

The Government of Quebec was the guarantor of these loans. Commerce determined that the grants constituted countervailable subsidies and were non-recurring in nature. They were specific because they were provided to only one enterprise, Sidbec, and were not part of a broader program. The net rate found was 8.03%.

7.4 Programs Determined Not to be Countervailable

7.4.1 Federal Programs

7.4.1.1 Canadian Steel Trade Employment Congress (CSTEC) Skill Training Program

The federal Department of Human Resources Development (HRDC) and provincial governments provided financial support to private sector-led human resource projects through the Sectoral Partnerships Initiative. With regard to worker adjustment assistance, funds flowing from HRDC went not to the companies but rather to unemployed workers in the form of assistance for retraining costs or income support. The funds were therefore not countervailable because the companies were not relieved of any obligations. Furthermore, the funds received by SDI, Steleo and Ivaco from CSTEC for training purposes did not provide countervailable benefits during the period of investigation because they were not specific to the Canadian steel industry.

7.4.2 Provincial Programs

7.4.2.1 1987 Grant to Sidbec-Dosco, Inc.

Commerce found no evidence that Quebec provided a grant to Sidbec-Dosco, Inc. in 1987, as alleged by the petitioners.

7.4.2.2 1987 Debt-to-Equity Conversion

Commerce found no evidence at verification that Quebec had provided an infusion of equity, either through a debt-to-equity conversion or otherwise, to Sidbec-Dosco, Inc. in 1987.

7.4.2.3 Contributed Surplus

The petitioners alleged that C\$51.7 million in contributed surplus constituted a countervailable subsidy. Commerce determined that Sidbec had received this contributed surplus prior to the Average Useful Life (AUL) period. These funds therefore did not provide countervailable benefits during the period of investigation.

7.4.2.4 Payments Against Accumulated Grants Receivable

Commerce determined that all Quebec payments made to Sidbec between 1983 and 1993 were accounted for by the 1983-1992 grants that went to the discon-