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Konu: ABD / Korunma Önlemi Soruşturması

Mersin, 26/09/2025

Sayın Üyemiz,

Ticaret Bakanlığından iletilen yazıda, ABD Uluslararası Ticaret Komisyonu'na (USITC), 15 Eylül 2025 tarihinde Quartz Manufacturing Alliance of America tarafından 1974 Ticaret Yasası'nın 201 ve 202. maddeleri uyarınca bir korunma önlemi soruşturması başlatılması yönünde ekte yer alan şikayetin sunulduğu bildirilmiştir.

Başvuru kapsamında, kuvars yüzey ürünleri (QSP) olarak tanımlanan ve ana bileşeni silika olan (slab ve nihai ölçüde işlenmiş ürünler dahil) mühendislik taş yüzeylerine ilişkin artan ithalatın ABD yerli sanayisine ciddi zarar veya zarar tehdidi oluşturduğu iddia edilmekte; ülke bazlı kota sistemi ile tüm QSP ithalatına %50 oranında ad-valorem veya spesifik vergi uygulanması gibi tedbirlerin talep edildiği belirtilmektedir. Bu kapsamda, ürün tanımının, granit/mermer/quartzite gibi ocak taşlarını kapsam dışı bıraktığı; ilgili GTİP'ler 6810.99.0020, 6810.99.0040 ve (cam esaslı ürünler için) 7020.00.6000 olarak belirtildiği iletilmiştir. Başvuruda, Çin, Hindistan ve Türkiye menşeli QSP ithalatına yönelik mevcut anti-damping/sübvansiyona karşı telafi edici önlemlerinin ve bunlardan kaçınma yöntemlerinin (transshipment/yanlış sınıflandırma) piyasa üzerindeki etkileri vurgulanmaktadır.

Yazının devamında, USITC'nin soruşturmayı başlatması ve olumlu nihai zarar tespiti halinde Komisyonun önereceği korunma önlemlerinin nihai şekli, miktarı ve süresinin Başkan tarafından karara bağlanacağı, ilk aşamada en fazla dört yıl uygulanabileceği ve toplamda sekiz yıla kadar uzatılabileceği belirtilmektedir.

Bilgilerini rica ederim.

H. Okan ŞENEL
Genel Sekreter Yrd.

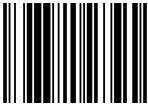
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September 15, 2025

USITC Inv. No. TA-201- ____

PUBLIC VERSION

Confidential Treatment Requested for
Information on Pages 2, 33-34, 37-42, 44-45,
50, & 53-56 and Exhibits 9, 12, and 18.

BY ELECTRONIC FILING

The Honorable Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street S.W., Room 112
Washington, D.C. 20436

**Re: Quartz Surface Products – Petition for Safeguard Relief Pursuant to Sections
201 and 202 of the Trade Act of 1974**

Dear Secretary Barton:

On behalf of the Quartz Manufacturing Alliance of America (the “QMAA” or “Petitioner”), we hereby submit to the U.S. International Trade Commission (the “Commission”) a petition for safeguard relief from the serious injury that has been caused to the entire U.S. domestic industry by imports of quartz surface products (“QSP”). This is a petition under Sections 201 and 202 of the Trade Act of 1974, as amended (19 U.S.C. §§ 2251 and 2252), and Subpart B of part 206 of the rules of practice and procedure of the Commission.

Petitioner is an alliance of domestic producers of QSP that is representative of the domestic industry and thus may file this petition pursuant to 19 U.S.C. § 2252(a)(1) and 19 C.F.R. § 206.13. The Petition includes all the information required by 19 C.F.R. § 206.14 and demonstrates that QSP is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry.

Pursuant to 19 U.S.C. § 2252(i) and 19 C.F.R. § 206.7, Petitioner requests confidential treatment for information designated as confidential in the Petition. The bracketed information in the Petition is highly sensitive confidential business information warranting confidential treatment. The information for which Petitioner requests confidential treatment, and the location of same, is as follows:

- Pages 2, 33-34, 37-42, 44-45, 50, & 53-56 and Exhibits 9, 12, and 18 contain proprietary capacity, production, shipment, capacity utilization, and apparent domestic consumption and market share data.

- Pages 2, 33-34, 37-42, 44-45, 50, & 53-56 and Exhibits 9, 12, and 18 contain trade, employment, financial, and investment data.

The information for which confidential treatment is requested constitutes the type of information normally treated as confidential business information pursuant to 19 C.F.R. § 201.6(a), is not publicly available, and would cause substantial harm to the competitive positions of the submitters if it were released to the public.

A nonconfidential version of the Petition has been prepared and is being filed simultaneously with this submission in accordance with 19 C.F.R. § 201.8(f). The information for which Petitioner is requesting confidential treatment cannot be adequately summarized in a public version because it is so specific that any attempt to provide a nonconfidential summary of the information would effectively result in its disclosure to the public, as contemplated by 19 C.F.R. § 206.7(b).

Attached to this cover letter is a counsel certification regarding the completeness and accuracy of the information contained in the Petition, as required by 19 C.F.R. § 206.8(a).

* * *

Please do not hesitate to contact the undersigned should you have any questions regarding this Petition.

Respectfully Submitted,

/s/ Luke A. Meisner

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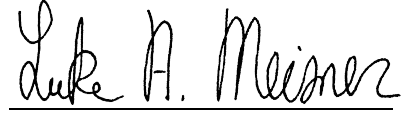
CERTIFICATION OF COUNSEL

In accordance with Section 206.8 of the Commission's rules of practice and procedure (19 C.F.R. § 206.8), I, Luke A. Meisner of Schagrin Associates, hereby certify that (1) I have read the enclosed submission dated September 15, 2025, and (2) based on the information made available to me by Petitioner, I have no reason to believe that this submission contains any material misrepresentation or omission of fact, and (3) the information contained in this submission is accurate and complete to the best of my knowledge.

In accordance with Section 201.6(b)(3)(iii) of the Commission's rules of practice and procedure (19 C.F.R. § 201.6(b)(3)(iii)), I further certify that information substantially identical to the information for which confidential treatment has been requested in this submission is not available to the general public.

This certification is made in accordance with 28 U.S.C. § 1746. I declare under penalty of perjury of the laws of the United States of America that the foregoing statements are true and correct to the best of my information and belief.

Date: September 15, 2025



Luke A. Meisner

**BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

USITC Inv. No. TA-201- ____

PUBLIC VERSION

Confidential Treatment Requested for
Information on Pages 2, 33-34, 37-42, 44-45,
50, & 53-56 and Exhibits 9, 12, and 18.

QUARTZ SURFACE PRODUCTS

**PETITION FOR SAFEGUARD RELIEF PURSUANT TO
SECTIONS 201 AND 202 OF THE TRADE ACT OF 1974**

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September 15, 2025

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	Background on Original AD/CVD Investigations on QSP.....	2
1.	Investigations on QSP from China	4
2.	Investigations on QSP from India and Turkey	6
3.	Import Trends Following Issuance of the AD/CVD Orders	9
B.	Evasion of Existing Relief	10
C.	Five-Year (“Sunset”) Reviews.....	13
II.	PRODUCT DESCRIPTION AND DOMESTIC LIKE ARTICLE (19 C.F.R. § 206.14(a)).....	15
A.	Name and Definition of the Imported Article.....	15
B.	Description of the Imported Article.....	18
C.	Current Tariff Treatment of the Imported Article.....	19
D.	Name and Description of the Like or Directly Competitive Domestic Article	20
1.	Domestic and Imported QSP Have Substantially Identical Physical Properties and End Uses Pursuant to the Commission’s Regulations.....	22
2.	Domestic and Imported QSP Are Produced Using the Same Production Processes	24
3.	Domestic and Imported QSP Are Sold Through the Same Marketing Channels	25
4.	Customs Treatment of the Imported Article Under Classification Rules Demonstrates That It Is Substantially Identical to Domestic QSP.....	26
5.	Both Slabs and Fabricated Products Are Part of the Same Like Product.....	26
E.	Domestic Industry	27
III.	PETITIONER’S REPRESENTATIVENESS (19 C.F.R. § 206.14(a)).....	28
A.	Petitioner (19 C.F.R. § 206.14(b)(1))	28
B.	Other Known Domestic Producers of QSP (19 C.F.R. § 206.14(b)(3))	31
IV.	QSP IS BEING IMPORTED IN INCREASED QUANTITIES.....	32
A.	Legal Standard	32
B.	The Volume of U.S. Imports of QSP Increased Significantly Over the 2020 to 2024 Period in Both Absolute and Relative Terms	32
V.	THE DOMESTIC INDUSTRY IS SUFFERING SERIOUS INJURY AND IS THREATENED WITH FURTHER SERIOUS INJURY.....	35
A.	Legal Framework	35

B.	The Domestic Industry Is Seriously Injured Under the Safeguards Standard	36
1.	Significant Idling of Production Facilities (19 C.F.R. § 206.14(e)(1)(i))	36
2.	Inability of a Significant Number of Domestic Producers to Carry Out Domestic Production at a Reasonable Level of Profit (19 C.F.R. § 206.14(e)(1)(ii)).....	38
3.	Significant Unemployment or Underemployment in the Domestic Industry (19 C.F.R. § 206.14(e)(1)(iii)).....	39
C.	The Domestic Industry Is Threatened with Further Serious Injury	40
1.	Decline in Sales and/or Market Share (19 C.F.R. § 206.14(e)(2)(i))	40
2.	Downward Trend in Production (19 C.F.R. § 206.14(e)(2)(i)).....	41
3.	Declining Profits and Productivity (19 C.F.R. § 206.14(e)(2)(i)).....	41
4.	Declines in Employment and Wages (19 C.F.R. § 206.14(e)(2)(i))	42
5.	A higher and growing inventory (19 C.F.R. § 206.14(e)(2)(i))	42
6.	Inability to Generate Capital for Investment and Research and Development (19 C.F.R. § 206.14(e)(2)(ii)).....	42
7.	Exports Are Driven to the U.S. Market (19 C.F.R. § 206.14(e)(2)(iii))	43
8.	Changes in Levels of Prices, Production, and Productivity (19 C.F.R. § 206.14(e)(3)).....	43
D.	Conclusion on Injury.....	46
VI.	IMPORTS OF QSP ARE A SUBSTANTIAL CAUSE OF SERIOUS INJURY, OR THREAT THEREOF, TO THE DOMESTIC INDUSTRY	46
A.	Legal Framework.....	46
B.	Conditions of Competition.....	47
1.	Demand Conditions.....	48
2.	Supply Conditions	50
3.	Substitutability.....	52
C.	Imports Are a Substantial Cause of Serious Injury and Threat of Serious Injury to Domestic Producers	53
1.	Imports Have Captured Sales and Market Share at the Direct Expense of the Domestic Industry	54
2.	Imports Have Undersold Domestically Produced QSP by Substantial Margins	54
3.	Imports Are the Most Important Factor Causing Serious Injury to the Domestic Industry	56
VII.	RELIEF SOUGHT AND PURPOSE THEREOF (19 C.F.R. § 206.14(g)).....	57

VIII. THE INCREASE IN IMPORTS RESULTED FROM UNFORESEEN DEVELOPMENTS AND FROM OBLIGATIONS INCURRED UNDER THE WTO AGREEMENT	58
IX. EFFORTS TO COMPETE (19 C.F.R. § 206.14(h))	62
X. IMPORTS FROM USMCA COUNTRIES (19 C.F.R. § 206.14(i))	63
XI. CRITICAL CIRCUMSTANCES (19 C.F.R. § 206.14(i)).....	66
XII. CONCLUSION.....	66

I. INTRODUCTION

On behalf of the Quartz Manufacturing Alliance of America (the “QMAA” or “Petitioner”), the petitioner and an alliance of U.S. producers of quartz surface products (“QSP”) and thus producers of the domestic like product, we hereby submit this petition pursuant to Sections 201 and 202 of the Trade Act of 1974, as amended (the “Trade Act”), for relief for the entire U.S. domestic industry from a massive surge of imports of QSP.¹

This is not the first time that the domestic industry has sought relief from the injurious impact on the U.S. domestic industry of imports of QSP. In fact, the domestic industry has twice previously sought relief under the U.S. trade remedy laws to level the playing field for U.S. domestic producers – first in antidumping (“AD”) and countervailing duty (“CVD”) investigations against the People’s Republic of China (“China”) and later in AD/CVD investigations against India and the Republic of Turkey (“Turkey”). Imports of QSP from China, India, and Turkey have been subject to the imposition of AD/CVD duties for more than five years and the AD/CVD orders remain in effect today. Unfortunately, the orders have not prevented serious injury to the domestic industry from an onslaught of imports from countries across the globe, including a substantial volume of imports that have been transshipped through third countries or misclassified in a way to evade the payment of the AD/CVD duties. This evasion of existing remedies on unfairly traded imports of QSP by countries such as Cambodia, Malaysia, Thailand, and Vietnam is a critical reason that the domestic industry now seeks safeguards relief.

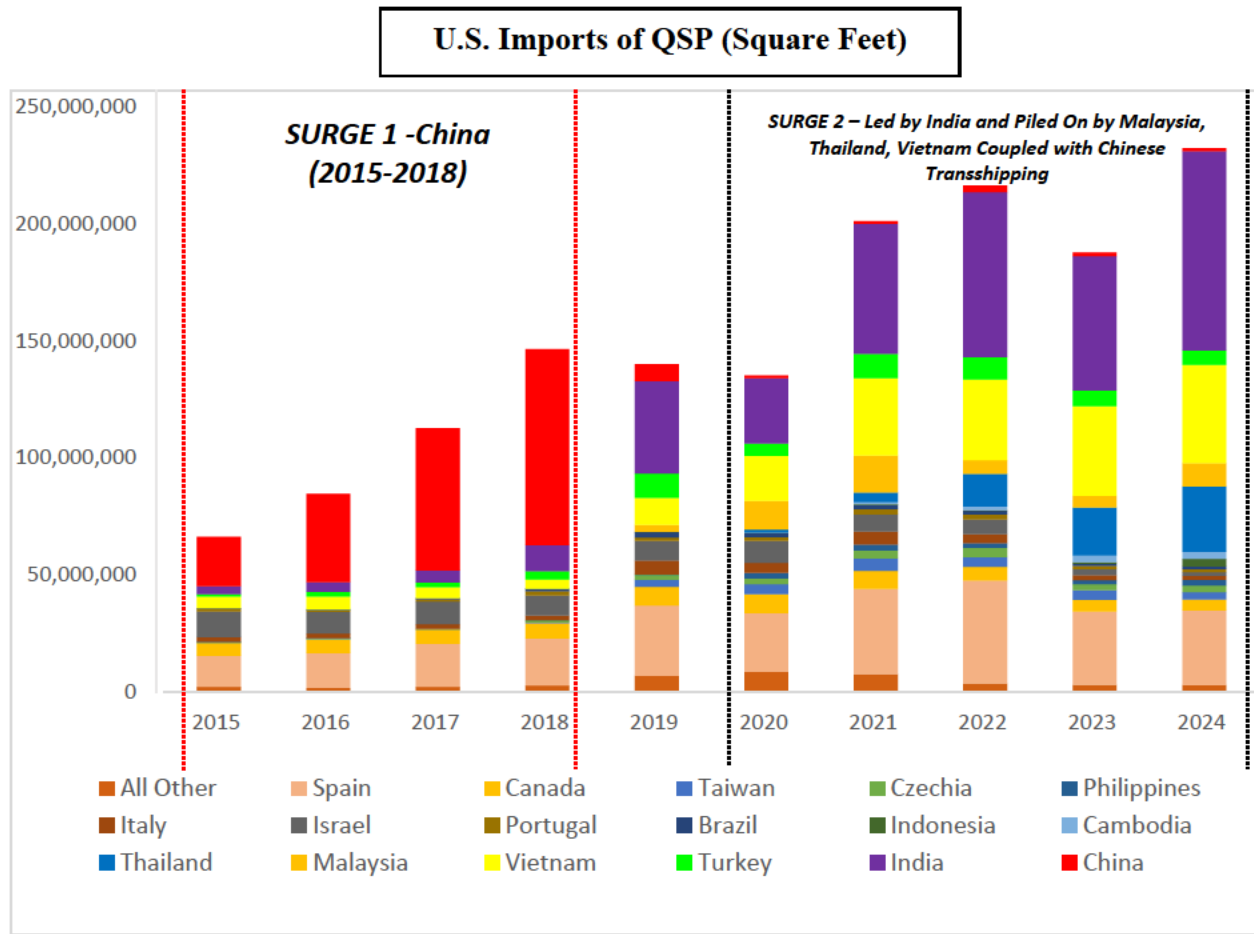
¹ 19 U.S.C. §§ 2251-2252.

PUBLIC VERSION

As discussed below, as foreign producers continue to target building materials as an opportunity to take advantage of U.S. consumers' spending on homes and other construction projects, imports of low-priced QSP have continued surging into the U.S. market since 2020, seizing market share from domestic producers even though the domestic industry has heavily invested to build production capacity and create new jobs. From 2020 to 2024, as demand for QSP in the U.S. continued to grow [], imports of QSP from all sources grew from [] of the U.S. market to [] of the U.S. market by 2024. The cumulative impact of this relentless influx of imports has seriously injured the domestic industry – mothballing two U.S. production facilities since the imposition of the AD and CVD orders on imports from China, India, and Turkey. This is the exact type of situation that compels the provision of safeguard relief.

A. Background on Original AD/CVD Investigations on QSP

The chart below tells the story very clearly: America's quartz countertop industry has been hammered by wave after wave of cheap imports that have stolen market share, driven down prices, and seriously injured U.S. domestic producers over the last five years:



The domestic industry first faced a surge of imports from China that peaked in 2018 and only subsided the following year after the domestic industry sought relief through the filing of AD/CVD petitions against imports of QSP from China. Before the ink was even dry on the AD/CVD orders against China, however, imports from other countries began hammering the U.S. market. As a result, in 2019, the domestic industry brought a second round of AD/CVD cases against imports of QSP from India and Turkey. This second round of cases helped briefly stem the tide of imports. But by 2021, imports of QSP had resumed surging into the U.S. market at some of the highest rates ever seen, with countries such as Malaysia, Thailand, and Vietnam entering the fray both with massive new production capacity and as hubs of rampant illegal

transshipment to evade the payment of AD/CVD duties. The details of this successive wave of surges are discussed in greater detail below. As will become clear from this discussion, the surge of imports over the last five years cries out for safeguard relief for the domestic industry.

1. Investigations on QSP from China

On April 17, 2018, the domestic industry filed petitions for relief under Title VII of the Tariff Act of 1930, as amended (the “Tariff Act”), against imports of QSP from China that were being sold at less-than-fair value in the United States and against imports from China that were being unfairly subsidized by the Government of China.² In the ensuing AD/CVD investigations, the U.S. International Trade Commission (the “Commission”) determined that “the volume of subject imports, and the increase in that volume, is significant in absolute terms and relative to production and consumption in the United States.”³ The Commission noted that the “volume of subject imports rose at a much faster rate than apparent U.S. consumption, and subject imports therefore experienced significant gains in market share.”⁴ With respect to price effects, the Commission found that “{s}ubject imports undersold the domestic product in all 180 quarterly price comparisons ... at underselling margins that ranged from 4.3 percent to 85.3 percent and averaged 49.2 percent.”⁵ Moreover, the Commission explained that the underselling “enabled the

² Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Quartz Surface Products from the People’s Republic of China, EDIS Doc. No. 642263 (Apr. 17, 2018) (“QSP China Petitions”).

³ See *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) (“*QSP from China Inv Final*, USITC Pub. 4913”) at 26.

⁴ *Id.* at 25 (internal citation omitted).

⁵ *Id.* at 27.

subject imports to capture a growing share of the U.S. market” and that subject imports “also suppressed domestic prices to a significant degree.”⁶

The Commission concluded that the subject imports from China had a significant injurious impact on the domestic industry.⁷ According to the Commission, the “increasing and significant volumes of low-priced subject imports that were substitutable with the domestic like product took market share from the domestic industry over the period of investigation” and the “reduced domestic industry market share in turn led to lower production, capacity utilization, shipments, and sales than would have otherwise would have occurred given the strong growth in apparent U.S. consumption.”⁸ The domestic industry’s capacity utilization rate declined from 2015 to 2017 despite growing demand.⁹ The Commission also noted that “as a result of the significant volume of low-priced subject imports, the domestic industry’s output and revenues were lower than they would have been otherwise.”¹⁰ Additionally, the Commission determined that “nonsubject imports cannot explain the loss in market share, output, and revenues that we have attributed to the subject imports.”¹¹

⁶ *Id.* at 28-29.

⁷ *Id.* at 30-36.

⁸ *Id.* at 33.

⁹ *Id.* at 31.

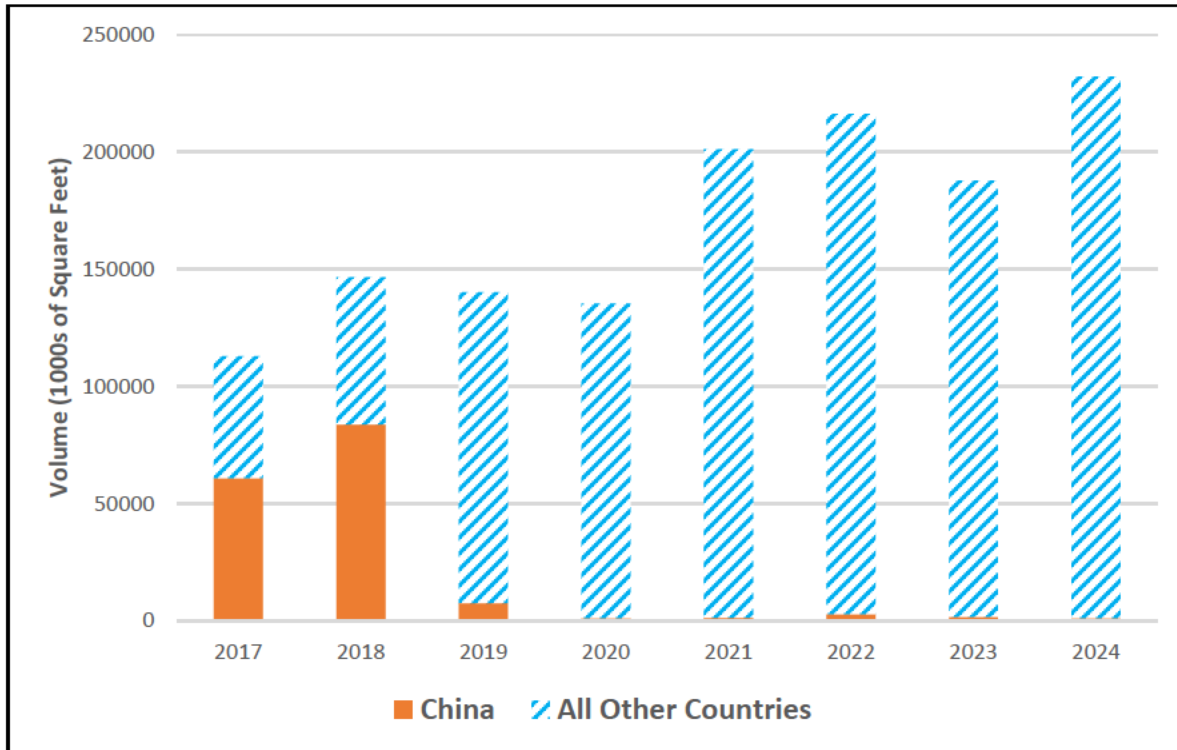
¹⁰ *Id.* at 33.

¹¹ *Id.*

In July 2019, following investigations by the Commission and the U.S. Department of Commerce (“Commerce”), Commerce issued AD and CVD orders on imports of QSP from China.¹²

2. *Investigations on QSP from India and Turkey*

The imposition of the orders on *QSP from China* in 2019 caused a precipitous decline in imports of QSP from China. However, as imports of QSP from China receded, imports from other countries – led by India and Turkey – immediately surged into the U.S. market, quickly robbing the domestic industry’s opportunity to compete on a level playing field.



Source: U.S. Imports of QSP, attached as **Exhibit 1**

¹² See *Certain Quartz Surface Products from the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 84 Fed. Reg. 33,053 (Dep’t Commerce July 11, 2019) (“*AD/CVD Orders on QSP from China*”).

On May 8, 2019, the domestic industry filed petitions for relief under Title VII of the Tariff Act against imports of QSP from India and Turkey that were being sold at less-than-fair value in the United States and against imports from India and Turkey that were being unfairly subsidized by the Indian and Turkish governments.¹³ In its investigations, the Commission determined that “the volume of cumulated subject imports, and the increase in that volume, are significant in absolute terms and relative to production and consumption in the United States.”¹⁴ The Commission noted that “{b}ecause the volume of cumulated subject imports rose at a much faster rate than apparent U.S. consumption, cumulated subject imports gained market share rapidly.”¹⁵ With respect to price effects, the Commission found that “cumulated subject imports pervasively undersold the domestic like product throughout the” period of investigation (“POI”) and that “cumulated subject imports undersold the domestic like product in all 129 quarterly price comparisons involving 18.2 million square feet (“SQF”) of cumulated subject imports at underselling margins that ranged from 11.4 percent to 53.9 percent and averaged 28.9 percent.”¹⁶ Moreover, the Commission explained that the significant underselling by subject imports fueled their significant increase in market share over the POI, particularly in 2019 as QSP imports from China exited the market after the imposition of cash deposits and the AD/CVD orders on QSP

¹³ Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Quartz Surface Products from India and the Republic of Turkey, EDIS Doc. No. 675301 (May 8, 2019) (“QSP India & Turkey Petitions”).

¹⁴ See *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) (“*QSP from India & Turkey Inv Final*, USITC Pub. 5061”) at 27.

¹⁵ *Id.* at 26 (internal citation omitted).

¹⁶ *Id.* at 28.

from China.¹⁷ Consequently, the Commission determined that “cumulated subject imports had significant adverse price effects on the domestic industry.”¹⁸

The Commission concluded that cumulated subject imports had a significant injurious impact on the domestic industry.¹⁹ According to the Commission, measures of the domestic industry’s output (*e.g.*, production, U.S. shipments, and total sales) generally increased between 2017 and 2019, but did so to a lesser degree than the growth in apparent U.S. consumption.²⁰ The Commission found that despite being profitable, the domestic industry’s production, shipments, and revenues were significantly constrained from 2018 to 2019 by the surge of low-priced subject imports, which universally undersold domestic products in a price-sensitive market.²¹ When imports from China withdrew in 2019, subject imports captured nearly half of the vacated market share, leaving domestic producers with less share than at the start of the POI despite expanded capacity and strong demand.²² As a result, domestic producers were unable to achieve the higher shipments and revenues they otherwise would have obtained.²³ The Commission determined that “cumulated subject imports had a significant adverse impact on the domestic industry” and explained that “nonsubject imports from sources other than China cannot explain

¹⁷ *Id.* at 28-29.

¹⁸ *Id.* at 30.

¹⁹ *Id.* at 30-36.

²⁰ *Id.* at 31.

²¹ *Id.* at 33.

²² *Id.*

²³ *Id.*

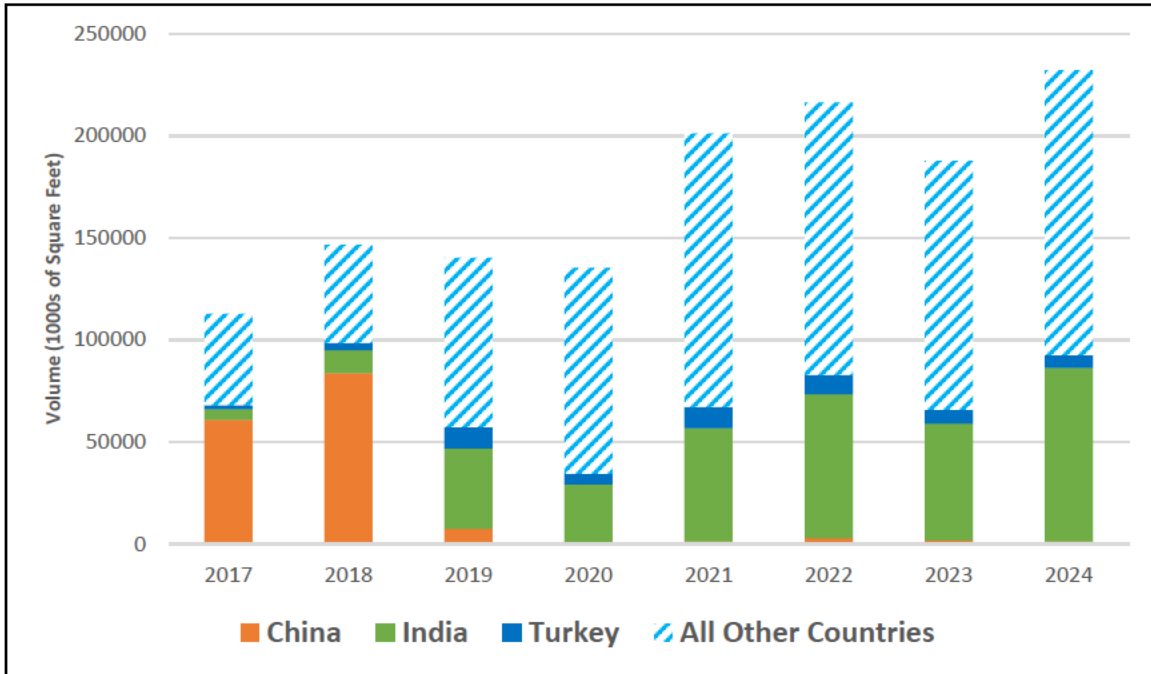
the magnitude of the domestic industry’s inability to achieve materially greater output, market share, and revenues in 2019.”²⁴

3. *Import Trends Following Issuance of the AD/CVD Orders*

In June 2020, following investigations by the Commission and Commerce, Commerce issued AD and CVD orders on imports of QSP from India and Turkey.²⁵ The relief granted by these orders was also short-lived. Imports from India showed some initial declines but then increased in subsequent years and have now surpassed pre-order levels for India and even the peak level of imports from China. Imports from Turkey have generally declined since the imposition of the orders but maintain a significant presence in the U.S. market. Furthermore, imports from several countries and foreign producers not subject to any AD/CVD orders have surged into the U.S. market.

²⁴ *Id.* at 34-35.

²⁵ See *Certain Quartz Surface Products from India and Turkey: Antidumping Duty Orders*, 85 Fed. Reg. 37,422 (Dep’t Commerce June 22, 2020); see also *Certain Quartz Surface Products from India and Turkey: Countervailing Duty Orders*, 85 Fed. Reg. 37,431 (Dep’t Commerce June 22, 2020) (collectively, “AD/CVD Orders on QSP from India and Turkey”).



Source: U.S. Imports of QSP, attached as **Exhibit 1**

B. Evasion of Existing Relief

A substantial portion of the U.S. imports of QSP that have entered over the POI include imports that are evading existing measures imposed by the U.S. government to provide relief and level the playing field for the U.S. domestic industry. Indeed, through investigations under the Enforce and Protect Act (“EAPA”), U.S. Customs and Border Protection (“CBP”) has determined on numerous occasions that transshipment and other schemes – such as the use of shell companies – are being used to evade payment of the applicable duties on QSP from China. The following are examples of final EAPA determinations issued by CBP regarding QSP from China:

- **EAPA 7552-7563.** In November 2021, CBP issued a final determination of evasion in a consolidated EAPA investigation covering 15 separate U.S. importers involved in

transshipment of Chinese QSP from Malaysia through Malaysian companies affiliated with Chinese QSP exporters.²⁶

- **EAPA 7586-87.** In April 2022, CBP affirmed a final determination of evasion covering Texas-based importer Vivaldi, who had been importing QSP from China while falsely declaring that it was “crushed glass” that is not covered by AD/CVD orders.²⁷
- **EAPA 7604.** In January 2022, CBP reached an affirmative determination of evasion covering the U.S. importer Simpli Home, which had been transshipping QSP through Vietnam in conjunction with the importation of bathroom vanities.²⁸
- **EAPA 7567-7658.** In March 2023, CBP issued an affirmative determination of evasion covering 13 U.S. importers that had been transshipping QSP through Malaysia in conjunction with the Malaysian companies MSW Building Supply Sdn. Bhd. and Ever Stone World Sdn. Bhd.²⁹
- **EAPA 7743.** In September 2023, CBP reached an affirmative determination that QSP imported by LTT International Trading Co. was Chinese QSP subject to the orders but was transshipped through Taiwan by Cheng Jug Enterprise Co., Ltd.³⁰
- **EAPA 7720-22.** In October 2023, CBP affirmed a determination of evasion that imports of the Lucciare product made from fritted sand by Ameri Home Designs, Inc., Viotolo Inc., and Vanguard Trading Co. were evading the AD/CVD orders on QSP from China.³¹
- **EAPA 7783.** In January 2024, CBP determined that QSP imported by Superior Commercial Services was Chinese QSP subject to the AD/CVD orders but was

²⁶ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Notice of Determination of Evasion in EAPA Case 7522 (Nov. 24, 2021).

²⁷ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Review Determination of Evasion in EAPA Case 7586 (Apr. 15, 2022).

²⁸ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Notice of Determination of Evasion in EAPA Case 7604 (Jan. 28, 2022).

²⁹ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Review Determination of Evasion in EAPA Case 7657 (Mar. 21, 2023).

³⁰ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Notice of Determination of Evasion in EAPA Case 7743 (Sept. 12, 2023).

³¹ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); Review Determination of Evasion in EAPA Case 7720 (Oct. 23, 2023).

transshipped through Vietnam by Kales Quartz and other companies that were affiliated with a Chinese QSP producer.³²

- **EAPA 7809.** In June 2024, CBP affirmed a determination of evasion that imports of vanities by Legion Furniture and Vanity Art from Vietnam were incorporating Chinese QSP without the payment of AD/CVD duties.³³

The evasion activity of Chinese QSP producers in Malaysia became so rampant at one point that, by February 2022, Commerce was forced to initiate a country-wide scope inquiry to investigate whether a seemingly endless array of Malaysian exporters had been shipping QSP to the United States that is covered by the AD/CVD orders.³⁴ In October 2022, Commerce issued a final determination implementing a certification requirement for all U.S. imports of QSP from Malaysia to ensure that such imports do not involve Chinese-origin merchandise evading the payment of the applicable duties.³⁵

The level of evasion is simply staggering. Last month, the U.S. Department of Justice announced that Allied Stone Inc., a Dallas, Texas-based supplier of countertop and cabinetry products, and its President, Jia “Jerry” Lim, agreed to pay a total of \$12.4 million to resolve allegations that they knowingly and improperly evaded AD/CVD duties owed on QSP from

³² *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Review Determination of Evasion in EAPA Case 7783 (Jan. 11, 2024).

³³ *QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8); CBP Review Determination of Evasion in EAPA Case 7809 (June 20, 2024).

³⁴ *Certain Quartz Surface Products from the People’s Republic of China: Final Scope Ruling on Malaysian Processed Quartz Slab and Recission of the Circumvention Inquiry*, 87 Fed. Reg. 64,011 (Dep’t Commerce Oct. 21, 2022).

³⁵ *Id.*

China – with \$2.2 million being paid to the whistleblower..³⁶ The evasion involved the company misclassifying QSP as marble or crystallized glass between 2018 and 2023.³⁷

The evasion of existing remedies on unfairly traded imports of QSP involving misclassification or transshipment through countries such as Malaysia, Thailand, and Vietnam is a critical reason that the domestic industry has no choice other than to petition the Commission for global safeguard relief.

C. Five-Year (“Sunset”) Reviews

Earlier this year, in its first five-year (“sunset”) review of the *AD/CVD Orders on QSP from China*, the Commission found that because of “the significant and increasing volume and market share of subject imports during the original investigations, the Chinese industry’s large capacity and exports, the attractiveness of the U.S. market, and the continued presence of subject imports in the U.S. market by transshipment through nonsubject countries” the “volume of subject imports from China would likely be significant, both in absolute terms and relative to consumption in the United States” if the *AD/CVD Orders on QSP from China* were revoked.³⁸ With respect to price effects, the Commission stated that “there is a high degree of substitutability between the domestic like product and subject imports and that price remains important in purchasing decisions.”³⁹ The Commission also found that absent the disciplining

³⁶ U.S. Department of Justice Press Release, Allied Stone Inc. and Company Official Agree to Pay \$12.4M to Settle False Claims Act Allegations Relating to Evaded Customs Duties (Aug. 19, 2025), attached as **Exhibit 2**.

³⁷ *Id.*

³⁸ *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Review), USITC Pub. 5578 (Jan. 2025) (“*QSP from China First Review*, USITC Pub. 5578”) at 19.

³⁹ *Id.* at 21.

effect of the orders, the significant volume of low-priced subject imports would likely undersell the domestic like product to gain market share, forcing domestic producers to lower or restrain prices or lose sales, resulting in significant adverse price effects.⁴⁰ Furthermore, the Commission stated that the “likely significant volume of low-priced subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry’s profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments.”⁴¹ Moreover, the Commission noted that nonsubject imports “have substantially increased their presence in the U.S. market since the original investigations....”⁴² The Commission concluded that if the *AD/CVD Orders on QSP from China* were revoked, “subject imports of QSP from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.”⁴³

The first sunset reviews of the *AD/CVD Orders on QSP from India and Turkey* are currently ongoing.⁴⁴

⁴⁰ *Id.*

⁴¹ *Id.* at 23.

⁴² *Id.*

⁴³ *Id.* at 24.

⁴⁴ The sunset review of the *AD/CVD Orders on QSP from China* covered five full years from 2019 through 2023 and the sunset reviews of *AD/CVD Orders on QSP from India and Turkey* covered five full years from 2020 through 2024. Given that in safeguard investigations, the Commission typically analyzes the five most recent full calendar years, the POI for this proceeding will be 2020 through 2024. Although the legal standard for the Commission’s analysis in sunset reviews of AD/CVD orders is different from the legal standard applicable in a safeguard investigation, the record in the sunset reviews is highly probative given the overlapping periods and the detailed findings on market conditions, import trends, and injury factors.

* * *

As demonstrated throughout this petition, the surge of imports of QSP that has overwhelmed the U.S. market over the last five years is a substantial cause of the serious injury to the domestic QSP industry. Especially given that this remarkable import surge is significantly attributable to transshipped and misclassified QSP or merchandise that is in violation of intellectual property laws, these circumstances demand the immediate imposition of targeted import measures to stop the serious injury against the domestic QSP industry. Without decisive relief, as demonstrated by the mothballing of two U.S. production facilities over the POI, the domestic industry cannot fairly compete, recoup substantial past investments, or realize the recovery ordinarily seen after the trade orders. Especially where the U.S. market is so attractive to unfair imports, safeguard measures are appropriate to permit domestic producers to earn a fair return on investment and continue to reinvest in production, research and development, and innovation.

II. PRODUCT DESCRIPTION AND DOMESTIC LIKE ARTICLE (19 C.F.R. § 206.14(A))

A. Name and Definition of the Imported Article

The imported article covered by this petition is quartz surface products. The product is the same product that was the subject to the AD/CVD investigations of QSP from China, India, and Turkey that led to the imposition of AD and CVD orders against those countries.⁴⁵ The only exception is that Petitioner has removed the exclusion for “crushed glass surface products” that

⁴⁵ See *AD/CVD Orders on QSP from China; AD/CVD Orders on QSP from India and Turkey*.

was carved out of the scope of the AD and CVD orders.⁴⁶ QSP is defined as slabs and other surfaces created from a mixture of materials that includes predominately silica (*e.g.*, quartz, quartz powder, cristobalite) as well as a resin binder (*e.g.*, an unsaturated polyester). QSP may also generally be referred to as engineered stone or quartz, artificial stone or quartz, agglomerated stone or quartz, synthetic stone or quartz, processed stone or quartz, manufactured stone or quartz, and Bretonstone®.

QSP is primarily composed of crushed quartz stone or other silica-based materials and may also include materials such as pigments, cement, or other additives. Subject QSP only includes products where the silica content is greater than any other single material, by actual weight.⁴⁷ QSP is typically sold as rectangular slabs with a total surface area of approximately 45 to 60 SQF and a nominal thickness of one, two, or three centimeters. In addition to slabs, QSP is

⁴⁶ When the domestic industry filed the AD/CVD petitions against imports from China, the scope did not exclude crushed glass surface products. *See* Commerce Memo re: Scope Modification Determination in AD/CVD Investigations on QSP from China (Dep’t Commerce May 14, 2019), attached as **Exhibit 3**. Crushed glass surface products were excluded from the scope of the China AD/CVD investigations only after Commerce specifically requested clarification regarding whether the scope should cover such products. In agreeing to the exclusion, the domestic industry intended to refer to products that had a distinctive appearance where large pieces of crushed glass were visible across the surface of the product and that served a niche segment in the overall countertop market. However, Chinese producers exploited the exclusion as a loophole that allowed them to avoid AD/CVD liability by exporting glass-based surface products that were virtually indistinguishable from other types of QSP. To combat this blatant evasion, Commerce modified the scope of the China AD/CVD investigations by including certain criteria that must be met to qualify for the exclusion for crushed glass surface products. Nevertheless, parties continue to attempt to exploit the crushed glass surface products exclusion to evade AD/CVD liability. *See QSP from China First Review*, USITC Pub. 5578 at I-24 (Table I-8) (noting that Texas-based importer Vivaldi imported QSP from China and avoided AD/CVD duties by falsely declaring that the merchandise was nonsubject crushed glass). Because crushed glass surface products are substantially identical to QSP, and because the exclusion for crushed glass surface products has incentivized foreign companies and U.S. importers to engage in evasive practices, Petitioner has not excluded glass surface products from the scope of this safeguard petition.

⁴⁷ So long as the silica content is greater than any other single material, it does not matter where the source of the silica is derived. A non-exhaustive list of silica sources would include quartz, quartz powder, cristobalite, glass powder, feldspar, mica, nepheline syenite, basalt, andesite, rhyolite, dacite, and other generic minerals..

also sold as countertops, backsplashes, vanity tops, bar tops, work tops, tabletops, flooring, wall facing, shower surrounds, fireplace surrounds, mantels, and tiles. Subject QSP may be polished or unpolished, cut or uncut, fabricated or not fabricated, cured or uncured, edged or not edged, finished or unfinished, thermoformed or not thermoformed, and packaged or unpackaged. In addition, subject QSP may be imported attached to, or in conjunction with, nonsubject merchandise such as sinks, sink bowls, vanities, cabinets, and furniture. Excluded from the definition of QSP is quarried stone surface products, such as granite, marble, soapstone, or quartzite.

Based on this definition, the imported article is defined as follows:

QSP consists of slabs and other surfaces created from a mixture of materials that includes predominately silica (*e.g.*, quartz, quartz powder, cristobalite, glass powder) as well as a resin binder (*e.g.*, an unsaturated polyester). The incorporation of other materials, including, but not limited to, pigments, cement, or other additives does not remove the merchandise from the scope. However, the scope only includes products where the silica content is greater than any other single material, by actual weight. QSP is typically sold as rectangular slabs with a total surface area of approximately 45 to 60 square feet and a nominal thickness of one, two, or three centimeters. However, the scope includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope includes, but is not limited to, other surfaces such as countertops, backsplashes, vanity tops, bar tops, work tops, tabletops, flooring, wall facing, shower surrounds, fireplace surrounds, mantels, and tiles. QSP may be polished or unpolished, cut or uncut, fabricated or not fabricated, cured or uncured, edged or not edged, finished or unfinished, thermoformed or not thermoformed, packaged or unpackaged, and may have any type of surface finish. In addition, QSP is covered by the scope whether or not it is imported attached to, or in conjunction with, nonsubject merchandise such as sinks, sink bowls, vanities, cabinets, and furniture. If QSP is imported attached to, or in conjunction with, such nonsubject merchandise, only the QSP is covered by the scope.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise fabricated in a third country, including by cutting, polishing, curing, edging, thermoforming, attaching to, or packaging with another product, or any other finishing, packaging, or fabrication that would not otherwise remove the merchandise from the scope if performed in the country of manufacture of the QSP. The scope does not cover quarried stone surface products, such as granite, marble, soapstone, or quartzite.

B. Description of the Imported Article

QSP is a compacted stone composite building material used for countertop surfaces or aesthetic accents in residential, commercial, and industrial properties.⁴⁸ QSP competes with quarried stone products, such as granite, marble, or quartzite.⁴⁹ Demand for QSP has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties compared to granite and marble surface products.⁵⁰ The visual appearance of QSP has improved from a monochromatic surface to a surface that imitates or is inspired by quarried stone patterns.⁵¹

The scope of this investigation covers both slabs and QSP that has been fabricated to its final shape and size so that it is ready for installation. Fully finished and fabricated products include countertop surfaces, cut-to-size slabs used particularly in the hospitality industry, and various other decorative products. QSP is utilized in commercial, residential, or industrial properties as countertops, tiles, bar surfaces, shower and tub surrounds, fireplace surrounds, walls, floors, bathroom vanities, and furniture surfaces.⁵² QSP may be further worked to meet customer specifications.⁵³

⁴⁸ See *QSP from China Inv Final*, USITC Pub. 4913 at I-11; see also *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at I-13.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

QSP without any pigments is generally white with fine particulates.⁵⁴ Producers of QSP invest in the development of new collections and designs to attract customers.⁵⁵ Manufacturing advances have improved the appearance of QSP and enabled producers to make QSP with designs inspired by various types of quarried stone, such as the veined movement of marble, or that otherwise has unique aesthetic patterns.⁵⁶ These patterns require specialized machinery and design by teams of engineers whose end products are protected and registered as intellectual property.⁵⁷ The domestic industry has been a pioneer in advancing new production techniques and innovative new designs for QSP that have led to growing demand for the product among consumers. And imports regularly infringe on the intellectual property rights of members of the alliance. For example, Cambria has filed several intellectual property lawsuits against imported products.⁵⁸

C. Current Tariff Treatment of the Imported Article

The imported article covered by this petition is classifiable under the Harmonized Tariff Schedule of the United States (“HTSUS”) reporting numbers 6810.99.0020, 6810.99.0040, and 7020.00.6000. All imports under the first two HTSUS numbers (*i.e.*, 6810.99.0020 and 6810.99.0040) are covered articles as these two numbers are specific to QSP made from

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *See, e.g., Cambria Company LLC v. Quartz Master, LLC and Raphael Stone Collection, Inc.*, C.A. No 2:2020-cv-01637 (D.N.J.); *Cambria Company LLC v. Hirsch Glass Corp. d/b/a Spectrum Quartz*, Case No. 1:21-cv-00143 (E.D. Va.); *Cambria Company v. Cosmos Granite & Marble, NC, LLC*, Case No. 5:18-cv-601 (E.D.N.C.).

agglomerated quartz of the type used for countertops.⁵⁹ If the imported article is made from materials that include crushed glass and the glass component provides the majority of the weight of the finished article, it is classifiable under HTSUS 7020.00.6000 (“Other articles of glass: Other”).⁶⁰ Because this third HTSUS is a broader basket category, not all imports under HTSUS 7020.00.6000 are covered articles. However, Petitioner believes that the overwhelming majority of the imported articles covered by this petition were entered under HTSUS 6810.99.0020 and 6810.99.0040.

For customs purposes, the country of origin of QSP is the country in which the slab is manufactured. CBP has repeatedly ruled that off-shore fabrication of a QSP slab in a third country does not change the country of origin of the QSP.⁶¹

D. Name and Description of the Like or Directly Competitive Domestic Article

The domestic article that is like the imported article covered by this petition is QSP because domestic QSP and imported QSP are substantially identical under the Commission’s regulations. In a safeguard investigation, the Commission will define the domestic industry – and

⁵⁹ Prior to January 1, 2023, imports of QSP entered under HTSUS 6810.99.0010 (Agglomerated quartz slabs of the type used for countertops). Beginning on January 1, 2023, after an additional breakout for this statistical code was requested, imports of QSP have entered under HTSUS 6810.99.0020 (Agglomerated quartz slabs of the type used for countertops: In slabs of rectangular shape, with a length of 3 m or more and a width of 1.25 m or more) and HTSUS under 6810.99.0040 (Agglomerated quartz slabs of the type used for countertops: Other). *See* Letter from Committee for Statistical Annotation of Tariff Schedules (Jan. 3, 2023), attached as **Exhibit 4**.

⁶⁰ *See* Customs Classification Ruling N340084 Re: The tariff classification of agglomerated glass slabs from China (July 19, 2024), attached as **Exhibit 5**.

⁶¹ *See* Customs Classification Ruling H303280 Re: Country of origin of quartz countertops; Section 301 trade remedy; 9903.88.03, HTSUS (Apr. 25, 2019), attached as **Exhibit 6**; Customs Classification Ruling N299117 Re: Country of origin determination of agglomerated quartz slabs (July 31, 2018), attached as **Exhibit 7**; Customs Classification Ruling N101559 Re: Country of origin marking of imported articles of agglomerated stone (May 10, 2010), attached as **Exhibit 8**.

evaluate the imports’ impact on that industry – as the “the producers as a whole of the *like or directly competitive article* or those producers whose collective production of the like or directly competitive article constitutes a major proportion of the total domestic production of such article.”⁶² Although not addressed in the statute, the relevant legislative history distinguishes between “like” and “directly competitive” domestic articles.⁶³ The former term defines domestic products that are “substantially identical in inherent or intrinsic characteristics (*i.e.*, materials from which made, appearance, quality, texture, etc.)” to the imported article.⁶⁴ The latter term defines domestic products that are “are substantially equivalent for commercial purposes, that is, are adapted to the same uses and are essentially interchangeable” with the imported article.⁶⁵

In its analysis of what constitutes the like or directly competitive domestic product, the Commission considers a number of factors in practice, including “the physical properties of the article, its customs treatment, its manufacturing process (where and how it is made, and whether in a separate facility), the product’s uses, and the marketing channels through which the product is sold.”⁶⁶ Notably, the Commission will look for “clear dividing lines between products, disregarding minor variations.”⁶⁷

⁶² 19 U.S.C. § 2252(c)(6)(A)(i) (emphasis added).

⁶³ *Fresh, Chilled, or Frozen Blueberries*, Inv. No. TA-201-77, USITC Pub. 5164 (March 2021) (“*Blueberries*”) at 7.

⁶⁴ *Id.* (citing H.R. Rep. No. 571, 93rd Cong., 1st Sess. 45 (1973); Senate Finance Committee, Report on Trade Reform Act of 1974 H.R. 10710, S. Rep. No. 1298, 93rd Cong., 2d Sess. at 121-22 (1974)).

⁶⁵ *Id.*

⁶⁶ *Id.* (citing *Large Residential Washers*, Inv. No. TA-201-076, USITC Pub. 4745 (Dec. 2017) (“*Washers*”) at 7-12).

⁶⁷ *Id.* at 8.

Domestic QSP and imported QSP (including crushed glass surface products) are “substantially identical” under the Commission’s regulations. Domestic QSP is, therefore, “like” the imported article covered by this petition, and the Commission should evaluate the impact of the imports on the domestic industry producing domestic QSP. In the AD/CVD investigations on *QSP from China* and *QSP from India and Turkey*, which cover the same imported article as this petition, the Commission defined domestic QSP as the domestic article “like” the imported merchandise covered by those investigations, and, accordingly, defined the domestic industry as all domestic producers of QSP.⁶⁸ Here, the factors the Commission typically considers in a safeguard investigation also support the conclusion that domestic and imported QSP are “substantially identical.”

1. Domestic and Imported QSP Have Substantially Identical Physical Properties and End Uses Pursuant to the Commission’s Regulations

Domestic and imported QSP share substantially identical physical properties and uses, which are described above in Sections II.A. and II.B. In its domestic like product analysis in the AD/CVD investigations, the Commission rejected arguments from respondent parties attempting to differentiate QSP to define separate like products. In particular, the Commission concluded that upstream quartz slab and downstream fabricated QSP are part of a single domestic like product.⁶⁹ Furthermore, the Commission concluded that both domestic and imported QSP share the same essential physical characteristics. They are agglomerated stone surfaces produced from a mixture that is predominantly silica (quartz, quartz powder, or cristobalite) bound together with

⁶⁸ *QSP from China Inv Final*, USITC Pub. 4913 at 9, 13; *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 8, 14.

⁶⁹ *QSP from China Inv Final*, USITC Pub. 4913 at 5-9; *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 4-8.

resin, pigments, and other additives. QSP is typically manufactured into slabs of standard sizes and thicknesses but may also be cut into various shapes for end uses. Because of these uniform characteristics, QSP – regardless of origin – exhibits substantially identical durability, hardness, and aesthetic appeal. The Commission continued to define a single domestic like product in its first sunset review of the *AD/CVD Orders on QSP from China*.⁷⁰

Domestic QSP also has the same essential physical characteristics as imported crushed glass surface products. In the AD/CVD investigations of QSP from China, Commerce rejected claims that QSP made of crushed glass are distinct from QSP made of crushed quartz. Commerce found that crushed glass, like crushed quartz, is made predominantly of silica.⁷¹ Quartz is made from crystalline silica, whereas crushed glass is made from non-crystalline amorphous silica. Both are silica in a solid form. This difference in the type of silica is not commercially significant and does not demonstrate a clear dividing line between domestic QSP and imported crushed glass surface products. Like all QSP, crushed glass surface products are produced from a mixture that is predominantly silica bound together with resin, pigments, and other additives.

QSP from both domestic and foreign sources competes directly in the same end-use applications, including countertops, vanities, wall panels, flooring, and other decorative or functional surfaces in residential, commercial, and industrial properties. Importantly, the high degree of substitutability means purchasers view domestic and imported QSP as interchangeable, selecting between them based on price, color, design, or availability rather than any functional distinctions.

⁷⁰ *QSP from China First Review*, USITC Pub. 5578 at 4-9.

⁷¹ See Commerce Memo re: Scope Modification Determination in AD/CVD Investigations on QSP from China (Dep't Commerce May 14, 2019) at 20-21, attached as **Exhibit 3**.

Consistent with the Commission’s findings in the AD/CVD proceedings on *QSP from China* and *QSP from India and Turkey*, domestic and imported QSP are, therefore, “substantially identical” in terms of physical properties and uses.

2. *Domestic and Imported QSP Are Produced Using the Same Production Processes*

QSP producers worldwide employ essentially the same production processes, which typically involve seven separate stages: (1) mixing; (2) combining; (3) dispensing and molding; (4) pressing; (5) curing; (6) cooling; and (7) polishing. In the mixing stage, raw materials including silica (*e.g.*, quartz, quartz powder, cristobalite, glass powder, crushed glass), resin binder, pigments, and other additives are mixed together. In the combining stage, mixtures from the mixing stage may be blended. In the dispensing and molding stage, the combined material is dispensed into a rubber mold to be molded and pressed. In the pressing stage, the material in the mold may be put under vacuum inside the chamber of a press and the physical force of the press compacts the material into slabs of varying sizes and thicknesses. In the curing stage, the slabs are heated to harden the slabs. In the cooling stage, the slabs are cooled. In the polishing stage, the surface of the slabs is polished. The surface finish can vary, for example the polish could be smooth or matte. Finally, the slabs are inspected to ensure that they are free from any defects and damage. Production begins with crushing quartz, cristobalite, or another silica-based material into granules or powder, mixing the silica with resin and pigments, and subjecting the mixture to vibro-compression under vacuum. For crushed glass surface products, as with other QSP, silica-based glass is crushed to a glass powder before it is mixed with resin and pigments and subjected to vibro-compression under vacuum. Regardless of whether the QSP is made from crushed quartz or another silica-based material such as crushed glass, the slabs are then cured, polished, and cut into standard or customized sizes.

This standardized production process does not vary materially by country of origin. Wherever QSP is produced, the same inputs and processes are used, and the finished slabs have largely consistent performance characteristics. U.S. producers and importers confirmed in the investigations on *QSP from China* and *QSP from India and Turkey* that the production methods are “substantially identical,” which supports the Commission’s conclusion that there is no meaningful distinction between domestic and imported QSP on the basis of production processes.⁷²

3. *Domestic and Imported QSP Are Sold Through the Same Marketing Channels*

Domestic and imported QSP also move through the same channels of distribution in the U.S. market. Both are primarily sold as slabs to distributors, fabricators, and kitchen and bath retailers, which then cut and finish the slabs into the final consumer products. Some integrated producers both sell slabs and operate their own fabrication facilities, while most independent distributors and importers sell slabs directly to fabricators.

Domestic and imported QSP compete for the same downstream customers and ultimately serve identical end-user markets. Moreover, U.S. purchasers have reported that they source both domestic and imported QSP interchangeably through the same types of suppliers and distributors.⁷³

⁷² *QSP from China Inv Final*, USITC Pub. 4913 at 5-9; *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 4-8.

⁷³ *QSP from China Inv Final*, USITC Pub. 4913 at 5-9; *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 4-8.

4. *Customs Treatment of the Imported Article Under Classification Rules Demonstrates That It Is Substantially Identical to Domestic QSP*

Customs treatment further confirms that imported QSP is substantially identical to domestic QSP. Imports of QSP enter under the same HTSUS subheading at the eight-digit level – 6810.99.00 – covering “Articles of cement, of concrete or of artificial stone, whether or not reinforced: Tiles, flagstones, bricks and similar articles: Other.” This classification at the eight-digit level applies regardless of where the merchandise originates and regardless of whether the merchandise is a slab or a fabricated product. Imports of crushed glass surface products are imported under HTSUS subheading 7020.00.6000 (“Other articles of glass: Other”).

5. *Both Slabs and Fabricated Products Are Part of the Same Like Product*

In prior AD/CVD proceedings involving QSP, the Commission has consistently found that quartz slabs and fabricated QSP were not separate domestic like products and defined a single domestic like product coextensive with the scope.⁷⁴ In particular, the Commission has examined whether fabricated QSP and slabs should be defined to be separate domestic like products under its semi-finished product analysis.⁷⁵ The Commission found that all slabs are dedicated to production of fabricated products and that the products’ essential physical characteristics remain the same, whether QSP is fabricated or not.⁷⁶ Consequently, the Commission found that quartz slab and fabricated QSP are a single domestic like product.⁷⁷

⁷⁴ *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 7 n.24.

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

None of the relevant facts have changed, and the Commission should thus reach the same conclusion in this safeguard proceeding.

* * *

The factors the Commission typically analyzes in a safeguard investigation support defining the like domestic product as all QSP. The physical properties, end uses, production process, marketing channels, and customs treatment of the imported article demonstrate that domestically produced and imported QSP are substantially identical under the Commission's regulations. Moreover, with respect to crushed glass surfaces and other types of QSP that do not incorporate glass, the significant overlap in physical characteristics, uses, and manufacturing processes described above does not support finding clear dividing lines between these products. Accordingly, the Commission should define the domestic like product as inclusive of all QSP corresponding to the definition of the imported article.

E. Domestic Industry

Given the definition of the domestic like product as QSP, the domestic industry consists of integrated U.S. producers of QSP slabs.⁷⁸ These producers are listed and discussed further in Section III.⁷⁹

⁷⁸ See 19 U.S.C. § 2252(c)(6)(A)(i).

⁷⁹ Petitioner does not include stand-alone fabricators as domestic producers in this petition. First, as per the Commission's practice, stand-alone fabricators do not engage in "sufficient production-related activities" to be included as domestic producers of QSP. Second, many stand-alone fabricators import QSP slabs and thus their interests are not aligned with QSP slab producers that have invested hundreds of millions of dollars in production facilities in the United States. Third, to the extent stand-alone fabricators are fabricating slabs that were produced in the United States, the production of those slabs has already been accounted for in the production figures reported by domestic slab producers. Fourth, there are many thousands of fabricators operating in the United States and there is no publicly available list of all the fabricators. Fifth, in the investigations of *QSP from China*, the Commission received responses to its U.S. producer questionnaires from U.S. producers of QSP slabs that accounted for the vast majority of slab production, but it only received 17 fabricator questionnaire responses that accounted for only one percent

III. PETITIONER’S REPRESENTATIVENESS (19 C.F.R. § 206.14(A))

A safeguard petition must set forth the “percentage of domestic production of the like or directly competitive domestic article that such represented firms and/or workers account for and the basis for claiming that such firms and/or workers are representative of an industry.”⁸⁰ Neither the law nor the Commission’s regulations require a specific threshold to establish representativeness.

A. Petitioner (19 C.F.R. § 206.14(b)(1))

Pursuant to 19 C.F.R. § 206.14(b)(1), the U.S. QSP producers and other companies participating as the QMAA are:

Cambria Company LLC

31496 Cambria Avenue

Le Sueur, MN 56058

Website: www.cambriausa.com

Tel: (507) 665-5003

E-mail: kari.barber@cambriausa.com

Dal-Tile LLC

7834 CF Hawn Freeway

Dallas, TX 75217

Website: www.daltile.com

Tel: (214) 309-4222

E-mail: renaud_dedecker@Mohawkind.com

Guidoni USA

263 E Oak St

McRae-Helena, GA 31055

Website: www.guidoni.com

Tel: (229) 315-8834

E-mail: rafael.guidoni@guidoni.com.br

Architectural Surfaces, Inc.⁸¹

401 Center Ridge Dr.

Suite 100, Austin, TX 78753

Website: <https://arcsurfaces.com>

Tel: (512) 264-7444

E-mail: rkaranam@arcsurfaces.com

of U.S fabrication of QSP. *QSP from China Inv Final*, USITC Pub. 4913 at III-1–III-2. Similarly, in the investigations of *QSP from India and Turkey*, while respondents contended that “there are at least 10,000 fabricators operating in the United States,” only two stand-alone fabricators provided responses to the U.S. producer questionnaires. *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 1-17–1-18. Sixth, and finally, the U.S. Court of Appeals for the Federal Circuit has held that U.S. domestic QSP slab producers have standing to file an AD/CVD petition against imports of both slabs and fabricated product irrespective of the position of domestic fabricators. *Pokarna Engineered Stone Ltd. v. United States*, 56 F.4th 1345, 1347 (Fed. Cir. 2023).

⁸⁰ 19 C.F.R. § 206.14(b).

⁸¹ Architectural Surfaces, Inc. is not a U.S. domestic producer but joins the QMAA in support of the safeguard petition as one of the largest distributors of QSP in the United States.

PUBLIC VERSION

The QMAA is “representative” of the domestic industry because it accounted for a substantial portion of domestic production in 2024. There is no publicly available information regarding the total production of QSP in the United States by the domestic industry. Nor is there publicly available information regarding the production by any of the individual domestic producers of QSP. Thus, as the best information reasonably available to the Petitioner, the QMAA has estimated its share of total current U.S. production based on the number of production lines in its facilities and the number of production lines in the facilities of other known U.S. producers of QSP:

Company	Production Lines	Position
Cambria Company LLC	6	Support
Dal-Tile LLC	1	Support
Guidoni USA	1	Support
Elite Quartz	4	None
E-Stone Corporation	2	None
LX Hausys	3	None
Total Lines	17	

As can be seen in the table above, the QMAA accounts for 8 of the 17 QSP production lines in the United States. Petitioner emphasizes that estimating production based on production lines is conservative and likely understates the total production accounted for by the QMAA. Because the QMAA believes its production lines, which are supplied by Bretonstone, have larger capacity than the production lines that are employed by other domestic producers, the QMAA believes it accounts for a majority of domestic production of QSP in the United States. Petitioner also emphasizes that it accounts for 100% of domestic production that has to date expressed a position with respect to the safeguard petitions.

In prior safeguard proceedings, the Commission has initiated investigations for petitioners claiming to represent less than half of domestic production of the like product.⁸² Moreover, in the context of Section 421 China safeguard proceedings, which used the same representativeness standard as petitions under Sections 201 and 202 of the Trade Act,⁸³ the Commission initiated at least one investigation for petitioners claiming less than half of domestic production.⁸⁴ This is consistent with the best reading of the statute, which is that when requiring that a petitioner be “representative of an industry,” Congress did not intend for the term “representative” to mean a majority of the domestic industry.⁸⁵ If Congress had intended the term “representative” to mean “a majority,” it would have defined it that way as it did in other contexts in safeguard proceedings.⁸⁶ Thus, on the basis that the QMAA represents 8 of 17

⁸² See, e.g., *Crabmeat from Swimming Crabs; Institution of Safeguard Investigation*, 65 Fed. Reg. 15,008 (Mar. 20, 2000) (instituting safeguard investigation); Safeguard Petition on Certain Crabmeat (Mar. 2, 2000) at 8-9 (stating that petitioner represented 33% of domestic production and that additional companies that had agreed to support the safeguard petition represented “roughly another 13%” of production), excerpts attached as **Exhibit 35**.

⁸³ 19 U.S.C. § 2451(b)(1) (2009) (providing that a Section 421 petition may be filed “by an entity described in section 2252(a) of this title”); 19 C.F.R. § 206.44(c) (2009).

⁸⁴ See, e.g., *Certain Passenger Vehicle and Light Truck Tires from China*, 74 Fed. Reg. 19,593 (Apr. 29, 2009) (instituting an investigation); Section 421 Petition on Consumer Tires from China (Apr. 20, 2009) at 5 (claiming that petitioners accounted for “46 percent of the consumer tire production capacity in the industry”) excerpts attached as **Exhibit 36**.

⁸⁵ 19 U.S.C. § 2252(a)(1).

⁸⁶ It is a “cardinal principle of statutory construction that course must give effect, if possible, to every clause and word of a statute{.}” *Williams v. Taylor*, 529 U.S. 362, 404 (2000). The text of the statute requires a safeguard petition to be filed by those who are “representative of an industry.” 19 U.S.C. § 2252(a)(1). However, in a separate context within safeguard proceedings, the statute requires a petition submitted by a majority of the domestic industry. Specifically, the statute authorizes the President to reduce, modify, or terminate safeguard relief only if “a majority of the representatives of the domestic industry” submit a petition requesting such change. 19 U.S.C. § 2254(b)(1)(B). If the drafters of the statute had meant for “representative” to mean a majority in the context of § 2252(a)(1), they would have used the term “majority” as they did in the context of § 2254(b)(1)(B). The use of different terms within related statutes makes clear that different meanings were intended. See *Loughrin v. United States*, 573

production lines of the domestic industry, the Commission should find that Petitioner is representative of the domestic industry.

In addition, the QMAA is representative of the domestic industry for the following reasons:

- The impact on the QMAA members' QSP business from increasing imports is representative of the experience of the entire domestic QSP industry. As discussed further below, the available evidence shows that other domestic producers of QSP experienced similar declines in operational and financial performance due to the surge of imports over the POI.
- The like product encompasses both QSP in slab form and QSP that has been fabricated. Cambria, one of the members of the QMAA, produces slabs and has its own fabrication operations.⁸⁷

For all these reasons, the Commission should find that the QMAA is representative of the domestic industry and may file this safeguard petition.

B. Other Known Domestic Producers of QSP (19 C.F.R. § 206.14(b)(3))

Pursuant to 19 C.F.R. § 206.14(b)(3), Petitioner provides the names and addresses of all other known domestic producers of QSP during the POI as follows:

Elite Quartz

4461 Highway 301 South
Latta, SC 29565
Website: <https://www.elitequartz.com/>
Tel: (843) 250-0983

LX Hausys

3480 Preston Ridge Road, Suite 350
Alpharetta, GA, 30005
Website: www.lxhausysusa.com

E-Stone Corporation

1565 NW 36th Street
Miami, FL 33142

USA Quartz LLC⁸⁹

10 Van Dyck Rd
Jacksonville, FL 32218
Tel: +(561) 245-0866

U.S. 351, 358 (2014) (“{W}hen Congress includes particular language in one section of a statute but omits it in another – let alone in the very next provision – this Court presumes that Congress intended a difference in meaning.” (internal citations and quotations omitted))

⁸⁷ *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 3 and I-13.

⁸⁹ As discussed throughout this petition, while USA Quartz was active during the POI, it has gone out of business and is no longer a producer of QSP.

Tel: (954) 266-6793

Email: krichardson@rdhlhc.com

Caesarstone USA, Inc.⁸⁸
1401 W. Morehead
Charlotte, NC 282208
Website: www.caesarstoneus.com
Tel: (818) 779-0999
Email: info@caesarstoneus.com

IV. QSP IS BEING IMPORTED IN INCREASED QUANTITIES

A. Legal Standard

The statute first requires the Commission to determine whether QSP is being imported into the United States in such “increased quantities” as to be a substantial cause of serious injury, or the threat thereof.⁹⁰ Under Section 202 of the Trade Act, the increase in imports may be “either actual or relative to domestic production.”⁹¹ As detailed below, this statutory criterion is satisfied because imports of QSP increased significantly from 2020 to 2024, both in absolute terms and relative to domestic production, as well as relative to U.S. consumption.

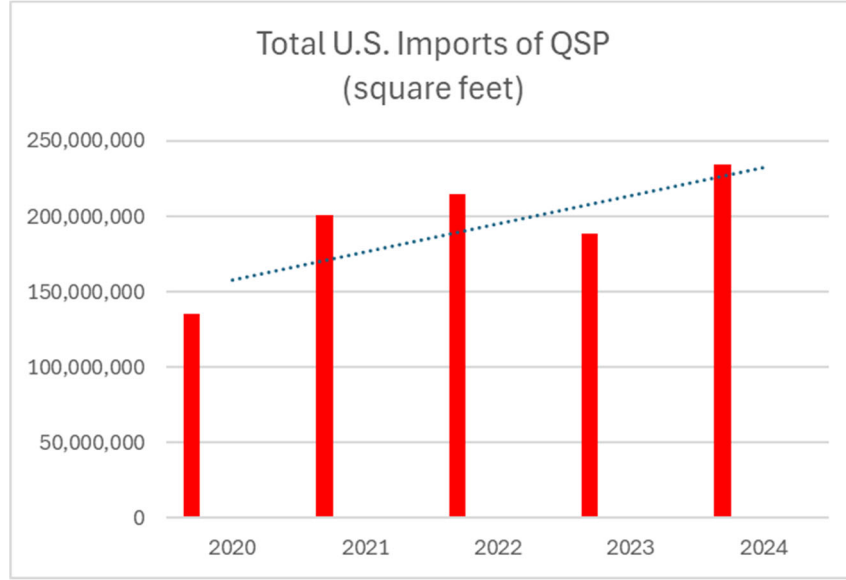
B. The Volume of U.S. Imports of QSP Increased Significantly Over the 2020 to 2024 Period in Both Absolute and Relative Terms

In absolute terms, the quantity and value of imports of QSP increased significantly over the past five years. In terms of quantity, total imports of QSP increased by 73.4% from 135 million SQF in 2020 to 234 million SQF in 2024.

⁸⁸ As discussed throughout this petition, while Caesarstone was active during the POI as a U.S. producer, it ceased its production operations in the United States in 2023.

⁹⁰ See 19 U.S.C. § 2252(b)(1)(A).

⁹¹ *Id.* § 2252(c)(1)(C).



In terms of value as reported to CBP upon importation, total U.S. imports of QSP increased by 40.0% from \$1.26 billion to \$1.76 billion in 2024.⁹² Of course, the value of sales displaced by low-priced imports that could have been made by the domestic industry is much higher.

As shown in the table below, imports also increased relative to domestic production. The ratio of U.S. imports to U.S. production rose from [] in 2020 to [] in 2024.

Ratio of U.S. Imports to U.S. Production (Quantity in Square Feet)							
		Calendar Year					
		2020	2021	2022	2023	2024	
U.S. Production	[]						[]
U.S. Imports		135,252,123	201,135,281	215,082,118	188,344,542	234,476,551	
Ratio of U.S. Imports to U.S. Production	[]						[]

⁹² See U.S. Imports of QSP, attached as **Exhibit 1**.

Finally, as shown in the table below, imports also rose significantly as a share of apparent domestic consumption.⁹³

Calculation of Market Share (in square feet and percent)						
Item		Calendar year				
		2020	2021	2022	2023	2024
U.S. producers' U.S. shipments	[					]
Total Imports		135,252,123	201,135,281	215,082,118	188,344,542	234,476,551
U.S. consumption value	[					]
U.S. producers' U.S. shipments	[					]
Total imports	[					]
U.S. consumption value		100.0%	100.0%	100.0%	100.0%	100.0%

In particular, imports of QSP from all sources began the POI in 2020 with [] of the U.S. market, which stood at [] that year. Over the next five years, demand for QSP rapidly expanded, with total U.S. apparent consumption increasing by [] to reach [] by 2024. The U.S. domestic industry was eager to supply the expanding U.S. market and, as discussed in greater detail below, had invested in additional production capacity to be able to do so. However, while imports increased by 73.4% from 2020 to 2024, the domestic industry's U.S. shipments increased by []. This resulted in imports taking [] percentage points of market share directly from the domestic industry to hold fully [] of the U.S. market by 2024. These trends show how rapidly imports are penetrating the U.S. market and displacing the domestic industry and establish serious injury under the legal standard.

⁹³ See Calculation of Market Share, attached as **Exhibit 9**. To calculate total apparent consumption and market share, the QMAA has estimated the U.S. commercial shipments of the entire domestic industry by multiplying: (1) the QMAA's U.S. commercial shipments of QSP; by (2) the ratio of the QMAA's production capacity to the total production capacity of the entire domestic industry. See *id*.

V. THE DOMESTIC INDUSTRY IS SUFFERING SERIOUS INJURY AND IS THREATENED WITH FURTHER SERIOUS INJURY

A. Legal Framework

The second of the three statutory criteria concerns whether the domestic industry is seriously injured or threatened with serious injury. Section 202(c)(6)(C) of the Trade Act defines the term “serious injury” as “a significant overall impairment in the position of a domestic industry,” and Section 202(c)(6)(D) defines the term “threat of serious injury” as “serious injury that is clearly imminent.”⁹⁴ With respect to serious injury, the Commission considers:

- (i) the inability of a significant number of firms to carry out domestic production operations at a reasonable level of profit,
- (ii) the significant idling of productive facilities in the domestic industry, and
- (iii) significant unemployment or underemployment within the domestic industry.⁹⁵

With respect to threat of serious injury, the Commission considers:

- (i) a decline in sales or market share, a higher and growing inventory (whether maintained by domestic producers, importers, wholesalers, or retailers), and a downward trend in production, profits, wages, productivity, employment (or increasing underemployment) in the domestic industry,
- (ii) the extent to which firms in the domestic industry are unable to generate adequate capital to finance the modernization of their domestic plants and equipment, or are unable to maintain existing levels of expenditures for research and development, and
- (iii) the extent to which the United States market is the focal point for the diversion of exports of the article concerned by reason of restraints on exports of such article to, or on imports of such article into, third country markets.⁹⁶

⁹⁴ See 19 U.S.C. § 2252(c)(6)(C), 2252(c)(6)(D).

⁹⁵ *Id.* § 2252(c)(1)(A).

⁹⁶ *Id.* § 2252(c)(1)(B).

The presence or absence of any factor the Commission is required to evaluate is not “necessarily dispositive” of whether the increased imports are a substantial cause of serious injury, or the threat of serious injury, to the domestic industry.⁹⁷

B. The Domestic Industry Is Seriously Injured Under the Safeguard Standard

The evidence across all of the factors analyzed by the Commission – capacity and production trends, financial performance, and employment – demonstrates that the domestic QSP industry has sustained serious injury over the POI to the extent that safeguard relief is appropriate and necessary.

1. Significant Idling of Production Facilities (19 C.F.R. § 206.14(e)(1)(i))

The massive surge of imports of QSP into the U.S. market over the last five years has led to the idling of U.S. production facilities. Indeed, because of the negative impact of imports, two U.S. producers have stopped producing QSP in the United States entirely.

- Caesarstone announced in December 2023 that it was closing its Richmond Hill, Georgia slab plant, eliminating approximately 129 jobs.⁹⁸ The company stated the closure was needed to “optimiz{e} its global manufacturing footprint,” saving \$20 million annually – a clear sign that operating its U.S. facility had become unsustainable in the face of cheaper imports and that the company would turn to importing QSP rather than producing it in the United States.⁹⁹
- In the wake of the relief granted against imports of QSP from China, USA Quartz opened a QSP manufacturing plant in Jacksonville, FL. However, USA Quartz was subsequently closed as it was unable to compete with the surge of low-priced imports.¹⁰⁰

⁹⁷ *Id.* § 2252(c)(3).

⁹⁸ WTOC, Caesarstone Technologies announces closure of Richmond Hill Manufacturing Facility impacting over 100 employees (Dec. 18, 2023), attached as **Exhibit 10**; Caesarstone Provides Business Updates (Dec. 13, 2023), attached as **Exhibit 11**.

⁹⁹ *Id.*

¹⁰⁰ *QSP from China First Review*, USITC Pub. 5578 at I-16.

PUBLIC VERSION

The domestic industry also has suffered from severely low levels of capacity utilization.

Domestic Industry's Production Capacity Utilization (Quantity in SQF)							
Item		Calendar Year					
		2020	2021	2022	2023	2024	
Production capacity	[						]
Production	[						]
Capacity Utilization	[						]

For example, as shown in the table above, the domestic industry's capacity utilization began the POI at []% in 2020 before [] in 2024.¹⁰¹ These trends are echoed by the evidence available for the broader industry. In the first sunset review of the *AD/CVD Orders on QSP from China*, the Commission gathered data from three domestic QSP producers (*i.e.*, Cambria, Dal-Tile, and Guidoni) regarding their U.S. operations. The Commission found that by 2023 the domestic industry's total production, capacity, and capacity utilization were all lower than in 2017, despite the new factories built by Dal-Tile and Guidoni – a strong indication of underutilized U.S. capacity.¹⁰²

These low capacity utilization levels also show that the domestic industry had ample available capacity to produce additional QSP and supply it to the U.S. market over the POI. Indeed, domestic producers could have [] their production in 2023 and 2024 to supply the market. However, the surge of low-priced imports prevented the domestic industry from using their excess capacity as the imports took market share away.

¹⁰¹ Petitioner's Confidential Operational and Financial Performance, attached as **Exhibit 12**.

¹⁰² *QSP from China First Review*, USITC Pub. 5578 at 22-23.

2. *Inability of a Significant Number of Domestic Producers to Carry Out Domestic Production at a Reasonable Level of Profit (19 C.F.R. § 206.14(e)(1)(ii))*

The evidence in this petition also shows that the flood of imports of QSP has prevented a significant number of U.S. quartz producers to carry out domestic production of QSP at a reasonable profit.

Domestic Industry Profit Levels (Value in \$1,000s)							
Item		Calendar year					
		2020	2021	2022	2023	2024	
Net Sales Value	[						]
Operating Income	[						]
Operating Income / Net Sales Ratio	[						]
Net Income	[						]
Net Income / Net Sales Ratio	[						]

For example, while its net sales value [] from [], the domestic industry's operating income declined [] and saw declines in net income from [].

Further the profitability of the broader domestic industry over the last five years demonstrates that the legal standard has been met:

- In the first sunset review of the AD/CVD orders on *QSP from China*, the Commission found that the domestic industry's net sales and operating income were markedly lower in 2023 compared to 2017 and that the domestic industry's operating profit margins had also deteriorated over the same period.¹⁰³
- Caesarstone saw a steep drop in its financial performance. In 2023, Caesarstone reported that its U.S. revenues fell 20.6% year-over-year.¹⁰⁴ By mid-2023, Caesarstone launched a major restructuring plan, implicitly acknowledging the unprofitability of its U.S.

¹⁰³ *Id.* at 23.

¹⁰⁴ Stone Update, Caesarstone: Positioning for 2024 (Feb. 22, 2024), attached as **Exhibit 13**.

manufacturing. When it decided to cease production at its Georgia plant, it incurred a one-time \$45–55 million impairment charge.¹⁰⁵ By August 2024, Caesarstone CEO Yos Shiran explained that after closing two plants (one in the United States and one in Israel), “we are now sourcing over 60% of our production from our global network of manufacturing partners,” a move that was aimed at “driving margin improvements.”¹⁰⁶ In other words, Caesarstone shifted from producing QSP in the United States to importing QSP from overseas facilities because running its U.S. factory had become financially unsustainable for the company.

- As mentioned, the USA Quartz plant in Florida likely folded because it could not achieve a profitable scale due to the global flood of imports of QSP.
- While the Cosentino Group (“Cosentino”) announced in 2023 that it planned to invest \$270 million in a new manufacturing facility in Jacksonville, Florida, it has yet to break ground on this new facility.

The financial performance of the domestic industry over the POI is directly related to the increased volumes of low-priced imports. As overall apparent consumption for QSP showed large increases over the POI, the domestic industry should have been posting record profits.

3. *Significant Unemployment or Underemployment in the Domestic Industry (19 C.F.R. § 206.14(e)(1)(iii))*

The loss of U.S. market share over the past five years has had a negative effect on the domestic industry’s employment. A significant number of workers were terminated because of the recent closures of two major U.S. producers. When Caesarstone announced in late 2023 that it was closing its Richmond Hill, Georgia facility, it stated it was eliminating approximately 129 jobs.¹⁰⁷ The closure of the USA Quartz facility in Florida also resulted in the loss of jobs in the domestic industry. As for the QMAA, the alliance reported employing [] production-related

¹⁰⁵ Caesarstone Provides Business Updates (Dec. 13, 2023), attached as **Exhibit 11**.

¹⁰⁶ Earnings call: Caesarstone sees strategic gains amid market slowdown (Aug. 8, 2024), attached as **Exhibit 14**.

¹⁰⁷ WTOC, Caesarstone Technologies announces closure of Richmond Hill Manufacturing Facility impacting over 100 employees (Dec. 18, 2023), attached as **Exhibit 10**; Caesarstone Provides Business Updates (Dec. 13, 2023), attached as **Exhibit 11**.

workers (“PRWs”) in 2020, and this figure had [] PRWs in 2024. Thus, the explosion of imports of QSP over the last five years has directly harmed American workers who have lost their jobs to low-priced imports.

* * *

In sum, all three factors analyzed by the Commission show that the domestic industry is seriously injured under the safeguard statute.

C. The Domestic Industry Is Threatened with Further Serious Injury

As established above, the domestic industry suffered significant market share losses, deteriorating financial performance, low and declining capacity utilization, and a negative impact on its employment. Without the provision of immediate relief through this safeguard investigation, imports threaten continued serious injury to the domestic industry.

1. *Decline in Sales and/or Market Share (19 C.F.R. § 206.14(e)(2)(i))*

The huge increase in imports from 2020 to 2024 has led to a decline in U.S. sales and market share for the domestic industry. Over a period when overall demand in the U.S. market expanded by [], the domestic industry’s U.S. commercial shipments [] from [] in 2020 to [] in 2024.¹⁰⁸ As mentioned above, Caesarstone also reported declines in its revenues over the POI.¹⁰⁹

The market share of the domestic industry as a whole declined from [] in 2020 to [] percent in 2024, a decline of [] percentage points.¹¹⁰ This loss of market share by the domestic industry shows how quickly imports have supplanted U.S. production. If left

¹⁰⁸ Calculation of Market Share, attached as **Exhibit 9**.

¹⁰⁹ Stone Update, Caesarstone: Positioning for 2024 (Feb. 22, 2024), attached as **Exhibit 13**.

¹¹⁰ Calculation of Market Share, attached as **Exhibit 9**.

unchecked, imports will continue to increase and take additional market share from the domestic industry, leading to continued declines in sales and market share.

2. Downward Trend in Production (19 C.F.R. § 206.14(e)(2)(i))

Over the POI, the domestic industry's production [] in 2020 to [] in 2024 – a [].¹¹¹ In addition, two U.S. producers — Caesarstone and USA Quartz — closed their U.S. production facilities during the period. For a capital-intensive industry with high fixed costs, these persistent declines in production leave the domestic industry extremely vulnerable to the threat of further serious injury by reason of the surge in low-priced imports.

3. Declining Profits and Productivity (19 C.F.R. § 206.14(e)(2)(i))

As detailed above, the domestic industry has experienced [] in profitability over the POI, including []

].¹¹² This demonstrates serious injury under the Commission's standards.

The loss of market share []

]:

Domestic Industry Productivity Levels							
Item		Calendar year					
		2020	2021	2022	2023	2024	
Production (quantity)	[]						
Hours Worked by PRWs (1,000 hours)	[]						
Production per Hour	[]						

¹¹¹ Estimation of Total U.S. Shipments and Total U.S. Production, attached as **Exhibit 9**.

¹¹² Petitioner's Confidential Operational and Financial Performance, attached as **Exhibit 12**.

The domestic industry's productivity []¹¹³

4. Declines in Employment and Wages (19 C.F.R. § 206.14(e)(2)(i))

As discussed above, the domestic industry has experienced a significant decline in employment from 2020 to 2024, with the number of its PRWs employed by the QMAA [] from [] in 2020 to [] PRWs in 2024 and over 100 other employees being laid off over the POI due to the closure of Caesarstone and USA Quartz.¹¹⁴ Unless relief is provided from imports of QSP, they will continue to surge into the United States and threaten further layoffs and reduced hours.

5. A higher and growing inventory (19 C.F.R. § 206.14(e)(2)(i))

The QMAA does not have access to data regarding inventories of QSP held by U.S. importers or foreign producers. However, the surge of imports into this market has likely contributed to a significant increase in U.S. inventories of QSP. These high inventory volumes in the United States may cause prices to remain depressed or continue to fall in the near future. Thus, this factor indicates that the domestic industry is threatened with additional serious injury by reason of subject imports.

6. Inability to Generate Capital for Investment and Research and Development (19 C.F.R. § 206.14(e)(2)(ii))

The declining profitability experienced by the domestic industry has prevented it from making necessary investments to enable U.S. producers to compete against the surge in low-priced imports. With the low capacity utilization rates being experienced by the domestic

¹¹³ *Id.*

¹¹⁴ *Id.*

industry due to low-priced imports, it simply does not make sense for domestic producers to invest in additional production capacity.

7. *Exports Are Driven to the U.S. Market (19 C.F.R. § 206.14(e)(2)(iii))*

The United States is the largest and most attractive market for foreign producers of QSP. Demand for QSP in the U.S. market has showed sustained growth for many years due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties compared to granite and marble surface products.¹¹⁵ Indeed, multiple countries have exported QSP to the United States throughout the period, maintaining distribution networks and customer contacts and demonstrating their ability to penetrate the U.S. market. In addition to demand for QSP growing, the U.S. market is also attractive to foreign producers because U.S. homeowners spend significant amounts on home improvement projects, including kitchen renovations with new countertop surfaces, placing the United States among the top countries in the world in total dollars spent on home renovations. As confirmation of these basic facts, M S International, Inc. (“MSI”), a leading U.S. distributor of QSP, touts that the Journal of Commerce has ranked it as “One of the Top 20 Importers” based on the number of containers of imports it has made, including imports of “quartz countertops.”¹¹⁶

8. *Changes in Levels of Prices, Production, and Productivity (19 C.F.R. § 206.14(e)(3))*

U.S. imports of QSP have substantially undersold the domestic product throughout the period, with the levels of underselling increasing as imports surged from 2020 to 2024.¹¹⁷ Price

¹¹⁵ See *QSP from China Inv Final* at I-11; see also *QSP from India & Turkey Inv Final* at I-13.

¹¹⁶ MS International Recognized as One of the Top 20 Importers In 2023, attached as **Exhibit 16**.

¹¹⁷ See *Underselling Analysis*, attached as **Exhibit 18**.

comparisons based on Petitioner’s average unit values (“AUVs”) of U.S. shipments and importers’ AUVs for the period 2019 to 2023 demonstrate that imports are priced lower than the domestic product. As shown in the table below, cumulated imports undersold Petitioner in every year for the last five years by margins of at least [] and steadily increasing up to [] in 2024.

Underselling Analysis							
Item		Calendar year					
		2020	2021	2022	2023	2024	
		Unit Price (<i>in \$/SQF</i>)					
Domestic Industry	[						]
Total imports		9.29	9.37	9.27	8.16	7.50	
Margin of Underselling	[						]

Notably, the degree of underselling by imports has intensified over the past five years, allowing imports to gain further market share at the domestic industry’s expense. Moreover, the average price of imports has steadily fallen over the last five years from \$9.29/SQF in 2020 to \$7.50/SQF in 2024.

The Commission observed similar underselling when conducting the AD/CVD investigations of *QSP from China* and *QSP from India and Turkey*. In the first set of investigations on *QSP from China*, the Commission found that “{s}ubject imports undersold the domestic product in all 180 quarterly price comparisons ... at underselling margins that ranged from 4.3 percent to 85.3 percent and averaged 49.2 percent.”¹¹⁸ Moreover, the Commission explained that the underselling “enabled the subject imports to capture a growing share of the U.S. market” and that subject imports “also suppressed domestic prices to a significant

¹¹⁸ *QSP from China Inv Final* at 27.

degree.”¹¹⁹ In the later investigations on *QSP from India and Turkey*, the Commission found that “cumulated subject imports pervasively undersold the domestic like product throughout the POI” and that “cumulated subject imports undersold the domestic like product in all 129 quarterly price comparisons involving 18.2 million square feet of cumulated subject imports at underselling margins that ranged from 11.4 percent to 53.9 percent and averaged 28.9 percent.”¹²⁰ Moreover, the Commission explained that the significant underselling by subject imports fueled their significant increase in market share over the POI, particularly in 2019 as QSP imports from China exited the market after the imposition of cash deposits and the AD and CVD orders on QSP from China.¹²¹

[
], the evidence also shows that the domestic industry could not increase prices sufficiently to cover rising costs, and, as a result, experienced price suppression due to low-priced import competition. The domestic industry’s ratio of costs of goods sold (“COGS”) to sales [] in 2024.¹²² This price suppression, along with reduced sales volumes, caused the domestic industry’s operating income as a share of net sales to worsen during the POI.

As described earlier, the increase in low-priced import competition forced U.S. producers to substantially reduce their production of QSP, and as a result, the U.S. producers’ capacity utilization and productivity rates plummeted over the POI.

¹¹⁹ *Id.* at 28-29.

¹²⁰ *Id.* at 28.

¹²¹ *Id.* at 28-29.

¹²² Petitioner’s Confidential Operational and Financial Performance, attached as **Exhibit 12**.

D. Conclusion on Injury

The surge of QSP imports has been remarkable—grabbing market share from U.S. producers, slashing domestic output, and closing factories. Safeguard relief is appropriate and needed in light of the aggressive surge of imports that have entered the United States including by misclassification and transshipping.

VI. IMPORTS OF QSP ARE A SUBSTANTIAL CAUSE OF SERIOUS INJURY, OR THREAT THEREOF, TO THE DOMESTIC INDUSTRY

A. Legal Framework

To reach a finding under the safeguard provision, the Commission must “determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.”¹²³ In this context, the term “substantial cause” is defined as “a cause which is important and not less than any other cause.”¹²⁴ The statute instructs the Commission to “take into account all economic factors which it considers relevant,” including, but not limited to, any increase in imports in either absolute or relative terms, and any decline in the market share held by the domestic industry.¹²⁵ The Commission must also “consider the condition of the domestic industry over the course of the relevant business cycle,” and “examine factors other than imports which may be a cause of serious injury, or threat of serious injury, to the domestic industry.”¹²⁶

¹²³ 19 U.S.C. § 2252(b)(1)(A).

¹²⁴ *Id.* § 2252(b)(1)(B).

¹²⁵ *Id.* § 2252(c)(1), 2252(c)(1)(C).

¹²⁶ *Id.* § 2252(c)(2)(A), 2252(c)(2)(B).

In practice, the Commission has divided its substantial cause inquiry into two distinct stages.¹²⁷ First, the Commission assesses whether subject imports constitute an important cause of serious injury by examining economic indicators such as trends in import volume and pricing, along with the trade and financial performance of the domestic industry, in the context of the prevailing conditions of competition in the U.S. market.¹²⁸ Second, the Commission evaluates the role of other potential contributing factors in the domestic industry's injury.¹²⁹ In past investigations, the Commission has determined that factors including declining demand, the presence of existing trade remedies, and internal corporate mismanagement did not outweigh imports as the more important cause of serious injury.¹³⁰ As shown below, the Commission should reach the same conclusion here.

B. Conditions of Competition

The conditions of competition in the U.S. market for QSP establish that the domestic industry is susceptible to serious injury by reason of imports. The Commission described these conditions of competition — which include a high degree of substitutability between imports and the domestic product and the predominant importance of price in

¹²⁷ See *Washers*, USITC Pub. 4745 at 38-51; *Crystalline Silicon Photovoltaic Cells (Whether or not Partially or Fully Assembled into Other Products)*, Inv. No. TA-201-75, USITC Pub. 4739, (Nov. 2017) at 43-65.

¹²⁸ *Id.*

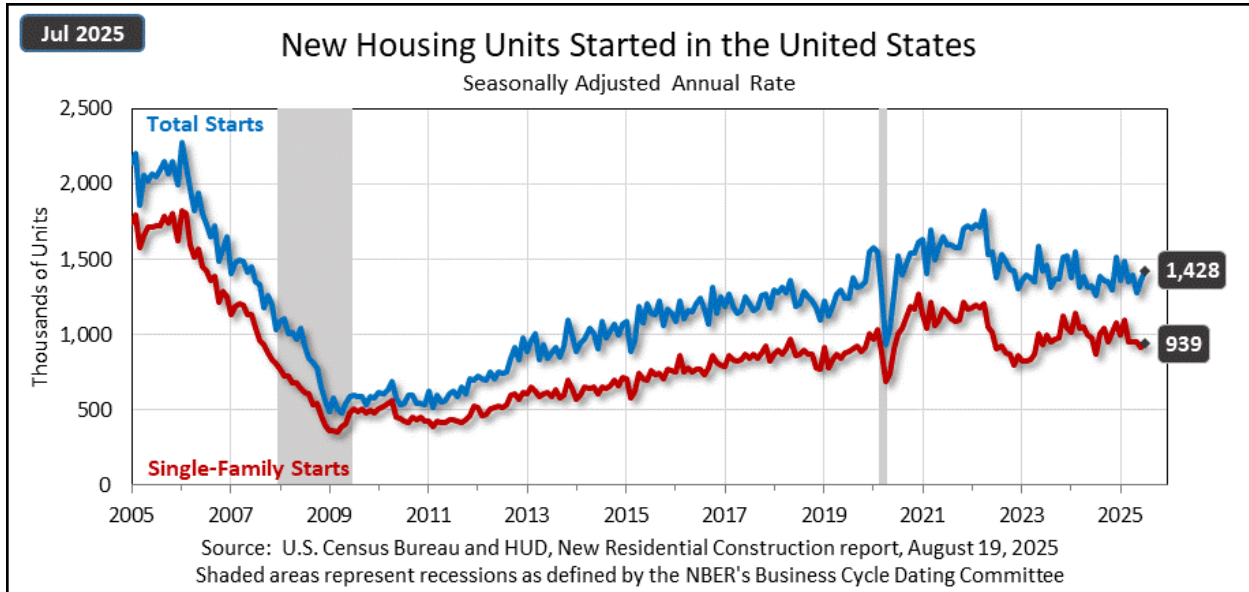
¹²⁹ *Id.*

¹³⁰ See, e.g., *Steel*, Inv. No. TA-201-73, USITC Pub. 3479 (Dec. 2001) at 63-65, 114-115.

purchasing decisions — in its original AD/CVD investigations concerning *QSP from China* and *QSP from India and Turkey*.¹³¹ In the recently completed five-year review of *QSP from China*, which encompasses a period of review from 2019 through 2023, the Commission found that these conditions of competition continued to characterize the U.S. market for QSP.¹³²

1. Demand Conditions

Demand for QSP is driven by construction and remodeling of homes and commercial properties.¹³³ For context, the chart below shows that residential construction has been steadily increasing since the financial crisis in 2008.¹³⁴



¹³¹ *QSP from China Inv Final*, USITC Pub. 4913 at 22-26; *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 22-26.

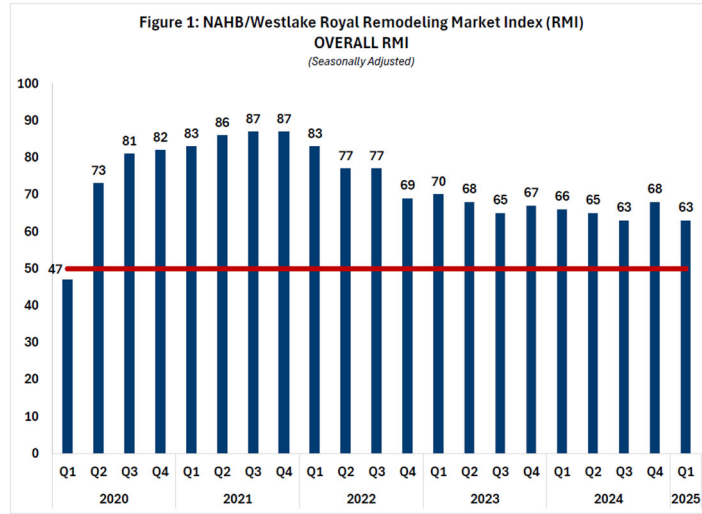
¹³² *QSP from China First Review*, USITC Pub. 5578 at 13-17.

¹³³ *Id.* at 22-23.

¹³⁴ U.S. Census Bureau, Monthly New Residential Construction, July 2025 (May 16, 2025), attached as **Exhibit 19**.

During the POI, after dipping somewhat in 2022 and 2023, residential construction has remained relatively flat in 2024.

The situation is similar in the remodeling market. The graph below sets forth the National Association of Home Builders' ("NAHB") most recent release of its NAHB/Westlake Royal Remodeling Market Index ("RMI"):¹³⁵



After peaking in 2021, the RMI showed declines in 2022 and 2023 before flattening out in 2024.

As noted above, however, while housing construction and renovation activity has been flat over the last five years, demand for QSP has showed sustained growth as consumers continue to switch to QSP over other alternatives due to its superior aesthetic and performance characteristics.¹³⁶ Indeed, a survey published by *Kitchen & Bath Design News* in March 2025 found that “engineered quartz is, far and away, the countertop surfacing material that is growing

¹³⁵ The National Association of Home Builders, “Remodeling Market Sentiment Down in the First Quarter” (Apr. 10, 2025), attached as **Exhibit 20**.

¹³⁶ See *QSP from China Inv Final*, USITC Pub. 4913 at I-11; see also *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at I-13.

most in demand among kitchen consumers.”¹³⁷ This explains why total apparent consumption for QSP increased by [] from [] in 2020 to reach [] by 2024.¹³⁸

2. Supply Conditions

There has been a significant increase in investment and production capacity within the domestic QSP industry over the POI, including capital investments which was spurred both by growing demand for QSP and the imposition of AD/CVD orders on *QSP from China* and *QSP from India and Turkey*:

- Cambria completed a \$130 million factory expansion in November 2022, adding a sixth production line and at least 50 jobs, bringing the footprint of its operations in Le Sueur, Minnesota to one million SQF.¹³⁹
- Dal-Tile began production of QSP in its new facility in Dickson, Tennessee, with total investment in the new facility reaching \$140 million and creating 142 new jobs when the facility became fully operational in 2023.¹⁴⁰ This allowed Dal-Tile to launch new products that include the largest QSP slabs in the world.¹⁴¹
- Guidoni Group completed a new QSP facility in McRae-Helena, GA, in December 2020, investing \$96 million and creating 455 new jobs.¹⁴²
- LX Hausys announced in 2020 that it added a third production line at its existing

¹³⁷ Kitchen Countertop Trends: Bold Choices (Mar. 5, 2025), attached as **Exhibit 21**.

¹³⁸ Calculation of Market Share, attached as **Exhibit 9**.

¹³⁹ Dee DePass, “It’s Hard But We Just Hustle,” *Star Tribune* (Nov. 20, 2022), attached as **Exhibit 22**.

¹⁴⁰ Chris Gadd, “100 jobs at new Dickson Dal-Tile facility, company reps at Dickson Co. fair,” *The Tennessean* (Sept. 4, 2018), attached as **Exhibit 23**.

¹⁴¹ Floor Covering Weekly, “Daltile debuts new domestically made quartz lines” (Feb. 21, 2020), attached as **Exhibit 24**.

¹⁴² “Exporter Guidoni Group to locate facility in Telfair County,” *The Albany Herald* (Nov. 27, 2019), attached as **Exhibit 25**; “Penetron Adds Durability to Georgia (USA) Stone Manufacturing Plant,” PRWeb.com (May 20, 2021), attached as **Exhibit 26**.

manufacturing location in Adairsville, GA. The new facility spans more than 111,000 SQF, increases the company's production capacity by 50 percent, and is staffed with 40 new employees.¹⁴³

- The U.S. importer M S International and the Chinese producer Spectrum Quartz created a joint venture, Elite Quartz, which built a 360,000 square foot manufacturing plant in Latta, South Carolina, which began operations in 2020. As of 2022, the facility has created 150 jobs in Dillon County, South Carolina.¹⁴⁴
- Cosentino announced in 2023 that it planned to invest \$270 million in a new manufacturing facility in Jacksonville, Florida. Cosentino purchased land for this facility in January 2025 and plans to begin operations with 180 employees in 2028.¹⁴⁵ Planned future investments in this plant could total more than \$440 million.¹⁴⁶
- OK Stone Engineering has announced a “next-generation US factory for engineered stone in Fort Worth, Texas” projected to start full operations by 2026.¹⁴⁷

While the domestic industry expanded its production capacity and maintained ample idle capacity with which it could have increased its sales to the U.S. market throughout the POI, it was unable to do so due to competition from low-priced imports.

Importantly, the domestic industry can produce all types of QSP sold in the United States and competes with imports in all areas of the U.S. market. In the prior investigations of *QSP from China* and *QSP from India and Turkey*, the Commission rejected arguments that

¹⁴³ “LG Hausys Expands Viatera Operations,” CountertopResource.com (Mar. 19, 2020), attached as **Exhibit 27**.

¹⁴⁴ MSI Surfaces, “MSI’s Luxalume Technology and Elite Quartz Manufacturing Collaboration” (Sept. 9, 2022), attached as **Exhibit 28**; MSI Surfaces, “MSI Announces Joint Venture with Spectrum Quartz to Build a Domestic State-of-the-Art Quartz Manufacturing Facility” (Dec. 11, 2019), attached as **Exhibit 29**; Elite Quartz Manufacturing, “Who We Are”, attached as **Exhibit 30**.

¹⁴⁵ Dan Macdonald, “Cosentino buys land at the Cecil Commerce Center megasite for \$20.39 million,” *Jacksonville Daily Record* (Jan. 27, 2025), attached as **Exhibit 31**.

¹⁴⁶ Mike Mendenhall, “Plan to sell 330 acres of Cecil megasite to Spanish manufacturer Cosentino headed to City Counsel,” *Jacksonville Daily Record* (Apr. 24, 2023), attached as **Exhibit 32**.

¹⁴⁷ OK Stone, Inc., attached as **Exhibit 33**.

competition between the domestic product and imports was attenuated because they served different markets. The Commission explained:

We are not persuaded by Respondents' argument that competition between the cumulated subject imports and the domestic product is attenuated because they serve different parts of the QSP market and that the domestic like product is a luxury product not sold to the broader market. As noted above, the domestic like product and cumulated subject imports are sold in the same patterns and product types and the record shows that domestic products were competing with cumulated subject imports for sales to a variety of end users. With respect to Cambria, which was the focus of respondents' arguments, the record shows that it competes for sales to various types of end users and does not simply serve the high end of the residential U.S. market for QSP. It reports making sales to commercial projects, as well as to mass retailers such as Home Depot and Costco. Contrary to Respondents' contentions, the record indicates that Cambria sells to builders' residential projects. There is also information in the current record indicating that other U.S. slab producers (including USA Quartz, Estone, LG Hausys, Caesarstone, and Dal-Tile) ... compete in the mass market sector of the U.S. market for QSP and that subject producers from India and Turkey also market their QSP as luxury products.¹⁴⁸

The bottom line is that the domestic industry had growing and ample excess capacity over the POI to serve the U.S. market but was robbed of the opportunity to do so by a flood of low-priced imports.

3. *Substitutability*

The ability of imports to rapidly capture sales and market share from the domestic industry is aided by the high degree of substitutability between imported QSP and domestically produced QSP. In the investigations on *QSP from China*, the Commission found that "there is a high degree of substitutability between domestically produced QSP and QSP imported from China, and that price is an important factor in purchasing decisions."¹⁴⁹ Similarly, in the

¹⁴⁸ *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 35-36.

¹⁴⁹ *QSP from China Inv Final*, USITC Pub. 4913 at 26.

investigations on *QSP from India and Turkey*, the Commission found a “moderate-to-high degree of substitutability between subject imports from India and Turkey and the domestic like product.”¹⁵⁰ A large majority of purchasers reported that price was “very important” in their purchasing decisions, and most purchasers reported that differences other than price “were sometimes or never important.”¹⁵¹ These conditions of competition have not changed since these prior two investigations. Thus, the U.S. market remains characterized by a moderate-to-high degree of substitutability between imports and domestically produced QSP, and price remains a primary consideration when choosing between the two sources.

C. Imports Are a Substantial Cause of Serious Injury and Threat of Serious Injury to Domestic Producers

As demonstrated above, the evidence related to all relevant economic factors examined by the Commission in a safeguard investigation shows that the domestic industry is seriously injured and threatened with further serious injury. As demonstrated below, there can be no doubt that imports were a substantial cause of this serious injury and that they threaten to cause additional serious injury if left unaddressed. The declining performance of the domestic industry between 2020 and 2024 corresponded with a surge in low-priced imports, which undersold the domestic product at margins that exceeded roughly [] over the entire period and captured significant market share from the domestic industry.

¹⁵⁰ *QSP from India & Turkey Inv Final*, USITC Pub. 5061 at 25.

¹⁵¹ *Id.* at 25–26.

1. *Imports Have Captured Sales and Market Share at the Direct Expense of the Domestic Industry*

The fact that low-priced imports are a substantial cause of serious injury to the domestic industry is evidenced by the decline in U.S. producers' market share as imports of QSP surged over the POI and captured market share from the domestic industry. As the volume of imports surged from 135 million SQF in 2020 to 234 million SQF in 2024, the market share held by imports rose from [] to [].¹⁵² The market share held by the domestic industry, in turn, dropped from [] to [].¹⁵³ As imports captured sales and revenues from U.S. producers — precipitating facility closures, production curtailments, and layoffs — the volume of imports also increased substantially as a share of domestic production. Indeed, as discussed above, the ratio of imports to U.S. production grew from [] in 2020 to [] in 2024. In other words, by the end of the POI, the volume of imports in a single year represented exactly [] times the entire production of the domestic industry.

2. *Imports Have Undersold Domestically Produced QSP by Substantial Margins*

The fact that subject imports are a substantial cause of the serious injury experienced by the domestic industry is also evidenced by the pervasive underselling that took place during the POI. As discussed above, annual price comparisons based on AUVs demonstrate that imports were priced lower than U.S. producers' U.S. shipments in each year between 2020 and 2024. Indeed, imports overwhelmingly undersold the domestic product during the POI, with margins of

¹⁵² Calculation of Market Share, attached as **Exhibit 9**.

¹⁵³ *Id.*

underselling ranging from [] to [].¹⁵⁴ In addition, in the investigations of both *QSP from China* and *QSP from India and Turkey*, the Commission has found universal underselling in every quarterly comparison of every product for which it collected pricing information.

A comparison of the domestic industry's COGS to the AUVs of all imports underscores the dilemma being faced by domestic producers:

Comparison of Domestic Industry COGS to Import AUVs							
Item		Calendar year					
		2020	2021	2022	2023	2024	
		Unit Price (in \$/SQF)					
Domestic Industry COGS	[						]
Total Imports AUV		9.29	9.37	9.27	8.16	7.50	

As shown in the table above, import AUVs are [] the domestic industry's COGS throughout the entire POI, with the gap widening from [].

Because QSP from all sources is highly fungible and sold primarily on the basis of price, this underselling allowed imports to capture sales and market share from the domestic industry. As imports surged, the domestic industry was also forced to compete for sales at lower prices and accept lower prices in contracts. Consequently, the domestic industry experienced a cost-price squeeze, leading to price depression and suppression, and poor and worsening financial results.

¹⁵⁴ Underselling Analysis, attached as **Exhibit 18**.

3. *Imports Are the Most Important Factor Causing Serious Injury to the Domestic Industry*

No other factor besides low-priced imports can adequately explain the serious injury experienced by the domestic industry. As documented above, the substantial loss in market share the domestic industry suffered to imports over the 2020 to 2024 period, the closures and idling of productive facilities and lost jobs as a result of competition from low-priced imports, and the financial performance of the U.S. industry due to surging volumes of low-priced imports, all provide compelling evidence that imports are the most important factor causing serious injury to the domestic industry.

Declining demand due to tepid activity in the construction and home renovation sectors of the economy cannot explain the deteriorating operations and financial performance of the domestic industry. Because consumers have been steadily switching to QSP as the material of choice for their countertops and other surface applications, the market and demand for QSP have continued their trajectory of high growth over the last five years. Indeed, apparent consumption increased by an incredible [] between 2020 and 2024.

Nor is there any evidence that the serious injury to the domestic industry was caused by a lack of investment or an inability to supply customers. The domestic industry engaged in substantial capital expenditures immediately prior to and during the POI, as three new U.S. producers — Dal-Tile, Guidoni, and Elite Quartz — opened facilities and entered the market. In addition, the established producers Cambria and LX Hausys invested in new production lines during the POI to increase their capabilities to supply QSP to the U.S. market. That these companies were unable to earn adequate returns on their investments is a direct result of increasing volumes of imports, which undercut U.S. prices and captured sales from the domestic industry. Further, these imports were not drawn into the U.S. market to fill a supply gap. The domestic industry maintained ample idle

capacity with which it could have increased its sales to the U.S. market throughout the POI and contended with increasing volumes of imports that far exceeded the growth in demand. Just as the Commission recognized in the AD/CVD investigations on *QSP from China* and *QSP from India and Turkey* that no other factors could reasonably explain the domestic industry's losses in market share, output and revenue that resulted from the subject imports, so too here no factor other than imports can explain the domestic industry's losses in market share, output and revenue from 2020 to 2024.

For all the above reasons, the Commission should find that imports are the most important cause, and thereby a substantial cause, of the serious injury experienced by the domestic industry.

VII. RELIEF SOUGHT AND PURPOSE THEREOF (19 C.F.R. § 206.14(G))

The QMAA urgently seeks relief to prevent the ongoing serious injury to the domestic QSP industry as well as the imminent threat of additional serious injury in the future. Only a strong and effective remedy can stem the flood of surging import volumes and depressed import prices. The QMAA therefore calls on the Commission to consider the following forms of relief, among others, to safeguard the domestic industry:

- A quota system that would limit the volume of imports on a country-specific basis; and
 - A 50% *ad valorem* tariff on all imports of QSP to address the injurious behavior of imports; or
 - if an *ad valorem* tariff is not imposed, a specific tariff applied to the weight of the QSP at an appropriate rate to address the injurious behavior of imports.

The remedy should encompass both QSP slabs and prefabricated QSP that has been cut to size offshore before importation. The surge in imports of low-priced prefabricated QSP are also injuring U.S. fabricators by undercutting their business model, displacing demand for domestic cutting and finishing services, eroding the fabricators' profit margins and customer base, and

stealing the opportunity to use domestically produced QSP slabs. Based on current trends, unless the safeguard remedy encompasses prefabricated product, U.S. fabricators will be wiped out.

The QMAA believes that some or all of these potential forms of relief are necessary to remedy the serious injury, and threat thereof, caused by imports. In addition, the QMAA welcomes participation in any other program designed to strengthen U.S. manufacturing of QSP and the products made by the industry's customers. To effectively address the harm suffered by the domestic industry, the QMAA anticipates that any remedy will need to last, at a minimum, for the initial statutory period of up to four years, with the option to extend such relief for as long as eight years as required to ensure that imports do not continue causing serious injury to the domestic industry.

The QMAA also reserves the right to amend or adjust any of the requested remedies during this investigation as the record develops and expects to provide further details as the proceeding advances.

VIII. THE INCREASE IN IMPORTS RESULTED FROM UNFORESEEN DEVELOPMENTS AND FROM OBLIGATIONS INCURRED UNDER THE WTO AGREEMENT

Consistent with U.S. obligations under Article XIX of the General Agreement on Tariffs and Trade ("GATT") and the World Trade Organization's ("WTO") Agreement on Safeguards ("Safeguards Agreement"), the recent surge in imports of QSP, which is a substantial cause of serious injury to the domestic QSP industry, is the result of unforeseen developments and the effects of earlier U.S. trade concessions. In previous safeguard investigations, the Commission has analyzed whether the increased imports at issue resulted from unforeseen developments and

from the effect of obligations incurred under the GATT.¹⁵⁵ The following unforeseen developments and obligations incurred under the GATT have resulted in this surge in imports.

First, despite the United States' attempts to alleviate the injury done to its domestic industry through the legitimate imposition of targeted AD/CVD orders, imports have nonetheless continued to skyrocket. Indeed, there has been a surge of QSP imports from several third countries such as Cambodia, Indonesia, Thailand, and Vietnam since the imposition of the AD/CVD orders on *QSP from China* and *QSP from India and Turkey*:

- **Cambodia.** U.S. imports of QSP from Cambodia increased by 20,800% from 13,875 SQF in 2020 to over 2.9 million SQF in 2024.¹⁵⁶
- **Indonesia.** U.S. imports of QSP from Indonesia increased by 12,400% from 245,719 SQF in 2020 to over 3.3 million SQF in 2024.¹⁵⁷
- **Thailand.** U.S. imports of QSP from Thailand increased by 1,900% from 1.4 million SQF in 2020 to almost 28 million SQF in 2024.¹⁵⁸
- **Vietnam.** And U.S. imports of QSP from Vietnam increased by 121% from 19 million SQF in 2020 to over 42 million SQF in 2024.¹⁵⁹

Had it not been for the increase in imports from Thailand and Vietnam alone over the last five years, the domestic industry could have built an additional 12 production lines with an investment of roughly \$1 billion that would have supported the employment of 3,000 American workers.

¹⁵⁵ See, e.g., USITC, Supplemental Report of the U.S. International Trade Commission Regarding Unforeseen Developments, Investigation No. 201-TA-75, 70 (Dec. 27, 2017); USITC, Supplemental Report of the U.S. International Trade Commission, Investigation No. 201-TA-78 (Oct. 10, 2024).

¹⁵⁶ See U.S. Imports of Quartz Surface Products, attached as **Exhibit 1**.

¹⁵⁷ *Id.*

¹⁵⁸ *Id.*

¹⁵⁹ *Id.*

As the Commission has previously found, situations where AD/CVD orders have seen such limited success were not foreseen when the United States made concessions in the global trade economy by acceding to the WTO.¹⁶⁰ The ineffectiveness of the AD/CVD orders has uniquely contributed to the idling of domestic capacity and injury to domestic producers. As discussed previously, domestic producers have invested in enhancing capacity in reliance on the effectiveness of AD/CVD orders, only to be met with an ongoing onslaught of underpriced imports.

Second, the initial CVD investigations unveiled substantial evidence of elaborate subsidy programs implemented by China, India, and Turkey. The subsidy programs implemented by China included the provision of various inputs for QSP production at less than fair value; preferential taxation policies; enactment of an export buyer's credit; concessionary loans; and various types of technical assistance.¹⁶¹ During the course of the recent sunset review of the CVD order on imports of QSP from China, Commerce found that certain Chinese subsidy programs are still in operation.¹⁶² The programs implemented by the Government of India that were determined to be countervailable included a duty drawback program; tax benefits tied to the cost of importing inputs for exports; concessionary loans for exporters; and various Special

¹⁶⁰ USITC, Supplemental Report Regarding Unforeseen Developments at 10.

¹⁶¹ Quartz Surface Products from China, Inv. Nos. 701-TA-606 and 731-TA-1416, USITC Pub. 4913 (June 2019) (Final), I-6.

¹⁶² *Certain Quartz Surface Products From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order*, 89 Fed. Reg. 81,887 (Dep't Commerce Oct. 3, 2024) and accompanying Issues and Decision Memorandum at 8

Economic Zone programs.¹⁶³ Countervailable programs implemented by Turkey included government support for industry participation in international trade fairs; tax benefits for domestic producers incentivizing regional diversification of investments; and tax incentives supporting domestic producers' research and development.¹⁶⁴ U.S. negotiators could not have foreseen that the governments of China, India and Turkey would implement programs directly contradicting their WTO obligations.¹⁶⁵ As was established during the initial CVD investigations, these subsidy programs played a key role in establishing an environment that has fostered the rapid growth of a global industry able to under-sell the U.S. industry.

Third, foreign producers have developed uniquely creative and elaborate schemes to evade these legitimately imposed AD/CVD orders. Since the imposition of the AD/CVD orders on QSP from China, fully 45 EAPA investigations have been initiated, constituting more than 10% of all EAPA investigations for all products that have made it to advanced stages of investigation.¹⁶⁶ The prevalence of EAPA investigations provides clear evidence of how the AD/CVD orders that have been implemented have had "limited effectiveness and instead lead to rapid changes in the global supply chains and manufacturing processes" that have facilitated

¹⁶³ *Certain Quartz Surface Products From India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*, 85 Fed. Reg. 25,398 (Dep't Commerce May 1, 2020) and accompanying Issues and Decision Memorandum.

¹⁶⁴ *Certain Quartz Surface Products From Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*, 85 Fed. Reg. 25,400 (Dep't Commerce May 1, 2020) and accompanying Issues and Decision Memorandum.

¹⁶⁵ See, e.g., USITC, Supplemental Report of the U.S. International Trade Commission Regarding Unforeseen Developments at 5 (stating that "a series of industrial policies, five-year plans, and other government support programs" implemented by the Chinese government was "unforeseen by the U.S. negotiators at the time that the United States acceded to GATT 1947, at the time that the United States acceded to the WTO, or at the time that the United States agreed to China's accession to the WTO.").

¹⁶⁶ EAPA Statistics, attached as **Exhibit 34**.

ongoing evasion of the orders, yet another circumstance that was not foreseen by negotiators at the time that relevant trade concessions were made.¹⁶⁷

Finally, in addition to being the result of unforeseen developments, the surge in imports of QSP is attributable to obligations the United States incurred as part of its accession to the WTO. As part of its obligations under GATT 1994 Article II and its Schedule of Concessions to the GATT 1994, the United States bound its ordinary customs duties on heading 6810.99.00.¹⁶⁸ As a result, the United States did not have the option of increasing its ordinary customs duties on QSP to reduce the injurious effects of the surge in imports seen in recent years.

Given these circumstances, the surge in imports has resulted from both unforeseen developments and obligations incurred by the United States as part of its accession to the WTO.

IX. EFFORTS TO COMPETE (19 C.F.R. § 206.14(H))

The domestic industry, including members of the QMAA, has devoted significant resources to staying competitive in the U.S. market. In 2018, the domestic industry successfully petitioned the U.S. government for AD/CVD relief from imports from China. The following year, in 2019, the domestic industry successfully petitioned the U.S. government for AD/CVD relief from imports from India and Turkey. In all these proceedings, members of the domestic industry expended significant time and resources to bring and participate in those investigations. Moreover, as discussed above, there has been a significant increase in investment and production capacity within the domestic QSP industry since 2020, including capital investments which the imposition of AD/CVD orders on QSP from China, India, and Turkey helped spur and new

¹⁶⁷ USITC, Supplemental Report Regarding Unforeseen Developments at 10.

¹⁶⁸ Schedule XX – United States of America at USA1-204 (GATT 1994).

producers entering the U.S. market, expanding the U.S. investment in and production capacity for QSP.

Unfortunately, the beneficial impact of the AD/CVD orders was short-lived and was never fully realized because surging imports from both subject and other import sources not subject to the orders rapidly increased. Two U.S. producers – Caesarstone and USA Quartz – were forced to close their factories and cease producing QSP in the United States. Other domestic producers were forced to curtail operations due to poor market conditions caused by import competition.

The domestic industry has spent considerable resources and energy to remain competitive, expand domestic capacity, reinvest in their businesses, and retain and attract customers. Despite these extensive and best efforts, the domestic industry now finds itself in a situation where safeguard relief is necessary.

X. IMPORTS FROM USMCA COUNTRIES (19 C.F.R. § 206.14(I))

Upon issuing an affirmative determination, the Commission must make an additional finding regarding United States-Mexico-Canada Agreement (“USMCA”) (formerly, North American Free Trade Agreement (“NAFTA”)) countries.¹⁶⁹ Specifically, the Commission shall consider whether: (1) the imported article from a USMCA country, considered individually,

¹⁶⁹ See United States-Mexico-Canada Agreement Implementation Act § 301, 19 U.S.C. § 4551(a). The Statement of Administrative Action accompanying the United States-Mexico-Canada Agreement Implementation Act (“USMCA SAA”) notes that Article 10.2 of the USMCA replicates Article 802 of the NAFTA, the provision providing for exclusion of a member country’s goods from global safeguard actions. See USMCA SAA at 23-24, available at <https://www.finance.senate.gov/imo/media/doc/FINAL%20SAA%20USMCA.pdf>. In addition, the USMCA SAA explains that Sections 301 and 302 of the USMCA Implementation Act maintain the treatment provided in Sections 311 and 312 of the NAFTA Implementation Act, formerly codified at 19 U.S.C. §§ 3371, 3372. *Id.*

account for a substantial share of total imports; and (2) the imported article from a USMCA country, considered individually, or in exceptional circumstances USMCA imports considered collectively, contributes importantly to the serious injury, or threat thereof, caused by imports.¹⁷⁰ With respect to the first prong, the statute states that imports from a USMCA country “normally shall not be considered to account for a substantial share of total imports if that country is not among the top five suppliers of the article subject to the investigation, measured in terms of import share during the most recent three-year period.”¹⁷¹ With respect to the second prong, the statute defines “contribute importantly” as an important cause, but not necessarily the most important cause.¹⁷² In determining whether imports have contributed importantly to the serious injury or threat thereof caused by imports, the Commission is directed to

consider such factors as the change in the import share of the USMCA country or countries, and the level and change in the level of imports from such country or countries. {I}mports from a USMCA country or countries normally shall not be considered to contribute importantly to serious injury, or the threat thereof, if the growth rate of imports from such country or countries during the period in which an injurious increase in imports occurred is appreciably lower than the growth rate of total imports from all sources over the same period.¹⁷³

¹⁷⁰ 19 U.S.C. § 4551(a)(1)-(2). Under the first prong of the statute, imports from a USMCA country normally will not be considered to account for a substantial share of total imports if that country is not among the top five suppliers of the article subject to investigation, based on the import share during the most recent three-year period. *Id.* § 4551(b)(1). Under the second prong, in determining whether imports from a USMCA country individually contribute importantly to the serious injury or threat thereof, the Commission shall consider factors such as the change in the import share of the USMCA country, the level of imports from such country, and the change in the level of imports from such country. *Id.* § 4551(b)(2). If imports from a USMCA country increased, the Commission will consider whether the rate of increase is appreciably lower than the growth rate of total imports from all sources over the same period. *Id.* § 4551(b)(2).

¹⁷¹ 19 U.S.C. § 4551(b)(1).

¹⁷² 19 U.S.C. § 4551(c).

¹⁷³ 19 U.S.C. § 4551(b)(2).

Imports from Canada and Mexico do not account for a substantial share of total imports as these countries were not among the top five suppliers of QSP during the most recent three-year period.¹⁷⁴ Additionally, the QMAA does not believe that imports from Canada or Mexico are contributing importantly to the serious injury, or threat of such injury, caused by imports of QSP. U.S. imports of QSP from Canada have steadily declined during the POI both in absolute terms and as a share of total U.S. imports.¹⁷⁵ Despite slight upticks in the last two years, U.S. imports of QSP from Mexico have similarly declined during the POI both in absolute terms and as a share of total U.S. imports.¹⁷⁶ In accordance with 19 C.F.R. § 206.14(i), the QMAA submits the following quantitative data on imports from Canada and Mexico.

U.S. Imports of QSP					
Import Quantity (sqf), Share of Total Imports (%), Average Unit Value (\$/sqf)					
Country	2020	2021	2022	2023	2024
Canada	8,143,946	7,762,021	5,899,960	4,948,064	4,714,433
Share of Total	6.0%	3.9%	2.7%	2.6%	2.0%
AUV	11.43	11.98	13.73	13.24	12.45
Mexico	188,950	34,703	17,459	35,962	54,056
Share of Total	0.14%	0.02%	0.01%	0.02%	0.02%
AUV	8.11	14.47	6.28	12.65	13.20
All Other	126,919,228	193,338,557	209,164,699	183,360,516	229,708,061
% of Total	93.8%	96.1%	97.2%	97.4%	98.0%
AUV	9.16	9.26	9.15	8.02	7.40
Total	135,252,123	201,135,281	215,082,118	188,344,542	234,476,551

Source: ITC Dataweb (U.S. imports for consumption for HTSUS subheadings 6810990010, 6810990020, and 6810990040).

The QMAA emphasizes that, while imports from Canada and Mexico did not account for a substantial share of total imports over the last five years, there is a serious risk that these two

¹⁷⁴ See U.S. Imports of QSP, attached as **Exhibit 1**.

¹⁷⁵ *Id.*

¹⁷⁶ *Id.*

countries may act as a locus of transshipment for QSP produced in other countries if they are exempted from any remedy imposed against imports of QSP. Thus, as a prophylactic measure to prevent this type of evasion from taking place and undermining the effectiveness of any remedy that is provided, imports of QSP from Canada and Mexico should be included in the scope of the remedy. As an alternative, a voluntary restraint agreement may be negotiated with Canada and Mexico that limits the volume of their exports of QSP to ensure they do not become transshipment waypoints.

XI. CRITICAL CIRCUMSTANCES (19 C.F.R. § 206.14(I))

The QMAA does not allege the existence of critical circumstances at this time and, therefore, does not request provisional relief. Nevertheless, the QMAA urges the Commission to conduct this investigation expeditiously and to recommend that the President grant the requested relief to the domestic industry as soon as possible.

XII. CONCLUSION

As set forth in this petition, the surge of QSP imports into the United States, which includes a significant volume of imports that are illegally evading AD/CVD duties or violating intellectual property protections, has been a substantial cause of serious injury, and poses an ongoing threat of further injury, to the domestic QSP industry. The QMAA therefore urges the Commission to initiate an investigation under Sections 201 and 202 of the Trade Act of 1974 and to grant prompt and effective relief to the U.S. QSP industry.

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PUBLIC VERSION

Respectfully Submitted,

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TABLE OF EXHIBITS

Exhibit	Description	Confidential Treatment Requested
1	U.S. Imports of Quartz Surface Products	No
2	U.S. Department of Justice Press Release, Allied Stone Inc. and Company Official Agree to Pay \$12.4M to Settle False Claims Act Allegations Relating to Evaded Customs Duties (Aug. 19, 2025)	No
3	Commerce Memo re: Scope Modification Determination in AD/CVD Investigations on QSP from China (Dep't Commerce May 14, 2019)	No
4	Letter from Committee for Statistical Annotation of Tariff Schedules (Jan. 3, 2023)	No
5	Customs Classification Ruling N340084 Re: The tariff classification of agglomerated glass slabs from China (July 19, 2024)	No
6	Customs Classification Ruling H303280 Re: Country of origin of quartz countertops; Section 301 trade remedy; 9903.88.03, HTSUS (Apr. 25, 2019)	No
7	Customs Classification Ruling N299117 Re: Country of origin determination of agglomerated quartz slabs (July 31, 2018)	No
8	Customs Classification Ruling N101559 Re: Country of origin marking of imported articles of agglomerated stone (May 10, 2010)	No
9	Calculation of Market Share	Yes
10	WTOC, Caesarstone Technologies announces closure of Richmond Hill Manufacturing Facility impacting over 100 employees (Dec. 18, 2023)	No
11	Caesarstone Provides Business Updates (Dec. 13, 2023)	No
12	Petitioner's Confidential Operational and Financial Performance	Yes
13	Stone Update, Caesarstone: Positioning for 2024 (Feb. 22, 2024)	No
14	Earnings call: Caesarstone sees strategic gains amid market slowdown (Aug. 8, 2024)	No
15	RESERVED	No

PUBLIC VERSION

16	MS International Recognized as One of the Top 20 Importers In 2023	No
17	RESERVED	No
18	Underselling Analysis	Yes
19	U.S. Census Bureau, Monthly New Residential Construction, July 2025 (May 16, 2025)	No
20	The National Association of Home Builders, “Remodeling Market Sentiment Down in the First Quarter” (Apr. 10, 2025)	No
21	Kitchen Countertop Trends: Bold Choices (Mar. 5, 2025)	No
22	Dee DePass, “It’s Hard But We Just Hustle,” <i>Star Tribune</i> (Nov. 20, 2022)	No
23	Chris Gadd, “100 jobs at new Dickson Dal-Tile facility, company reps at Dickson Co. fair,” <i>The Tennessean</i> (Sept. 4, 2018)	No
24	Floor Covering Weekly, “Daltile debuts new domestically made quartz lines” (Feb. 21, 2020)	No
25	“Exporter Guidoni Group to locate facility in Telfair County,” <i>The Albany Herald</i> (Nov. 27, 2019)	No
26	“Penetron Adds Durability to Georgia (USA) Stone Manufacturing Plant,” PRWeb.com (May 20, 2021)	No
27	“LG Hausys Expands Viatera Operations,” CountertopResource.com	No
28	MSI Surfaces, “MSI’s Luxalume Technology and Elite Quartz Manufacturing Collaboration” (Sept. 9, 2022)	No
29	MSI Surfaces, “MSI Announces Joint Venture with Spectrum Quartz to Build a Domestic State-of-the-Art Quartz Manufacturing Facility” (Dec. 11, 2019)	No
30	Elite Quartz Manufacturing, “Who We Are”	No
31	Dan Macdonald, “Cosentino buys land at the Cecil Commerce Center megasite for \$20.39 million,” <i>Jacksonville Daily Record</i> (Jan. 27, 2025)	No
32	Mike Mendenhall, “Plan to sell 330 acres of Cecil megasite to Spanish manufacturer Cosentino headed to City Counsel,”	No

PUBLIC VERSION

	<i>Jacksonville Daily Record</i> (Apr. 24, 2023)	
33	OK Stone, Inc.	No
34	EAPA Statistics	No
35	Safeguard Petition on Certain Crabmeat (Mar. 2, 2000)	No
36	Section 421 Petition on Consumer Tires from China (Apr. 20, 2009)	No