

On November 4, 2002, the Department of Commerce ("Department") issued the countervailing duty ("CVD") questionnaire to the Government of Canada ("GOC"). The questionnaire informed the GOC that it was responsible for forwarding the questionnaire to the appropriate provincial governments (e.g., the Government of Alberta ("GOA") and the Government of Saskatchewan ("GOS")) and to producers/exporters (e.g., the Canadian Wheat Board ("CWB")) of the hard red spring wheat and durum wheat (collectively, "subject merchandise"). The Department also provided courtesy copies of the questionnaire to the GOA, GOS, and CWB on the same day.

On November 18, 2002, the GOC submitted two scope exclusion requests. See "Scope Comments" section, below.

On December 3, 2002, the Department postponed the preliminary determinations of these investigations until March 3, 2003. See *Certain Durum Wheat and Hard Red Spring Wheat: Extension of Time Limit for Preliminary Determinations in Countervailing Duty Investigations*, 67 FR 72918.

The Department received responses to its countervailing duty questionnaires from the GOC, GOA, GOS and CWB on January 13, 2003. On January 31, 2003, we issued supplemental questionnaires to the GOC, GOA, GOS and CWB. On February 6, 2003, we issued a second supplemental questionnaire to the GOC, GOA and GOS. Responses to these supplemental questionnaires were received between February 11 and February 14, 2003.

On December 23, 2002, the petitioners submitted a new subsidy allegation regarding the GOC's guarantee of the CWB's initial payment to producers. On February 11, 2003, we initiated on this alleged program. See February 11, 2003, Memorandum to Acting Deputy Assistant Secretary Susan H. Kuhbach ("New Subsidy Allegation Memo") on file in the Central Records Unit ("CRU") in room B-099 of the main Department building. We issued questionnaires to the GOC and CWB regarding this program on February 13, 2003, and received their responses on February 25, 2003.

Alignment With Final Antidumping Duty Determinations

On February 24, 2003, the petitioners submitted a letter requesting alignment of the final determinations in these investigations with the final determinations in the companion antidumping duty ("AD") investigations. See *Notice of Initiation of Antidumping Duty Investigations: Certain Durum Wheat and Hard Red*

Spring Wheat from Canada, 67 FR 65947 (October 29, 2002). Therefore, in accordance with section 705(a)(1) of the Act, we are aligning the final determinations in these investigations with the final determinations in the antidumping investigations of certain durum wheat and hard red spring wheat from Canada.

Period of Investigation ("POI")

The period for which we are measuring subsidies is August 1, 2001 to July 31, 2002, which coincides with the fiscal year of the CWB, the sole responding exporter. See 19 CFR 351.204(b)(2).

Scope of Investigation

For purposes of these investigations, the products covered are (1) durum wheat and (2) hard red spring wheat.

A. Durum Wheat

Imports covered by this investigation are all varieties of durum wheat from Canada. This includes, but is not limited to, a variety commonly referred to as Canada Western Amber Durum. The merchandise subject to this investigation is typically classified in the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 1001.10.00.10, 1001.10.00.91, 1001.10.00.92, 1001.10.00.95, 1001.10.00.96, and 1001.10.00.99.

B. Hard Red Spring Wheat

Imports covered by this investigation are all varieties of hard red spring wheat from Canada. This includes, but is not limited to, varieties commonly referred to as Canada Western Red Spring, Canada Western Extra Strong, and Canada Prairie Spring Red. The merchandise subject to this investigation is typically classified in the following HTSUS subheadings:

1001.90.10.00, 1001.90.20.05, 1001.90.20.11, 1001.90.20.12, 1001.90.20.13, 1001.90.20.14, 1001.90.20.16, 1001.90.20.19, 1001.90.20.21, 1001.90.20.22, 1001.90.20.23, 1001.90.20.24, 1001.90.20.26, 1001.90.20.29, 1001.90.20.35, and 1001.90.20.96.

Although the HTSUS subheadings provided for durum wheat and hard red spring wheat are for convenience and customs purposes, our written description of the scope of these proceedings is dispositive.

Scope Comments

In the *Initiation Notice*, we invited comments on the scope of these proceedings. On November 18, 2002, we received a request from the GOC to

amend the scope of these investigations and the companion AD investigations of hard red spring wheat and durum wheat. Specifically, the GOC requested that the scope be amended to exclude those areas of Canada where the CWB does not have jurisdiction, and to remove Harmonized Tariff Schedule number 1001.90.20.96 from the scope of the AD and CVD investigations of certain hard red spring wheat.

On December 12, 2002, the petitioners submitted their rebuttal comments. On February 4, 2003, the GOC responded to those comments, and on February 11, 2003, the petitioners commented on the GOC's February 4, 2003 comments.

The Department preliminarily determines that the requested exclusions are not warranted. For further discussion, see March 3, 2003 memorandum to Acting Deputy Assistant Secretary Susan H. Kuhbach, "Scope Exclusion Requests: Non-Canadian Wheat Board Areas and HTSUS 1001.90.20.96" on file in the CRU.

Injury Test

Because Canada is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Tariff Act of 1930, as amended ("the Act"), the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. On November 25, 2002, the ITC transmitted to the Department its preliminary determinations finding that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Canada of hard red spring wheat and durum wheat. See *Durum and Hard Red Spring Wheat from Canada*, 67 FR 71589 (December 2, 2002).

Subsidies Valuation Information

Allocation Period

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the average useful life ("AUL") of the renewable physical assets used to produce the subject merchandise. 19 CFR 351.524(d)(2) creates a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System (the "IRS Tables"). For the wheat products industry, the IRS Tables prescribe an AUL of 10 years.

In order to rebut the presumption in favor of the IRS tables, the Department must find that the IRS tables do not reasonably reflect the company-specific