

[FR Doc. 03-29419 Filed 11-21-03; 8:45 am]

BILLING CODE 3510-DS-C

DEPARTMENT OF COMMERCE

International Trade Administration

Application for Duty-Free Entry of Scientific Instrument

Pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether an instrument of equivalent scientific value, for the purposes for which the instrument shown below is intended to be used, is being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, DC 20230. Applications may be examined between 8:30 a.m. and 5 p.m. in Suite 4100W, U.S. Department of Commerce, Franklin Court Building, 1099 14th Street, NW., Washington, DC.

Docket Number: 03-050.

Applicant: San Diego State University, 5500 Campanile Drive, San Diego, CA 92182-4614.

Instrument: Electron Microscope, Model Tecnai G² 12 TWIN.

Manufacturer: FEI Company, The Netherlands.

Intended Use: The instrument is intended to be used for research purposes in the following areas:

- (1) Phytoflagellates of the Salton Sea.
- (2) Structure and function of mitochondria.
- (3) Analysis of contractile protein function through ultrastructural analysis.
- (4) Environmental adaptations in fish.
- (5) Stress-induced coral mortality.
- (6) Visualization of recombinant intermediates by Cryo-TEM.

Minor research uses by students include:

- (1) New thermoacidophilic organisms from hot springs.
- (2) Signal transduction of the stress response in the heart.
- (3) Molecular genetic analysis of neuromuscular system function in *Drosophila melano-gaste*.
- (4) Physiology of fish gill and their response to parasitism;
- (5) Analysis and subcellular localization of putative sphingolipid signaling molecules in skeletal and cardiac muscle.

Application accepted by Commissioner of Customs: October 20, 2003.

Gerald A. Zerdy,

Program Manager, Statutory Import Programs Staff.

[FR Doc. 03-29307 Filed 11-21-03; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-839]

Preliminary Results and Partial Rescission of Countervailing Duty Expedited Reviews: Certain Softwood Lumber Products From Canada

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of countervailing duty expedited reviews.

SUMMARY: The Department of Commerce (the Department) is conducting expedited reviews of the countervailing duty order on certain softwood lumber products from Canada for the period April 1, 2000 through March 31, 2001. This notice includes the preliminary results for 16 companies. For all 16 companies we applied the Group 2 methodology. See the "Methodology" section below for details. For information on estimated net subsidies, see the "Preliminary Results of Reviews" section of this notice. If the final results remain the same as these preliminary results of reviews, we will instruct the U.S. Customs and Border Protection (CBP) to amend the cash deposit rate for each reviewed company as detailed in the "Preliminary Results of Reviews" section of this notice. Interested parties are invited to comment on these preliminary results.

The Department is also rescinding expedited reviews of five companies. See the "Partial Rescission" section below for details.

EFFECTIVE DATE: November 24, 2003.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Cindy Lai Robinson, Office of AD/CVD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3692 or (202) 482-3797.

SUPPLEMENTARY INFORMATION:

Background

On May 22, 2002, the Department published in the **Federal Register** its

amended final affirmative countervailing duty determination and countervailing duty order on certain softwood lumber products (subject merchandise) from Canada (67 FR 36070), as corrected, 67 FR 37775 (May 30, 2002) (*Amended Final Determination*). On July 17, 2002, the Department published the *Notice of Initiation of Expedited Reviews of the Countervailing Duty Order: Certain Softwood Lumber Products From Canada*, 67 FR 46955 (July 17, 2002) (*Notice of Initiation/Round 1*), which covered 73 companies that filed complete and timely review applications. On September 20, 2002, the Department published the *Notice of Initiation of Expedited Reviews of the Countervailing Duty Order: Certain Softwood Lumber Products from Canada*, 67 FR 59252 (September 20, 2002) (*Notice of Initiation/Round 2*), which covered 31 additional companies. This notice included 23 companies that had corrected their applications as well as eight companies whose requests were received after the initial application deadline for reasons outside the requesters' control.

As explained in the *Notice of Initiation/Round 1*, we segregated the 73 Round 1 applicants into two groups. Group 1 consists of 45 companies which obtain the majority of their wood (over 50 percent of their inputs) from the United States, the Maritime Provinces, Canadian private lands, and Canadian companies excluded from the order, and companies that source less than a majority of their wood from these sources and do not have tenure. Group 2 includes 28 companies that have tenure contracts and source less than a majority of their wood from these sources. Of the 31 companies in Round 2, we similarly segregated 23 companies into Group 1 and eight companies into Group 2.

With respect to the Group 1 companies, on August 14, 2002, the Department issued a notice of preliminary results covering 18 companies. See *Preliminary Results of Countervailing Duty Expedited Reviews: Certain Softwood Lumber Products from Canada*, 67 FR 52945 (August 14, 2002) (*August Preliminary Results*). On November 5, 2002, the Department issued a notice of final results for 13 of the 18 companies covered in the *August Preliminary Results*. Of the five remaining companies, two companies requested an analysis of whether they benefitted from subsidies bestowed on their inputs and we deferred a notice of final results for the other three companies to allow interested parties to comment on the verification reports. See

Final Results and Partial Rescission of Countervailing duty Expedited Reviews: Certain Softwood Lumber Products from Canada, 67 FR 67388 (November 5, 2002) (*November Final Results*). A notice of final results for these three companies was issued on May 7, 2003. See *Final Results of Countervailing duty Expedited Reviews: Certain Softwood Lumber Products from Canada*, 68 FR 24436 (May 7, 2003) (*May Final Results*).

In addition, on May 8, 2003, the Department published another notice of preliminary results for 28 Group 1 companies (14 in Round 1 and 14 in Round 2). See *Preliminary Results and Partial Rescission of Countervailing Duty Expedited Reviews: Certain Softwood Lumber Products from Canada*, 68 FR 24717 (May 8, 2003) (*May Preliminary Results*). Companies that requested an analysis of whether they benefitted from subsidies bestowed on their inputs, acquired in arm's length transactions, were not included in the preliminary results notice. The Department also addressed outstanding methodological issues related to Group 1 companies. See *May Preliminary results*.

This notice includes the preliminary results for 16 Group 2 companies (13 in Round 1 and three in Round 2). We are not including in this notice any of the following 15 Group 2 companies that requested an analysis of whether they benefitted from subsidies bestowed on their inputs. They are: Apollo Forest Products Ltd., Aspen Planers Ltd., Downie Timber Ltd., Dunkley Lumber Ltd., Gorman Bros. Lumber Ltd., Liskeard Lumber Ltd., Mill & Timber Products Ltd., North Enderby Timber Ltd., Riverside Forest Products Ltd., Selkirk Specialty Wood Ltd., Slocan Forest Products Ltd., Tembec Inc., Tolko Industries Ltd., and Uphill Wood Supply Inc. (the above companies are in Round 1), and Bridgeside Hilga Forest Industries Ltd. (which is in Round 2).

Furthermore, this preliminary results do not include the following three Group 2 companies: Jackpine Engineered Wood Products Inc. and Jackpine Forest Products Ltd. (in Round 1), and 9027-7971 Quebec Inc. (in Round 2), because the reviews of these three companies have been rescinded in an earlier notice (See *May Preliminary results*).

We received various comments from interested parties subsequent to the Department's *Initiation/Round 1, August Preliminary Results, Initiation/Round 2, and the November Final Result*. All general methodological issues related to both Group 1 and Group 2, and company-specific issues

pertaining to Group 1 companies have been addressed in the notices of Group 1's preliminary results and final results. See *August Preliminary Results, November Final Result*, "Issues and Decision Memorandum" dated concurrently with the *November Final Results* notice, *May Preliminary Results, May Final Results*, and the "Issues and Decision Memorandum" dated concurrently with the *May Final Results* notice. In this preliminary results notice, we are addressing only petitioners' and respondents' comments concerning the Group 2 companies covered in these results.

Partial Rescission

We did not receive any responses from South East Forest Products Ltd. (South East Forest), a respondent in Round 2. We contacted a South East Forest company official who confirmed that the company will no longer participate in these expedited reviews. See Department's March 31, 2003, memorandum to the file regarding *Expedited Reviews in the Countervailing Duty Order on Softwood Lumber from Canada* (C-122-839), which is on file in room B-099 of the Central Records Unit of the Main Commerce Building (CRU). Because South East Forest did not provide the necessary information, we are not able to proceed with an expedited review of this company. Therefore, we are rescinding the expedited review for South East Forest.

On April 14, 2003, Teal Cedar Products Ltd., another respondent in Round 2, withdrew its request for review. West Fraser Mills Ltd., a respondent in Round 1, also withdrew its request for an expedited review on June 12, 2003. Therefore, we are rescinding the expedited review for Teal Cedar Products Ltd. and West Fraser Mills Ltd.

In addition, Lukwa Mills Ltd. (Lukwa), another Round 2 company, did not respond to our supplemental questionnaire. We contacted the general manager of the company who told us that Lukwa is shutting down and there is no staff to work on the response. Because Lukwa did not provide the necessary information, we are also unable to proceed with an expedited review of this company. Therefore, we are rescinding the expedited review for Lukwa. See Department's May 6, 2003, memorandum to the file regarding *Expedited Reviews in the Countervailing Duty Order on Softwood Lumber from Canada* (C-122-839), which is on file in CRU.

Finally, the Department is also rescinding a Group 1 company, Kootenay Innovate Wood Inc.

(Kootenay), which initially indicated a possible cross-ownership with a Group 2 company, Kalesnikoff Lumber Co. Ltd. (Kalesnikoff). The Department did not include Kootenay in the *May Preliminary Results*. Rather, it postponed the analysis of Kootenay until these preliminary results for Group 2 companies so a consolidated subsidy rate for Kootenay and Kalesnikoff could be calculated. See *May Preliminary Results*.

However, during the Group 2 expedited review, Kalesnikoff stated that it is not cross-owned with Kootenay. After further analysis we have determined that cross-ownership between Kootenay and Kalesnikoff does not exist. Additionally, Kootenay stated in its application and later confirmed in a supplemental questionnaire response that it did not have any sales of subject merchandise to the United States during the POR. In accordance with the Department's practice, companies that did not ship subject merchandise during the period covered by the investigation or administrative review are not eligible to participate in that segment of the proceeding. See, e.g., *Final Results and Partial Rescission of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip from the Republic of Korea* (68 FR 13267; March 19, 2002). Moreover, the application to request an expedited review specifically listed exports of subject merchandise to the United States during the POR as one of the eligibility requirements. Because there is no information on the record indicating that Kootenay exported subject merchandise to the United States during the POR, we are rescinding the expedited review with respect to Kootenay.

Companies Reporting Cross-Ownership

The following companies reported that they are cross-owned with other companies that produce and/or manufacture subject merchandise: Canadian Forest Products Ltd. (Canfor) reported that it is cross-owned with Lakeland Mills Ltd. (Lakeland), and the Pas Lumber Company Ltd. (The Pas); Greenwood Forest Products Ltd. (Greenwood) reported that it is cross-owned with GFP Enterprise Ltd. (GFP); Commonwealth Plywood Co. Ltd. (Commonwealth) reported that it is cross-owned with three companies that produce and/or manufacture subject merchandise: Les Entreprises Atlas (1985) Inc., Bois Clo-Val Inc., and the W.C. Edwards Company Ltd.; Shawwood Lumber Inc. (Shawwood) and Lukwa reported that the two companies jointly cross-own a logging company; R. Fryer Forest Products Ltd. (Fryer) reported

that it is cross-owned with a holding company; C. Cambie Cedar Products (Cambie) reported that it is cross-owned with an inactive shell company; Kootenay reported that it was cross-owned with Kalesnikoff; and Selkirk Specialty Wood Ltd. (Selkirk) reported that it is cross-owned with one of its suppliers.

Regarding Canfor's reporting of cross-ownership with Lakeland and The Pas, Canfor¹ states that in the preliminary and final determinations for the antidumping investigation of softwood lumber, the Department collapsed Lakeland, and The Pas with Canfor. Further, in two subsequent supplemental responses² Canfor reported that its investment level, board of directors representation, and management involvement with respect to Lakeland and The Pas is absolutely equal to that of the two additional investors who are also equal shareholders, with Canfor, of Lakeland and The Pas. Thus, Canfor owns and controls one-third of the voting shares in Lakeland and The Pas.

Specifically, under 19 CFR 351.525(b)(6)(vi), cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation(s) in essentially the same ways it can use its own assets. Normally, this standard will be met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations (see 19 CFR 351.525(b)(6)(vi)). In the instant case, Canfor is not able to use Lakeland and The Pas as it would its own assets, nor does Canfor control a majority voting ownership interest in either company. Broad corporate business decisions regarding Lakeland and The Pas are made by three equal "corporate" investment entities of which Canfor is one. Finally, as Canfor has reported in its May and June supplementals, neither Canfor nor any of the one-third investment partners are involved in the day-to-day operations of Lakeland and The Pas. Therefore, we preliminarily determine that the level of Canfor's investment and management control of Lakeland and The Pas is not sufficient to consider the three companies cross-owned under 19 CFR 351.525(b)(6)(vi). Thus, with respect to Canfor, Lakeland and The Pas, because

we determine that cross-ownership does not exist, we have applied the Group 2 methodology to these companies separately. See company-specific analysis memorandum for further details.

Greenwood reported that it was affiliated and cross-owned with GFP in its March 28, 2003 questionnaire response. It stated that the two companies shared a senior management position, but that each company had its own asset base, which is not shared. In its April 29, 2003 and May 16, 2003 supplemental questionnaire responses, Greenwood confirmed that there was no controlling interest between the two companies. Therefore, we preliminarily determine that Greenwood and GFP are not cross-owned under 19 CFR 351.525(b)(6)(vi).

Kootenay reported that it was affiliated and shared cross-ownership with Kalesnikoff in its February 18, 2003 questionnaire response. Kalesnikoff, however, reported that it was not cross-owned with any other company during the POR in its March 20, 2003 questionnaire response. We sent supplemental questionnaires to both companies with regard to the cross-ownership between the two companies. Both Kootenay and Kalesnikoff responded that, while the owners of the two companies are affiliated, neither company held any shares of the other company, nor did they share members of a board of directors or management staff.³ Accordingly, we preliminarily determine that Kalesnikoff and Kootenay are not cross-owned under 19 CFR 351.525(b)(6)(vi). Therefore, in these preliminary results we are rescinding the expedited review with respect to Kootenay (see "Partial Rescission" section above for further discussion). Further, we have applied the Group 2 calculation methodology to Kalesnikoff for determining its level of subsidy benefit.

Selkirk reported that it is cross-owned with another lumber producer. That producer requested the Department to calculate a separate CVD rate for its company using the arm's length methodology. On this basis, we determine that it is necessary to postpone the calculation of an individual, separate rate for Selkirk until the analysis has been completed for Selkirk's cross-owned company. Accordingly, we will combine the results of Selkirk and its cross-owned

company in the results calculated subsequent to these preliminary results.

Finally, for these preliminary results, in those instances in which we determined that cross-ownership existed between companies during the POR, such as in the case of Commonwealth, we calculated the consolidated benefit for cross-owned companies in accordance with 19 CFR 351.525(b)(6). Specifically, for cross-owned companies that are all in Group 2 and had harvesting operations during the POR, we calculated the consolidated benefit using the Group 2 methodology as described below in the "Methodology" section. We then divided the total consolidated benefit by the entity's consolidated sales (scope and non-scope softwood lumber products, net of resales, and softwood lumber by-products) to obtain the consolidated net subsidy rate.

Shawood indicated that it did not harvest timber during the POR. Instead, it purchased its log inputs from a joint-owned logging company it created with Lukwa. Shawood and Lukwa each own fifty percent of the logging company. As stated above, under 19 CFR 351.525(b)(6)(iv), the cross-ownership standard is normally met where there is a majority voting ownership interest between two corporations or through common ownership of two (or more) corporations. Because Shawood does not have a majority interest in the logging company, we preliminarily find that the two companies are not cross-owned within the meaning of 19 CFR 351.525(b)(6)(iv). Accordingly, to calculate the countervailable benefit, we multiplied the volume of the logs and lumber that Shawood purchased by the amount of the provincial unit benefit calculated in the underlying investigation.

With respect to Fryer, which is cross-owned with a holding company, and Cambie, whose cross-owned company is an inactive shell company, we applied the Group 2 methodology to the companies themselves, but not to their cross-owned companies. See company-specific analysis memorandum for further details.

Companies Addressed in These Preliminary Results

This notice includes the preliminary results of review for the following 13 Group 2, Round 1 companies: Cambie Cedar Products Ltd Canadian Forest Products Ltd Commonwealth Plywood Co. Ltd. E. Tremblay et fils ltee Federated Co-operatives Ltd Greenwood Forest Products Ltd. Kalesnikoff Lumber Co. Ltd.

¹ See Canfor's March 31, 2003 expedited review questionnaire response at page 4.

² See Canfor's May 27, 2003 expedited review supplemental response (May supplemental) at page 1 and Canfor's June 16, 2003 expedited review supplemental response (June supplemental) at pages 1 through 4.

³ See Kalesnikoff's May 12, 2003 supplemental questionnaire response at pages 1 through 2, Kootenay's May 16, 2003 supplemental questionnaire response at pages 1 through 2, and Kootenay's May 22, 2003 supplemental questionnaire response at page 2.

Kenora Forest Products Ltd.
Lakeland Mills Ltd.
Lulumco Inc.
R. Fryer Forest Products Ltd.
Terminal Forest Products Ltd.
The Pas Lumber Company Ltd.

These preliminary results also include the preliminary results of review for the following three Group 2, Round 2 companies:

Shawood Lumber Inc.
St. Jean Lumber (1984) Ltd.
Wynndel Box & Lumber Co. Ltd.

In addition, these preliminary results include the recision for one company in Group 2, Round 1, three companies in Group 2, Round 2, and one company in Group 1, Round 1.

Kootenay Innovate Wood Inc.
Lukwa Mills Ltd.
South East Forest Products Ltd.
Teal Cedar Products Ltd.
West Fraser Mills Ltd.

Scope of the Reviews

The products covered by this order are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products classified under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS), and any softwood lumber, flooring and siding described below. These softwood lumber products include:

(1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding six millimeters;

(2) Coniferous wood siding (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed;

(3) Other coniferous wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces (other than wood moldings and wood dowel rods) whether or not planed, sanded or finger-jointed; and

(4) Coniferous wood flooring (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, v-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.

Although the HTSUS subheadings are provided for convenience and customs

purposes, the written description of the merchandise subject to this order is dispositive.

As specifically stated in the Issues and Decision Memorandum accompanying the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Softwood Lumber Products from Canada* (67 FR 15539; April 2, 2002) (see comment 53, item D, page 116, and comment 57, item B-7, page 126), available at <http://www.ia.ita.doc.gov>, drilled and notched lumber and angle cut lumber are covered by the scope of this order.

The following softwood lumber products are excluded from the scope of this order provided they meet the specified requirements detailed below:

(1) *Stringers* (pallet components used for runners): If they have at least two notches on the side, positioned at equal distance from the center, to properly accommodate forklift blades, properly classified under HTSUS 4421.90.98.40.

(2) *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 should be radius-cut at both ends. The kits should be individually packaged, they should 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.

(3) *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 substantial cuts so as to completely round one corner.

(4) *Fence pickets* requiring no further processing and properly classified under HTSUS heading 4421.90.70, 1" or less in actual thickness, up to 8" wide, 6' or less in length, and have finials or decorative cuttings that clearly identify them as fence pickets. In the case of dog-eared fence pickets, the corners of the boards should be cut off so as to remove pieces of wood in the shape of isosceles right angle triangles with sides measuring $\frac{3}{4}$ inch or more.

(5) *U.S. origin lumber* shipped to Canada for minor processing and imported into the United States, is excluded from the scope of this order if the following conditions are met: (1) the processing occurring in Canada is limited to kiln-drying, planing to create smooth-to-size board, and sanding, and (2) if the importer establishes to CBP's satisfaction that the lumber is of U.S. origin.

(6) *Softwood lumber products contained in single family home packages or kits*,⁴ regardless of tariff classification, are excluded from the scope of this order if the importer certifies to items 6 A, B, C, D, and requirement 6 E is met:

A. The imported home package or kit constitutes a full package of the number of wooden pieces specified in the plan, design or blueprint necessary to produce a home of at least 700 square feet produced to a specified plan, design or blueprint;

B. The package or kit must contain all necessary internal and external doors and windows, nails, screws, glue, sub floor, sheathing, beams, posts, connectors, and if included in the purchase contract, decking, trim, drywall and roof shingles specified in the plan, design or blueprint.

C. Prior to importation, the package or kit must be sold to a retailer of complete home packages or kits pursuant to a valid purchase contract referencing the particular home design plan or blueprint, and signed by a customer not affiliated with the importer;

D. Softwood lumber products entered as part of a single family home package or kit, whether in a single entry or multiple entries on multiple days, will be used solely for the construction of the single family home specified by the home design matching the entry.

E. For each entry, the following documentation must be retained by the importer and made available to the CBP upon request:

i. A copy of the appropriate home design, plan, or blueprint matching the entry;

ii. A purchase contract from a retailer of home kits or packages signed by a customer not affiliated with the importer;

iii. A listing of inventory of all parts of the package or kit being entered that conforms to the home design package being entered;

iv. In the case of multiple shipments on the same contract, all items listed in E(iii) which are included in the present shipment shall be identified as well.

Lumber products that the CBP may classify as stringers, radius cut box-spring-frame components, and fence pickets, not conforming to the above requirements, as well as truss components, pallet components, and door and window frame parts, are

⁴ To ensure administrability, we clarified the language of exclusion number 6 to require an importer certification and to permit single or multiple entries on multiple days as well as instructing importers to retain and make available for inspection specific documentation in support of each entry.

covered under the scope of this order and may be classified under HTSUS subheadings 4418.90.45.90, 4421.90.70.40, and 4421.90.97.40.

Finally, as clarified throughout the course of the investigation, the following products, previously identified as Group A, remain outside the scope of this order. They are:

1. Trusses and truss kits, properly classified under HTSUS 4418.90;
2. I-joint beams;
3. Assembled box spring frames;
4. Pallets and pallet kits, properly classified under HTSUS 4415.20;
5. Garage doors;
6. Edge-glued wood, properly classified under HTSUS item 4421.90.98.40;
7. Properly classified complete door frames;
8. Properly classified complete window frames;
9. Properly classified furniture.

In addition, this scope language has been further clarified to now specify that all softwood lumber products entered from Canada claiming non-subject status based on U.S. country of origin will be treated as non-subject U.S.-origin merchandise under the countervailing duty order, provided that these softwood lumber products meet the following condition: Upon entry, the importer, exporter, Canadian processor and/or original U.S. producer establish to CBP's satisfaction that the softwood lumber entered and documented as U.S.-origin softwood lumber was first produced in the United States as a lumber product satisfying the physical parameters of the softwood lumber scope.⁵ The presumption of non-subject status can, however, be rebutted by evidence demonstrating that the merchandise was substantially transformed in Canada.

Methodology

A. Stumpage Programs

These preliminary results include companies that source less than a majority of their wood (less than 50 percent of their inputs) from the United States, the Maritime Provinces, Canadian private lands, and/or Canadian companies excluded from the order, and have acquired Crown timber through their own tenure contracts. We have included in our subsidy calculations only harvested softwood sawlogs processed by the firm's sawmills. We calculated company-

specific rates as follows: To obtain the company-specific stumpage benefit for logs harvested under a company's own tenure, we first calculated, on a species-specific basis, an average unit benefit from "Crown land harvesting" by dividing the stumpage fees each company paid by the total quantity harvested from Crown land to obtain the stumpage price. The resulting unit stumpage price was adjusted by the company-specific unit tenure costs to derive an adjusted stumpage price for each species.⁶ The adjusted species-specific stumpage price then was compared to the appropriate benchmark for that province to determine the species-specific benefit per-unit, which was multiplied by the harvest volume⁷ for each species to obtain the total species-specific benefit. Species-specific benefits were summed up to derive the total benefit from Crown land harvesting. For all wood inputs (logs and lumber) from other subsidized sources, we applied the same methodology used in Group 1: We calculated the benefit by multiplying the quantity purchased by the province-specific stumpage benefit amount calculated in the underlying investigation (*i.e.*, the average per-unit differential between the calculated adjusted stumpage fee for the relevant province and the appropriate benchmark for that province). Also see *Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products From Canada (Final Determination)*, 67 FR 15545 (April 2, 2002), and Issues and Decision Memorandum: Final Results of the Countervailing Duty Investigation of Certain Softwood Lumber Products from Canada (*Investigation Decision Memo*).

We then divided the combined stumpage benefit resulting from harvesting under a company's own tenure and from purchases of logs and lumber through other subsidized sources by the appropriate value of the company's sales (scope and non-scope softwood lumber products, net of resales, and softwood lumber by-products) to determine the company's estimated subsidy rate from stumpage and then added any benefit from other programs to obtain the net subsidy rate for the company.

As indicated in the *Notice of Initiation/Round 1*, we have not

attributed a benefit to (1) logs or lumber acquired from the Maritime Provinces, (2) logs or lumber of U.S. origin, (3) lumber produced by companies excluded in the investigation, and (4) logs from Canadian private land. See 67 FR 46955, 46957. Furthermore, we are not including logs which the companies claim to have acquired and resold without any processing in our subsidy rate calculations. In addition, we are also not including in our subsidy calculations lumber purchased and resold without any further manufacturing.

Other Programs

In the underlying investigation, the Department determined that the province of British Columbia provided countervailable benefits under the Forest Renewal program and the Job Protection program, while the province of Quebec provided countervailable benefits under the Private Forest Development Program (PFDP), loans issued by Investment Quebec, lending under Article 28 of the Society for the Industrial Development of Quebec (SDI), and loans issued by the Society for the Recuperation and Development of Quebec Forests (Rexfor). Based upon our decision in the underlying investigation, the Department requested information from companies regarding the use of these programs.

Kalesnikoff was the only one that reported using one of such program, the Forest Renewal program. However, Kalesnikoff reported that it did not receive any grants or loans under this program during the POR; rather it acted as a delivery agent for silviculture and resource inventory activities. Kalesnikoff was reimbursed for non-profit activities on behalf of the Forest Renewal Program for the administration and overhead costs incurred in delivering this program to the Province. On this basis, we preliminarily find that Kalesnikoff did not receive countervailable benefits under this program. No other company reported using any of the British Columbia or Quebec programs during the POR.

Analysis of Comments Received

Comment 1: Whether Timber Sale Licenses Should Be Considered as Tenure Agreements and Cambie Cedar Products Ltd. Should Be in Group 2

Cambie Cedar Products Ltd. (Cambie) asserts that there are several kinds of tenure arrangements in British Columbia which are considered both short-term agreements and long-term agreements. Cambie argues that Timber Sale Licenses cannot be described as

⁵ See the scope clarification message (# 3034202), dated February 3, 2003, to the CBP, regarding treatment of U.S. origin lumber on file in the Central Records Unit, Room B-099 of the main Commerce Building.

⁶ These cost adjustments were limited to those granted in the underlying investigation.

⁷ Certain companies reported that certain harvested softwood sawlogs were not used in lumber production. These were excluded from our calculations.

tenure agreements because they are awarded to the sealed tender bidder with the highest bonus bid through a Market Pricing System. Moreover, Cambie argues that the small companies that hold only Section 20 Timber Sale Licenses conduct their business in a way that closely approximates a free market system in the acquisition of timber. Therefore, they are the least likely to benefit from the set stumpage rates which are favorably applied to large tenure holders under Tree Farm Licenses and Forest Licenses. As a result of these differences between Timber Sale Licenses and tenure agreements, Cambie argues that Timber Sale Licenses should not be considered "tenure" for purposes of categorizing applicants into Group 1 or Group 2 for purposes of these expedited reviews.

Cambie also argues that a distinction should be made between companies that had harvesting contracts during the POR, and those that actually harvested crown timber pursuant to harvesting rights that existed during the POR. In the instant case, Cambie reported that it obtained a one year Timber Sale License with respect to certain crown timber in British Columbia during the POR. However, Cambie also reported that it did not harvest any Crown timber during the POR and provided certifications from the province of British Columbia to support this claim. Therefore, Cambie concludes that its company should be classified under Group 1(b), "companies that source less than a majority of their wood from the United States, Maritime Provinces, Canadian private lands, and/or Canadian companies excluded from the order and have not acquired Crown timber through their own tenure contracts during the POR." Thus, Cambie argues that the actual harvesting of Crown timber, rather than the existence of harvesting rights should govern whether a company is categorized within Group 1 or Group 2. Based on these arguments, Cambie contends that it should be considered a Group 1(b) company or alternatively, classified within Group 2. Cambie argues that if the Department determines that Cambie should be classified as a Group 2 company, it should be considered and analyzed first among that group because its data is not very complex.

Petitioners contest Cambie's request that companies with Section 20 Timber Sale Licenses should be reviewed using the Group 1 methodology for several reasons. According to petitioners, Section 20 sales are far below market value as recognized by the Department in the *Final Determination*. Petitioners

assert that to the extent that these licenses exceed British Columbia administered stumpage rates generally paid, they would be reflected within the Department's subsidy calculations. Moreover, petitioners argue that as a tenure holder, Cambie should be subject to the calculation methodology of Group 2, irrespective as to whether or not it harvested crown timber during the POR.

Department's Position

Record evidence indicates that Cambie did not harvest Crown timber during the POR. Therefore, questions surrounding how the Department should calculate benefits stemming from Crown harvest operations are moot. Accordingly, since Cambie has indicated that it has no countervailable log harvests, we derived the benefit attributable to Cambie's purchases of countervailable log and lumber inputs using the approach, effectively the Group I methodology, described in the "Methodology" section of this notice.

Comment 2: Whether Harvested Crown Logs Not Entering the Respondent's Mill Should Be Excluded

Canfor argues that harvested Crown logs that do not enter Canfor's mill should not be included in the calculation. Additionally, Canfor states that the cash deposit rate should reflect the actual subsidy benefit it received on the logs it harvested for its lumber production.

According to petitioners, Canfor has suggested changes to the investigation methodology and the exclusion methodology. Petitioners assert that Canfor's contention that a stumpage benefit should be calculated only on the volume of crown logs that were manufactured into lumber is not consistent with the statute. Petitioners argue that a benefit has been conferred when a company pays less for goods than it would have paid absent the government subsidy program. Thus, petitioners assert that Canfor receives a countervailable subsidy benefit when it harvests timber at below-market prices.

Department's Position

With respect to harvested Crown logs that do not enter a lumber producer's mill, we agree with Canfor. We note that to do otherwise would be inconsistent with our approach in the underlying investigation. See, the "Numerator Issues" section of the *Investigation Decision Memo* in which we stated that we were not deviating from the approach used in Lumber III, "* * *" because the stumpage benefit that we are calculating is that which is received by lumber producers which purchase

the subsidized stumpage * * * the subsidy is properly attributed to the value of the lumber products produced from that input * * *" See also the "Denominator Issues" section of the *Investigation Decision Memo* in which the Department stated that it was only including in the denominators those sales which were the result of the lumber manufacturing process.

Comment 3: Whether a Single, Provincial Unit-Benefit Should Be Applied to Purchased Logs and Lumber

Canfor argues that the Department should calculate a benefit for countervailable log and lumber purchases using a species/regional specific benefit rate (as opposed to the single province specific unit benefit rate used in our prior expedited review notices—e.g., *Notice of Initiation/Round 1*). Canfor argues that, while the calculation methodology for purchases of logs and lumber was used in the exclusion process in the investigation as well as prior expedited review determinations, the methodology is distortive in provinces, such as British Columbia, where there are a variety of species groups and a wide disparity in stumpage fees among the species. For example, Canfor points out that the majority of logs and lumber harvested and acquired in Manitoba, Ontario, and Quebec fell into the spruce, pine, fir (SPF) category and, thus, the single, unit-benefit rate applied to purchased logs and lumber during the exclusion and expedited review process was almost identical to the SPF-specific stumpage rate for those provinces. However, they contend that in the case of British Columbia, the application of a single, unit-benefit to the purchases of logs and lumber overstates the benefit for certain, less expensive, species of logs and lumber acquired by the company. They further argue that the application of a single, unit-benefit to the purchases of logs and lumber fails to account for the real price differences that exist between logs and lumber acquired in the coastal and interior regions of the Province.

According to Canfor, companies can easily identify and quantify the volumes of logs and lumber purchased by source, province, geographic area in British Columbia, and species purchased, because they maintain the records for this information. Thus, Canfor argues that the Department should apply its suggested methodology for purchased logs and lumber and calculate the subsidy based on species-specific and region-specific benefit rate.

With respect to Canfor's argument that the Department's approach to

purchases of countervailable logs and lumber is distortive in the case of companies with operations in British Columbia, petitioners object to Canfor's suggestion, that the company provide data on the volume of lumber and logs purchased by province and species. Petitioners are opposed to this argument, because the information has not been verified. Moreover, Canfor's proposed methodology would result in special treatment that would not be applicable to other companies in the expedited review. Petitioners assert that the Department's methodology should be consistent for all companies. Therefore, petitioners contend if the Department accepts Canfor's proposed methodology, it must require the same information from all companies and apply the methodology consistently.

Department's Position

We disagree with Canfor on these points. As explained above, these expedited reviews are predicated on the consistent application to all companies of a streamlined methodology which adheres, as closely as possible, to the methodology utilized in the underlying investigation.

Comment 4: Whether Benefit From Resold Lumber Should Be Included in Reseller's Company-Specific Calculation

Canfor contends that resold lumber transactions should be excluded from the numerator and the denominator in the Department's company-specific rate calculations. According to Canfor, a company may purchase lumber and resell it without ever taking possession of it. They contend that, for CBP purposes, the cash deposit rate applied to these entries would be that applicable to the manufacturer (i.e., either the manufacturer's company-specific rate or the country-wide rate found in the investigation). Canfor argues that including a benefit from such resales in the reseller's company-specific calculation is inappropriate as the reseller's rate will not be applied to such lumber. Likewise, the sales value of such lumber resales should not be included in the denominator for the

reseller. Canfor concludes that only in cases where a company purchases and remanufactures it, is it appropriate to calculate a stumpage benefit on the remanufactured lumber sold by that company and to include the sales value of the remanufactured lumber in the denominator of its subsidy rate calculation.

Department's Position

With respect to resold lumber, we agree with Canfor that these transactions should not be included in the numerator or the denominator of the company's calculations. As explained in the "Preliminary Results of Review" section of the *May Preliminary Results*, in instances involving resales activity, we required information from all of the reseller's suppliers in order to calculate an individual net subsidy rate for those resales activities. In the case of Canfor, it did not provide any information regarding the suppliers of the merchandise that it resold. Therefore, consistent with the *May Preliminary Results*, we will calculate net subsidy rates for only lumber that Canfor has produced and exported to the United States. *See id.* at the "Preliminary Results of Review" section. Further, with respect to lumber that Canfor resold without any further processing or manufacturing, we will instruct the CBP to apply the company-specific rate applicable to the manufacturer of the resold lumber. If no company-specific rate was calculated for the manufacturer of the resold lumber, then we will instruct the CBP to apply the country-wide rate.

Comment 5: Whether Shawood Lumber Inc.'s Reporting on Affiliation Is Consistent

Petitioners contend that Shawood Lumber Inc. (Shawood) has inconsistent reporting between its exclusion request and the expedited review. Specifically, petitioners state that Shawood reported an affiliated company in its exclusion request. However, in the expedited review, it did not report any affiliated companies. Moreover, in the company exclusion process, Shawood reported

that it had received government assistance during the POI, but did not report government assistance in the expedited review process.

Department's Position

We disagree with petitioners. With respect to whether Shawood reported affiliates in its expedited review application, the reporting methodologies used by participating companies differed between the exclusion process and the expedited review process. In the exclusion process, companies signed certifications regarding their affiliation and cross-ownership status that were based on questionnaires and guidelines compiled and issued by the Government of Canada (GOC). *See* the GOC's October 29, 2001 submission. In contrast, in the expedited reviews, the Department has sent questionnaires directly to the participating companies that contain specific definitions and instructions regarding the issue of affiliation, and cross-ownership, as well as on other Federal and Provincial programs. Therefore, it is entirely possible, since different authorities issued separate and different questionnaires, that some discrepancies would exist. In addition, Shawood has provided detailed information on its affiliated logging company in its original and supplemental questionnaire responses in the current proceeding.

Verification

In accordance with 782(i)(3) of the Tariff Act of 1930, as amended (the Act), we may verify information submitted by respondents who receive a *de minimis* subsidy rate, prior to making our final determination.

Preliminary Results of Reviews

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to these expedited reviews. For the period April 1, 2000 to March 31, 2001, we preliminarily determine the net subsidy to be as follows:

Net subsidies—Producer/exporter	Net subsidy rate % for stumpage programs	Net subsidy rate % for other programs	Total net subsidy rate
Group 2, Round 1 Companies:			
Cambie Cedar Products Ltd	14.59	.....	.....
Canadian Forest Products Ltd	12.24	.....	.....
Commonwealth Plywood Co. Ltd	2.89	.....	.....
E. Tremblay et fils ltee	6.36	.....	.....
Federated Co-operatives Ltd	28.55	.....	.....
Greenwood Forest Products Ltd	7.95	.....	.....
Kalesnikoff Lumber Co. Ltd	12.10	.....	.....

Net subsidies—Producer/exporter	Net subsidy rate % for stumpage programs	Net subsidy rate % for other programs	Total net subsidy rate
Kenora Forest Products Ltd	20.29	.....	.....
Lakeland Mills Ltd	8.85	.....	.....
Lulumco Inc	13.74	.....	.....
R. Fryer Forest Products Ltd	20.53	.....	.....
Terminal Forest Products Ltd	10.00	.....	.....
The Pas Lumber Company Ltd	7.45	.....	.....
Group 2, Round 2 Companies:			
Shawood Lumber Inc	5.46	.....	.....
St. Jean Lumber (1984) Ltd	33.27	.....	.....
Wynndel Box & Lumber Co. Ltd	12.89	.....	.....

To the extent practicable, the Department will issue the final results of these reviews 30 days after the closing of the public comments. If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the CBP to collect cash deposits of estimated countervailing duties in the amounts indicated above of the f.o.b. invoice price on all shipments of the subject merchandise produced and exported by the reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews. These rates will not apply to merchandise purchased by the reviewed companies and exported without further processing.

If, in the final results, there are producers/exporters whose final estimated net subsidy rates are zero or *de minimis*, they will be excluded from the order. Because, in the Department's view, there is no relevant difference for purposes of the *de minimis* rule between expedited reviews of orders resulting from investigations conducted on an aggregate basis and expedited reviews of orders resulting from investigations conducted on a company-specific basis, we believe it is appropriate in these reviews to treat *de minimis* rates, one percent *ad valorem* in this case, in accordance with section 19 CFR 351.214(k)(3)(iv). Therefore, after the issuance of its final results, the Department intends to instruct CBP to liquidate, without regard to countervailing duties, all outstanding shipments of the subject merchandise produced and exported by excluded companies.

These expedited reviews cover only those companies that we have specifically identified as qualifying for expedited reviews. We will instruct the CBP to continue to collect cash deposits for all non-reviewed companies at the country-wide cash deposit rate established in the investigation.

Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). The due dates for the case briefs will be announced at a later date.

Individuals who wish to request a hearing must submit a written request within 14 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The time, date, and place of the hearing will be announced after the Department has released the dates of the briefing schedule. However, any party that wants to participate in a hearing must submit a written request within the time period specified above.

Requests for a public hearing should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and, (3) to the extent practicable, an identification of the arguments to be raised at the hearing. In addition, ten copies of the business proprietary version and six copies of the non-proprietary version of the case briefs must be submitted to the Assistant Secretary.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to

the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will include the results of its analysis of issues raised in any case or rebuttal briefs in the final results of these expedited reviews. The Department will ensure that interested parties are informed of the briefing schedule.

In the interests of giving each respondent an informed opportunity to request rescission of their expedited review, we have amended the timeline announced in the application form to request rescission of an expedited review. Requests for rescission must be received by the Department no later than 30 days after the date of publication of the preliminary results of the relevant expedited review.

These expedited reviews and notice are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677(f)(1)).

Dated: November 17, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03-29308 Filed 11-21-03; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

Closed Meeting of the U.S. Automotive Parts Advisory Committee (APAC)

AGENCY: International Trade Administration, Commerce.

ACTION: Announcement of meeting.

SUMMARY: The APAC will have a closed meeting on December 10, 2003 at the U.S. Department of Commerce to discuss U.S.-made automotive part sales in Japanese and other Asian markets.

DATES: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Henry Misco, U.S. Department of