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November 7, 2003

The Honorable James J. Jochum
Assistant Secretary for Import Administration
U.S. Department of Commerce
Central Records Unit
Room 1870
Pennsylvania Avenue and 14th Street, N.W.
Washington, DC 20230

Attention: Treatment of Section 201 Duties and Countervailing Duties

Re: Rebuttal Comments on Proposal Regarding Treatment of Section 201 Duties and Countervailing Duties in Antidumping Proceedings

Dear Assistant Secretary Jochum:

I am the Vice President of Merchandising for Home Depot and am writing to express our strong opposition to the proposal to deduct countervailing duties and section 201 duties from U.S. price in calculating antidumping margins. Such a change would result in fundamental unfairness and substantial harm to U.S. consumers and the U.S. economy.

Home Depot is the world's largest home improvement retailer with over 1600 stores in the United States employing over 250,000 people. We are one of the largest purchasers of softwood lumber in North America. We source most of our lumber from domestic mills, but have a significant and growing need to buy imported lumber because the United States industry simply cannot meet all of our needs. Our customers use different kinds of softwood lumber for different purposes, and lumber produced in Canada is made from different species of wood and generally put to different uses than the primary U.S. species. We simply cannot replace the products purchased from Canada with products made in the United States.

The current 27% duties covering softwood lumber from Canada already have imposed a significant and unfair burden on our operations. A reversal of policy on the treatment of CVD duties in the dumping calculations, as contemplated in the current proposal, would exponentially compound the unfairness and harm caused by the already flawed actions against softwood lumber from Canada. Conceivably, the proposal could result in inflating the duties into a combined rate of close to 50%. If the Department implemented such a policy, it would construct, as a practical matter, a barrier to Canadian imports of softwood lumber. That would be wrong, quite harmful to our business, terrible for U.S. consumers and an unmitigated disaster for the U.S. economy, which relies on softwood lumber from Canada to supply over one third of our national needs. No party in the dispute contests that softwood lumber imports at such a level are non-injurious and indeed necessary for the U.S. economy, a fact confirmed by the





independent International Trade Commission after an exhaustive examination. Nor is this a case in which there is any evidence that the burden imposed on the product at issue is currently understated. Indeed, every independent third party that has evaluated the question has found it overstated. It also would have to deepen an already unfortunate rift with our neighbor, largest trading partner and longtime ally and amount to playing "chicken" with the fragile recovery that is beginning to take root in our economy.

The Department has an obligation to address trade disputes fairly and evenhandedly, to protect U.S. industries from unfair trade practices, but also to protect open and free trade. When the Department performs that function well, it strengthens our economy as well as the economies of our trading parties. If, however, the Department veers off in the direction of unfair protectionist policies, as it appears to be contemplating now, it risks administering a serious blow to our economy. Under the current proposal, the Department is being asked to reverse its longstanding, well-conceived practice, in a manner that would seriously threaten both the construction and manufacturing sectors.

We urge the Department not to make such a mistake and to apply the law fairly and consistently as it was intended so that the Department can strengthen, not endanger the nascent recovery we all hope will continue and expand.

Sincerely,

A handwritten signature in blue ink that reads "Ron". The signature is stylized and cursive.

Ron Jarvis
Vice President of Merchandising
Home Depot

