



DEPARTMENT OF COMMERCE

International Trade Administration

[C-351-867]

High Purity Dissolving Pulp from Brazil: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of high purity dissolving pulp (dissolving pulp) from Brazil. The period of investigation is January 1, 2024, through December 31, 2024. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Sarah Keith or Gorden Struck, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0264 or (202) 482-8151, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on September 8, 2025.¹ On September 29, 2025, Commerce postponed the preliminary determination of this investigation until January 12, 2026.²

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.³ Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.⁴ Accordingly, the deadline for this preliminary determination is now March 19, 2026.

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The product covered by this investigation is dissolving pulp from Brazil. For a complete description of the scope of this investigation, *see* Appendix I.

¹ *See High Purity Dissolving Pulp from Brazil: Initiation of Countervailing Duty Investigation*, 90 FR 43174 (September 8, 2024) (*Initiation Notice*).

² *See High Purity Dissolving Pulp from Brazil: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 90 FR 46561 (September 29, 2025).

³ *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated November 14, 2025.

⁴ *See* Memorandum, "Tolling of all Case Deadlines," dated November 24, 2025.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination of the Countervailing Duty Investigation of High Purity Dissolving Pulp from Brazil," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope Comments

In accordance with the *Preamble* to Commerce’s regulations,⁶ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁷ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. Commerce intends to issue its preliminary decision regarding comments concerning the scope of the antidumping duty (AD) and countervailing duty (CVD) investigations in the preliminary determination of the companion AD investigation.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸ Commerce notes that, in making these findings, Commerce relied, in part, on facts available, and, because it finds that the Government of Brazil did not act to the best of its ability to respond to Commerce’s requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁹ For further information, *see* the “Use of Facts Otherwise Available and Adverse Inferences,” section in the Preliminary Decision Memorandum.

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of dissolving pulp from Brazil based on a request made by the petitioners.¹⁰ Consequently, the final CVD

⁶ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁷ *See Initiation Notice*.

⁸ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ *See* sections 776(a) and (b) of the Act.

¹⁰ *See* Petitioners’ Letter, “Petitioners’ Request for Alignment of the Countervailing Duty Investigation with the Concurrent Antidumping Duty Investigation,” dated March 5, 2026. The petitioners are Rayonier Advanced

determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than August 3, 2026, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Commerce calculated an individual estimated countervailable subsidy rate for Bracell Bahia Specialty Cellulose S.A. (BSC), the only individually examined exporter/producer in this investigation. Because the only individual calculated rate is not zero, *de minimis*, or based entirely on facts otherwise available, the estimated weighted-average rate calculated for BSC is the rate assigned to all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Bracell Bahia Specialty Cellulose S.A. ¹¹	3.67
All Others	3.67

Materials Inc. and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO (collectively, the petitioners)

¹¹ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with BSC: Bracell Bahia Florestal Ltda, Bracell SP Celulose Limitada, and Bracell SP Florestal Ltda.. See Preliminary Decision Memorandum at 2.

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of dissolving pulp, as described in the scope of the investigation section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 703(d)(1)(B) of the Act and 19 CFR 351.107(e), Commerce will instruct CBP to require a cash deposit equal to the estimated company-specific countervailable subsidy rate or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the company-specific estimated individual countervailable subsidy rates determined in this preliminary determination; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates determined in this preliminary determination, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise have a company-specific estimated subsidy rate determined in this preliminary determination, the applicable cash deposit rate will be that company's company-specific rate; and (4) the cash deposit rate for all other producers and exporters will be equal to the estimated all-others subsidy rate.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g)

following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹² Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹³

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹⁴ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁵

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant

¹² See 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁵ See *APO and Service Final Rule*.

Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of dissolvable pulp from Brazil are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: March 19, 2026.

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

Appendix I

Scope of the Investigation

The merchandise subject to this investigation is high purity dissolving pulp, which is a dissolving pulp with an alpha cellulose percentage of 90 percent by weight or higher on an oven dry basis, as calculated by: $\text{alpha cellulose percentage} = (100 - S10) + 0.5 \times (S10 - S18)$ where S10 and S18 values are determined by International Organization for Standardization (ISO) 692:1982, and having a brightness level of 90 percent or higher, as measured by ISO 2470-1:2016. High purity dissolving pulp may be derived from any virgin or recycled cellulose fiber source (including, but not limited to, those sourced from hardwoods, softwoods, woody crops, agricultural crops/byproducts/residue, and agricultural/industrial/other waste). High purity dissolving pulp may be produced from a chemical pulping process including without limitation a kraft (sulfate) pulping and/or sulfite pulping process.

High purity dissolving pulp can be shipped in any form, including, but not limited to, a liquid slurry or in any dried form such as flakes, powder, granules, pellets, shreds, rolls and sheets.

The scope includes merchandise matching the above description that has been finished, packaged, or otherwise processed in a third country, including but not limited to processes such as commingling, blending, diluting, repackaging, or any other process that would not otherwise remove the merchandise from the scope of the investigation if performed in the subject country. The scope also includes high purity dissolving pulp that is commingled or blended with high purity dissolving pulp from sources not subject to this investigation. Only the subject component of such commingled or blended products is covered by the scope of this investigation.

Excluded from the scope is high purity dissolving pulp with an intrinsic viscosity under 455 milliliters per gram (mL/g), as measured by ISO 5351:2010.

Also excluded from the scope is cotton linters pulp that consists of at least 90 percent by weight, on an oven-dried basis, of cotton linters fibers.

High purity dissolving pulp products are classified under subheadings 4702.00.0020 and 4702.00.0040, of the Harmonized Tariff Schedule of the United States (HTSUS). High purity dissolving pulp products may also enter under subheadings 4706.30.0000 or 4706.92.0100. Reference to the HTSUS classifications are provided for convenience and customs purposes, and the written description of the merchandise under investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Diversification of Brazil's Economy
- V. Subsidies Valuation Information
- VI. New Subsidy Allegations
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Recommendation

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