

DOC has generally resisted such pressure, a tendency highlighted in the recent CFS Paper from Indonesia (2007), where DOC stated:

“There is no indication that the statutory provision for upstream subsidies was intended to be the only provision that addresses subsidies bestowed on input products. The Department squarely addressed this issue in Lined Paper at Comment 2, and in several other determinations .... Section 351.525(b)(6)(iv) of the Department’s regulations provides that, if there is cross ownership between an input supplier and the producer of a downstream product and the input product is primarily dedicated to production of downstream product, the subsidy to the input supplier is attributed to sales of both the input and the downstream product. The Department also possesses authority to conduct upstream subsidy investigations pursuant to section 771A of the Act, which the Department has implemented through 19 CFR 351.523. Upstream subsidy investigations examine purchases of inputs from affiliates that are “used in the production of the subject merchandise.” See 19 CFR 351.523. Further, the legislative history makes it clear that the intent of Congress in enacting the Trade and Tariff Act of 1984 was to broaden the Department’s ability to examine upstream subsidies when companies are not cross-owned, not to restrict the Department’s abilities to countervail subsidies received by cross-owned companies. See Report of the House Committee on Ways and Means, H.R. Rep. No. 98-725 (1984) at 7, 33 -34.”

In the same determination, DOC held that countervailable upstream subsidization can occur more than one stage above the product under investigation, i.e. it can reach back to timber subsidies, rather than just to pulp subsidies, at least in a case involving paper products.

## **5. Determination of Injury**

The developments described above for anti-dumping with respect to injury analysis and determinations apply equally in the countervail context.

## **6. Reviews and Assessment**

Most of the post-2000 developments described above, with respect to reviews and assessment, are specific to anti-dumping. Portions of the developments reported under the headings of “security” and “sunset reviews” apply equally in the countervail context. There have been two additional CVD-specific developments in this category.

**(a) Changed circumstances reviews.** In January 2007, DOC requested public comment on its handling of changed circumstances reviews in countervail cases to determine the appropriate cash deposit rate in light of a change in a company’s name, structure, or ownership. DOC specifically asked for views on the appropriateness of continuing to use the “successor in interest” analysis applied to address similar types of changes in the AD context. This “successor in interest” analysis focuses on continuity of various factors, including management, production facilities, supplier relationships, and customer base, in seeking to