate Negative Benefits
Comment 27: Whether the Large Industrial Renewable Energy Purchase Program (LIREPP) Confers a Benefit on the Irving Companies
Comment 28: The Workforce Expansion Program is Not Specific
Comment 29: The New Brunswick R&D Tax Credit is Not Specific
Comment 30: Whether the benefit to JDIL from the Federal Pulp and Paper Green Transformation Program (FPPGTP) is Countervailable
Comment 31: Whether the GNB's Reimbursement of Silviculture and License Management Expenses is Countervailable
Comment 32: Whether the Accelerated Capital Cost Allowance (ACCA) for Class 29 Assets is Specific and Whether it is a Tax Credit
Comment 33: Whether the Benefit Calculation for the Atlantic Investment Tax Credit (AITC) Must be Adjusted for the Additional Taxes that were Paid as a Result of the Program
Comment 34: Sales Denominators for Benfefits Received by Cross-owned Input Suppliers Must Include all Sales of the Downstream Product

VII. Recommendation

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