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Federal Government Relations

TBD Director, International Trade

April 20, 2010

Mr. Ronald K. Lorentzen
Deputy Assistant Secretary of Commerce
Import Administration
Room 1870
U.S. Department of Commerce
Washington, D.C. 20230

RE: Comments on Report to Congress- Retrospective Versus
Prospective Antidumping and Countervailing Duty Systems.

Dear Mr. Lorentzen:

We are writing in response to the Department of Commerce's Federal Register notice of March 31, 2010 requesting comments on the use of a retrospective antidumping and countervailing system versus a prospective one. As a major importer, exporter, and retailer, Wal-Mart Stores, Inc. is significantly impacted by the manner in which antidumping and countervailing duties are assessed.

By way of background, Wal-Mart Stores, Inc. or "Walmart," is headquartered in Bentonville, AR and serves customers and members more than 200 million times per week at more than 8,400 retail units under 55 different banners in 15 countries. With fiscal year 2010 sales of \$405 billion, Walmart employs more than 2.0 million associates worldwide.

Walmart's core philosophy is to provide the highest quality at the lowest cost to consumers. This methodology requires strict adherence to low profit margins. Our business model can be greatly impacted by the unpredictability of the current retrospective system of collecting antidumping and countervailing duties.

In a trade remedy case today, the final determination of duties takes up to 3 years from the date of import. If any party challenges those results, the judicial review process can increase that timeframe by years. This inability to determine fixed costs in any transaction is particularly problematic to retailers like Walmart where merchandise is fast-moving and seasonal. This impacts our ability to make sound purchasing decisions. With antidumping duties reaching in excess of 300% in many instances, Walmart is required to reserve funds over time to account for the substantial impact of potential increases in antidumping duties, plus interest accrued during the intervening years after the original import.

To be very clear, Walmart strongly supports a fair, rules-based trading system which includes a robust trade remedy regime administered by the Commerce Department, providing U.S. companies with the ability to defend themselves against unfair trade practices. We are willing to pay the appropriate duties as determined by Commerce, but the current retroactive system of assessment runs counter to sound financial planning for both importers and the government. Many of our trading partners currently use the prospective system of assessment, including Canada, the EU, and Australia to great success. This demonstrates that it is possible to mesh sound financial business planning with the ability of the government to collect all monies owed based on unfair trade practices.



We would like to thank the Commerce Department for the opportunity to provide comments on the operational burden the current retroactive application of these duties and what it has meant to Walmart and other similarly situated businesses. We hope Commerce will take these comments into account in its report in support of a move to a prospective system of assessment. A prospective system would increase economic predictability, eliminate the costly economic burden, and allow U.S. industries the same advantages as its trading partners who are currently using the prospective system of assessment, without impacting the importance of trade remedies in the United States.

Sincerely,

Adam Hemphill
Manager
Walmart Federal Government Relations