

woodlot owners through payments, either made directly to forest engineers or via reimbursement to the woodlot owner, for silviculture treatments executed on private land. Thus, we found that payments under the PFDP constitute a financial contribution under section 771(5)(D)(i) of the Act and that the benefit conferred under the PFDP is equal to the grant of funds provided during the review period. We further found in the underlying investigation that because the PFDP is limited to private woodlot owners, the assistance is specific under section 771(5A)(D) of the Act.

In its April 4, 2003, questionnaire response, La Pointe & Roy reported that it received assistance from an agency known as the Agence de Mise en Valeur de la Forêt Privée de L'Estrie (AMFE) during calendar year 2002, the period of review (POR). Specifically, AMFE arranged for a company called the A.F.A. Des Appalaches Inc. (AFA) to perform silviculture work on a private woodlot held by La Pointe & Roy. La Pointe & Roy paid AFA for a portion of the work while AMFE directly compensated AFA for the remaining amount. La Pointe & Roy received similar assistance from the Agence de Mise en Valeur des Forêts Privées de Chaudière (AMFC) in 1999. In its questionnaire response, La Pointe & Roy stated that it did not know whether AMFE paid for the work performed by AFA with assistance from the GOQ-run PFDP. It stated the same with respect to the assistance received from AMFC.

According to the GOQ, AMFE and AMFC are two of 17 private regional agencies established in 1996 for the protection and development of private forest land in Quebec. Specifically, these agencies promote private forest development by providing information, education, and reimbursement to private woodlot owners for silviculture work. Each regional agency has a board of directors comprised of representatives from the municipality concerned, forest producer groups, holders of wood processing plant permits, and the GOQ's Ministry of Natural Resources (MRN). The agencies are funded by the MRN, via the PFDP, as well as by fees the MRN collects from holders of wood processing plant permits. Silviculture reimbursements made by the regional agencies cover a maximum of 80 percent of the cost of the silviculture work performed by or on behalf of the private woodlot owners. Private woodlot owners receiving the assistance are responsible for funding the difference.

La Pointe & Roy received assistance from AMFE and AMFC. We

preliminarily determine that the PFDP assistance is countervailable. While the GOQ states that AMFE and AMFC are private organizations with no governmental ties, this does not appear to be the case. We note that all of the funding for these organizations is either provided by the MRN/GOQ or is provided by means of government-mandated private contributions and, as such, AMFE and AMFC appear to be government authorities. Consequently, we preliminarily find the existence of a subsidy in the form of a government financial contribution within the meaning of section 771(5)(B)(i) of the Act (direct transfer of funds). To the extent that AMFE and AMFC are non-governmental, however, we preliminarily find the existence of a subsidy in the form of a government "payment to a funding mechanism to provide a financial contribution" or government action that "entrusts or directs" a financial contribution within the meaning of section 771(5)(B)(iii) of the Act. Further, we preliminarily determine that the assistance received by La Pointe & Roy conferred a benefit in the form of a grant. Finally, we continue to find that this program is specific under section 771(5A)(D) of the Act, because assistance under this program is limited to private woodlot owners.

In accordance with 19 CFR 351.524(b)(2), we have allocated all of the grants provided under the PFDP to the year of receipt because the total amounts approved under the program are less than 0.5 percent of the company's total sales of softwood lumber products in the year of receipt, net of resales. Using this methodology, the net subsidy rate attributable to La Pointe & Roy under the PFDP is 0.08 percent *ad valorem*.

II. Programs Preliminarily Determined To Be Not Used

A. Provincial Stumpage Program

In the underlying investigation, the Department determined that the stumpage fees paid to harvest and cut Crown timber by softwood lumber producers, which are set by the provincial governments, conferred a countervailable benefit on the production and exportation of the subject merchandise. See "Provincial Stumpage Programs Determined To Confer Subsidies," in the March 21, 2002, Issues and Decision Memorandum that accompanied the *Lumber Final*. In this new shipper review, La Pointe & Roy stated that it acquired all of its logs, its sole input, from private lands. Because La Pointe & Roy has stated that

it did not utilize any inputs from the Crown during the POR, we preliminarily determine that it did not use the program.

B. Export Assistance Under the Société de Développement Industriel du Québec (SDI)/Investissement Québec (IQ)

La Pointe & Roy stated in its questionnaire response that it did not apply for, use or benefit from SDI/IQ during the POR, therefore, we preliminarily determine that it did not use the program. In the underlying investigation, the Department determined that the export assistance under SDI/IQ established, in part, to facilitate export activities, did not confer a countervailable benefit on the exportation of subject merchandise, given that the interest rates paid under this program were equal to or higher than the interest rates charged on comparable commercial loans at the time of the investigation. See "Programs Determined Not to Confer a Benefit," in the March 21, 2002, Issues and Decision Memorandum that accompanied the *Lumber Final*. As no benefit was conferred during the POI, a final determination of this program's countervailability was not made. We are not further examining this program in the instant review because La Pointe & Roy did not use it.

C. Assistance Under Articles 7 and 28 of the SDI

La Pointe & Roy stated in its questionnaire response that it did not apply for, use or benefit from loans, loan guarantees or grants issued under Articles 7 and 28 of the SDI during the POR, therefore, we preliminarily determine that it did not use the program. In the underlying investigation, the Department determined that no benefit was provided by loans issued under Article 7 and 28 of the SDI because the interest rates charged under this program were equal to or higher than the interest rates charged on comparable commercial loans at the time of the investigation. See "Programs Determined Not to Confer a Benefit," in the March 21, 2002, Issues and Decision Memorandum that accompanied the *Lumber Final*. As no benefit was conferred during the POI, a final determination of this program's countervailability was not made. We are not further examining this program in the instant review because La Pointe & Roy did not use it.