

that produce and/or manufacture subject merchandise. Specifically, Fraser Pacific Forest Products Inc., Frontier Mills Inc., and Landmark Truss & Lumber Inc. (Landmark Companies) stated that they were cross-owned. Similarly, West Bay Forest Products & Manufacturing Ltd. indicated that it is cross-owned with two companies that produce and/or manufacture subject merchandise, Gold Mountain and Cedarshed (West Bay Companies). With respect to the Landmark and the West Bay Companies, in accordance with § 351.525(b)(6) of the Department's Regulations, we first calculated the benefits for each of the cross-owned companies using the approach described in the "Methodology" section of these Preliminary Results. We then summed the benefits attributable to the consolidated, cross-owned entity and divided the total by the entity's consolidated sales denominator (scope and non-scope softwood lumber products and softwood lumber by-products, net of resales).

As discussed above in the "Partial Rescission" section of these preliminary results, companies with reselling activities were instructed in the Expedited Review Application to provide information pertaining to their suppliers. However, the Group 1 companies with resale and production activities failed to provide such information. Therefore, the Department is not in a position to calculate the benefit on the portion of their sales attributable to resales. For this reason, lumber that was resold by these companies without any further production or manufacturing will remain subject to the country-wide rate established in the *Amended Final Determination*. Regarding lumber actually produced or manufactured by these companies, we have calculated a company-specific benefit that is based solely on the lumber that the companies have produced. Accordingly, for each Group 1 company included in these preliminary results that produces its own lumber and performs resale activities, we calculated a company-specific-rate for all lumber that the company produces. Lumber that is resold by these companies without any further manufacturing will be subject to the "Country-Wide Rate" calculated in the *Final Amended Determination*.

For the period April 1, 2000, to March 31, 2001, we preliminarily determine the net subsidy rate for this program to be as follows for Group 1 companies in Round 1:

Net subsidies—Producer/exporter	Net subsidy rate %
Alexandre Cote Ltee. ....	9.07
Boccam Inc. ....	0.41
Byrnexco Inc. ....	8.40
Davron Forest Products Ltd. ....	10.94
Fraser Pacific Forest Products Inc. ....	8.58
Frontier Mills Inc. ....	8.58
Haida Forest Products Ltd. ....	2.45
Landmark Truss & Lumber Inc. ....	8.58
Les Bois S&P Grondin Inc. ....	4.62
Les Industries P.F. Inc. ....	8.03
Sechoirs de Beauce Inc. ....	0.60
Tyee Timber Products Ltd. ....	4.10
West Bay Forest Products and Manufacturing Ltd. ....	5.34
West Can Rail Ltd. ....	0.00

For the period April 1, 2000, to March 31, 2001, we preliminarily determine the net subsidy rate for this program to be as follows for Group 1 companies in Round 2:

Net subsidies—producer/exporter	Net Subsidy rate %
Central Cedar Ltd. ....	4.91
Forstex Industries Inc. ....	4.51
Hudson Mitchell & Sons Lumber Inc. ....	4.31
Indian River Lumber ....	0.00
Les Scieries Jocelyn Lavoie Inc. ..	0.00
Leslie Forest Products Ltd. ....	13.62
Lyle Forest Products Ltd. ....	3.37
Power Wood Corp. ....	6.73
Precision Moulding Products ....	1.41
Ram Co. Lumber Ltd. ....	8.92
Rielly Industrial Lumber Inc. ....	55.15
Sylvanex Lumber Products Inc. ...	7.09
United Wood Frames Inc. ....	10.69
Williamsburg Woods & Garden ....	11.95

#### Other Programs

In the underlying investigation, the Department determined that the provinces of British Columbia and Quebec provided countervailable benefits under certain programs. British Columbia provided countervailable benefits under the Forest Renewal Program and 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. Four companies from British Columbia reported using the Forest Renewal Program. These were the only companies in these preliminary results

that reported using previously investigated non-stumpage programs during the POR. Consistent with our approach in the underlying investigation, we are treating benefits received under the Forest Renewal Program as countervailable grants. In accordance with § 351.524(2), we have allocated all of the benefits provided under this program to the year of receipt because the total amount approved under the subsidy program is less than 0.5 percent of the relevant sales denominator (*i.e.*, total sales of softwood lumber products, net of resales). To calculate the net subsidy rate received under this program, we divided the benefit by the companies' total sales of softwood lumber products, net of resales.

For the period April 1, 2000, to March 31, 2001, we preliminarily determine the net subsidy rate to be as follows for Group 1 companies in Round 1:

Net subsidies—producer/exporter	Net subsidy rate %
Fraser Pacific Forest Products Inc. ....	0.03
Frontier Mills Inc. ....	0.03
Landmark Truss and Lumber Inc. ....	0.03
West Bay Forest Products and Manufacturing ....	0.16

For the period April 1, 2000, to March 31, 2001, we preliminarily determine the net subsidy rate to be as follows for Group 1 companies in Round 2:

Net subsidies—producer/exporter	Net subsidy rate %
Central Cedar Ltd. ....	0.05
Leslie Forest Products Ltd. ....	0.10

#### Analysis of Comments Received

##### I. Methodological Comments

The following comments address methodological issues related to Group 1 companies as well as issues concerning the general methodologies the Department is applying in these expedited reviews.

*Comment 1: Whether the Same Methodology Should Be Applied to Cross-owned Companies When One Is Assigned to Group 1 and the Other to Group 2.* Tembec Inc., Dowie Timber Ltd., Selkirk Specialty Wood Ltd., Mill & Timber Products Ltd., R. Fryer Forest Products Limited, and Liskeard Lumber Ltd. (the Tembec Group) argue that treatment of Group 2 companies becomes more complicated in instances in which a Group 2 company is cross-owned with a Group 1 company. The Tembec Group contends that there is no