



PUBLIC VERSION

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Re: Notice of Initiation of Investigation and Interim Measures - EAPA Consolidated Case 7888

To the Representatives and Counsel of the above-referenced Entities:

This letter is to inform you that U.S. Customs and Border Protection (CBP) has commenced a formal investigation under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the Enforce and Protect Act (EAPA), against US Atlanta International Inc. (US Atlanta), Global Source & Supply, Inc. (Global Source), Cosmos Granite (East) Marble (Cosmos East)¹, and Cosmos Granite (West), LLC. (Cosmos West) (collectively, the Importers).² CBP is investigating whether the Importers evaded antidumping (AD) and countervailing (CVD) duty orders A-570-084 and C-570-085 on quartz surface products (QSP)

¹ Cosmos Granite (East) LLC and Cosmos Granite (West) LLC. are owned by the same individual.

² See January 18, 2024, four letters from the Allegor: (1) "Quartz Surface Products from the People's Republic of China: Request for an Investigation under the Enforce and Protect Act of US Atlanta International Inc." (EAPA 7888-US Atlanta Allegation), (2) "Quartz Surface Products from the People's Republic of China: Request for an Investigation under the Enforce and Protect Act of Global Source & Supply Inc." (EAPA 7909-Global Source Allegation), (3) "Quartz Surface Products from the People's Republic of China: Request for an Investigation under the Enforce and Protect Act of Cosmos Granite (East) LLC." (EAPA 7910-Cosmo East Allegation), and (4) "Quartz Surface Products from the People's Republic of China: Request for an Investigation under the Enforce and Protect Act of Cosmos Granite (West) LLC" (EAPA 7911-Cosmo West Allegation) (collectively, the Allegations).

from the People’s Republic of China (China).³ CBP has found that reasonable suspicion exists that the Importers entered subject QSP into the customs territory of the United States through evasion, and CBP has imposed interim measures.⁴

Period of Investigation

Pursuant to 19 C.F.R. § 165.2, entries covered by an EAPA investigation are “those entries of allegedly covered merchandise made within one year before the receipt of an allegation” Entry is defined as an “entry, or withdrawal from warehouse for consumption, of merchandise into the customs territory of the United States.”⁵ CBP acknowledged receipt of the properly filed allegation against the Importers on February 16, 2024.⁶ The entries covered by this investigation are those entered for consumption, or withdrawn from warehouse for consumption, from February 16, 2023 through the pendency of this investigation.⁷

Background

Initiation

On March 11, 2024, based on record evidence, the Trade Remedy Law Enforcement Directorate (TRLED) within CBP’s Office of Trade initiated this investigation under EAPA as a result of an allegation submitted by Cambria Company LLC (Alleger)⁸ concerning the evasion of AD/CVD duties by the Importers.⁹ The Allegations assert that the Importers evaded the *AD/CVD Orders* by importing QSP from China into the United States that was transshipped through Thailand and by failing to declare the correct country of origin.¹⁰

The Alleger contends that [[source](#)] shipment data suggest that the Importers received artificial stone (QSP) shipments classified under HTS 6810.99 from Elite Stonetech located at 27/10 Moo 8, Tambon Surasak, Amphoe Siracha, Chang Wat Chonburi 20110, Thailand (27/10 Moo 8) since January 2022 before the production site was operational.¹¹

The covered merchandise for the *AD/CVD Orders* is described in the scope as follows:

³ See *Certain Quartz Surface Products from the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 84 Fed. Reg. 33053 (Dep’t Commerce July 11, 2019) (*AD/CVD Orders*).

⁴ See 19 U.S.C. § 1517(e); see also 19 C.F.R. § 165.24.

⁵ See 19 U.S.C. § 1517(a)(4); see also 19 C.F.R. § 165.1.

⁶ See CBP email, “EAPA Cases 7888, 7909, 7910 and 7911– Official Receipt of Properly Filed Allegations,” dated February 16, 2024.

⁷ See 19 C.F.R. § 165.2.

⁸ The Alleger is a domestic producer of QSP and the petitioner before the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) in the original AD/CVD investigations; therefore, it qualifies for interested party status pursuant to 19 USC 1517(a)(6) and 19 CFR 165.1.

⁹ See CBP Memorandum, “Initiation of Investigation for EAPA 7888, 7909, 7910 and 7911 (Consolidated Case 7888 (Cons. 7888)),” dated March 11, 2024 (Initiation Notice).

¹⁰ See Allegations.

¹¹ See Allegations at Exhibit 3, import data.

The scope of the orders covers certain QSP. * QSP consist of 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). The incorporation of other materials, including, but not limited to, pigments, cement, or other additives does not remove the merchandise from the scope of the orders. However, the scope of the orders only includes products where the silica content is greater than any other single material, by actual weight. QSP are 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 of the orders includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope of the orders 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. Certain QSP are covered by the orders whether 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 regardless of the type of surface finish.

In addition, QSP are covered by the orders whether or not they are imported attached to, or in conjunction with, non-subject merchandise such as sinks, sink bowls, vanities, cabinets, and furniture. If QSP are imported attached to, or in conjunction with, such non-subject 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 of the orders if performed in the country of manufacture of the QSP.

* 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.¹²

In supporting Elite Stonetech's production capabilities, the Alleger [[information source methodology and date](#)

].¹³ [[source of information findings description](#)

¹² Note that the language following the asterisk appears as a footnote in the scope of the *AD/CVD Orders*.

¹³ See Allegations at 8-9.

].¹⁴ The Alleger maintained that Elite Stonetech’s website includes a photograph of its facility at the Chonburi address with the company’s signage on the entry gates; however, it is unknown when this photograph was taken. Elite Stonetech’s signage is not present in photographs from Google that were taken on two separate dates, one photograph in February 2019 and another photograph in June 2022.¹⁵ Additionally, the Alleger provided [information source findings description and date].¹⁶ Meanwhile, the import data indicates that Elite Stonetech is listed as the shipper for several shipments of QSP to the Importers.¹⁷ The [information source findings and activities].¹⁸

[information source methodology and findings].

However, [information source methodology and findings].¹⁹ [information source methodology and findings].²⁰ However, [information source findings]

].²¹ [the findings description].²² The Alleger claims that this evidence all reasonably suggests that Elite Stonetech was transshipping Chinese QSP to the United States.

Elite Stonetech’s website advertises its company as “a professional Artificial Stone manufacturer and supplier in Thailand” that has “two Quartz slab produce lines, counter-tops factories, and experienced local employees” that are able to offer “various kinds of Quartz Slabs and Countertops to all over the world.” Elite Stonetech also states that it is “focused on requirements from the United States.”²³

As for the establishment of Elite Stonetech’s facility, the Alleger provided documents from the Department of Business Development of the Thailand Ministry of Commerce indicating that Elite Stonetech was registered as a “Company Limited” on September 5, 2019, and is owned by

¹⁴ *Id.* at 8 and Exhibit 6.
¹⁵ *Id.* at 9 and Exhibit 9.
¹⁶ *Id.* at 8 and 9 and Exhibits 6 and 7.
¹⁷ *Id.*
¹⁸ *Id.* at Exhibit 6.
¹⁹ *Id.*
²⁰ *Id.*
²¹ *Id.*
²² *Id.* at Exhibit 6.
²³ *Id.* at 7 and Exhibit 7.

a Chinese national with a 49% stake.²⁴ The Alleger also points out that the establishment of this company occurred just two months after the publication of the *AD/CVD Orders* on QSP from China. The Alleger notes that 49% of the company's total shares is the maximum allowable foreign ownership to avoid prohibitions and restrictions applicable to majority foreign-owned companies under Thai law. While this information is not conclusive on its own, combined with the other evidence, it also reasonably suggests that Elite Stonetech was formed to transship Chinese QSP to the United States.

The Alleger also provided evidence of a link between Elite Stonetech and a Chinese QSP producer, named Kung Fu Stone, based in Xiamen province, China. Kung Fu Stone publicly published on its website statements suggesting that its products or products from other Chinese QSP producers can be purchased from Elite Stonetech in Thailand:²⁵

- “Do you want to import from China, but have problems with anti-dumping and high tariffs? Are you troubled by not finding reliable quartz suppliers and manufacturers? So, let us give you some inspiration and help through this article.
- Many famous Chinese quartz stone manufacturers and exporters have already begun to prepare to transfer their business to Thailand. In this way, customers can also enjoy fast delivery times and excellent quality.
- Quartz stone factories in China are famous for their fast delivery times. Meanwhile, Indian suppliers are often criticized for having slow deliveries. Then, if you are going to find a supplier from Thailand, you must also focus on the delivery time. Of course, some Chinese quartz slabs factories always have fast delivery times in Thailand too.
- With the development of the trade war between the United States and China, many American quartz importers cannot source directly from China. In 2018, the amount of quartz stone imported by the United States from China plummeted. So, why do many people still see a lot of Chinese quartz products in the US market? Of course, competition and friction between countries will always affect the development of enterprises. However, new approaches will always emerge as difficulties arise.
- So, if you can't import quartz stone directly from China, then Thailand, and Vietnam are very good choices.”²⁶

According to the Alleger, in the above statements on its website, Kung Fu Stone is careful not to specifically say Chinese QSP are being transshipped through Thailand. The Alleger also maintains that Kung Fu Stone's statements strongly imply that transshipment is happening, *i.e.*, to avoid paying the AD/CVD duties on Chinese-origin QSP with fast delivery times.²⁷ Notably, Elite Stonetech is specifically named as a Thai supplier of QSP in this article.²⁸

²⁴ *Id.* at 8 and Exhibit 8.

²⁵ *Id.* at 10-11.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.* at 10 and Exhibit 11.

Kung Fu Stone has also published on its website that "transshipment" of QSP "does exist" and "is not a minority," naming Taiwan, Malaysia, Thailand, Vietnam, and the Philippines as "common transit ports" that transship QSP from China to the United States.²⁹ Additionally, the *AD/CVD Orders* explicitly state that Chinese QSP remain subject to the *AD/CVD Orders* even if further finishing, packaging, or fabrication takes place in a third country (in this case, Thailand) before the QSP is shipped to the United States.³⁰ According to the Allegor, this information rises to the level of reasonable suspicion that the Importers are evading the *AD/CVD Orders* on QSP imports from Elite Stonetech.³¹

The Allegor further elaborated on the fact that imports of QSP from China are subject to AD duties of between 255.27 percent (%) and 326.15% and CVD duties of between 45.32% and 190.99%.³² Given these high AD/CVD rates, the Allegor states it is doubtful that the Importers properly designated their imports as subject to the *AD/CVD Orders* and paid combined AD/CVD duties of roughly 300% to 400%.³³ The AD/CVD rates used on QSP imported from Chinese companies that were not explicitly named in the *AD/CVD Orders*, the China-Wide Entity rate and the All Others rate, equal a combined 371.47%. Due to the high AD/CVD rates, the Allegor states that an incentive exists to falsify the country of origin for the alleged Chinese-origin QSP discussed in the Allegations.

Therefore, the Allegor concludes that all evidence reasonably suggests that the Importers are transshipping Chinese-origin QSP through Thailand and that they failed to declare the correct country of origin to the United States to evade paying the duties as per the *AD/CVD Orders*.

Initiation Assessment

TRLED will initiate an investigation if it determines that "the information provided in the allegation ... reasonably suggests that the covered merchandise has been entered for consumption into the customs territory of the United States through evasion."³⁴ Evasion is defined as "the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the covered merchandise."³⁵ Thus, the allegation must reasonably suggest not only that merchandise subject to an AD and/or CVD

²⁹ *Id.* at 11 and Exhibit 11. The complete statement from the website says this: "3.3 Transshipment of goods, change of origin: We do not know the legality of this matter, but it does exist, and it is not a minority. For example, there with lots of Chinese Quartz Suppliers who export quartz slabs to Taiwan, then repackage, change the place of production, and export to the United States under the name of Taiwan-made quartz stone. In this way, customers will not be troubled by high tariffs.."

³⁰ *Id.*

³¹ *Id.*

³² See *AD/CVD Orders*.

³³ See Allegations at 12.

³⁴ See 19 C.F.R. § 165.15(b); see also 19 U.S.C. § 1517(b)(1).

³⁵ See 19 U.S.C. § 1517(a)(5)(A); see also 19 C.F.R. § 165.1 (setting forth the definition of "evasion").

order was entered into the United States by the importer through evasion, but that such entry was made by a material false statement or act, or material omission, which resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security.

In assessing the basis for the Allegations, CBP finds that the information in the Allegations reasonably suggests that the Importers may have entered merchandise covered by the *AD/CVD Orders* on QSP into the customs territory of the United States through evasion.³⁶ Specifically, the [[information source findings and date](#)

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Also, the high AD/CVD rates for Chinese-origin QSP are an incentive to transship QSP from China. Lastly, a Chinese QSP producer, Kung Fu Stone, mentioned Elite Stonetech and implied that Chinese QSP could easily be sent via third countries to avoid the payment of AD/CVD duties in the United States. Therefore, all this information reasonably suggests that the Importers may be entering Chinese-origin QSP covered by the *AD/CVD Orders* into the United States by evasion.

Interim Measures

Not later than 90 calendar days after initiating an investigation under EAPA, TRLED will decide based on the record of the investigation if there is reasonable suspicion that merchandise covered by the AD/CVD Orders was entered into the United States through evasion. CBP need only have sufficient evidence to support a reasonable suspicion that the importers alleged to be evading entered merchandise covered by the AD/CVD Orders into the United States, by a materially false statement or act, or material omission that resulted in the reduction or avoidance of applicable AD or CVD cash deposits or other security. If reasonable suspicion exists, CBP will impose interim measures pursuant to 19 U.S.C. § 1517(e) and 19 C.F.R. § 165.24. As explained below, CBP is imposing interim measures because there is a reasonable suspicion that the Importers entered covered merchandise into the United States through evasion by transshipping Chinese-origin QSP subject to the *AD/CVD Orders* through Thailand and failure to tender the AD/CVD duties deposits.³⁷

CBP Issued CBP Form 28 (CF-28) Requests for Information

On March 29, 2024, CBP issued nine CF-28s to the Importers, requesting supporting entry, sales and production documents to review and verify the goods imported. The documents were requested for the entries listed in the below table.³⁸

Table 1. List of Entries CBP issued CF-28 Requests for Information

³⁶ See Allegations.

³⁷ See 19 C.F.R. § 165.24(a).

³⁸ See CF-28 Requests for Information on entries 9638, 3499, 8025, 0781, 8676, 2116 and 4914, dated March 29, 2024; see also CF-28 Request for Information on entries 5420 and 9554, dated April 3, 2024.

Importer Name	Entry Number	Entry Date	HTS Number	Country of Origin Name
Cosmos Granite (East) LLC	[no.]9638 (entry 9638)	2/16/2023	6810990040	THAILAND
Cosmos Granite (West) LLC	[no.]3499 (entry 3499)	2/28/2023	6810990040	THAILAND
Cosmos Granite (East) LLC	[no.]8025 (entry 8025)	2/27/2024	6810990040	THAILAND
Cosmos Granite (East) LLC	[no.]0781 (entry 0781)	3/28/2024	6810990040	THAILAND
US Atlanta International Inc	[no.]8676 (entry 8676)	5/23/2023	6810990080	THAILAND
US Atlanta International Inc	[no.]2116 (entry 2116)	5/31/2023	6810990040	THAILAND
US Atlanta International Inc	[no.]4914 (entry 4914)	7/5/2023	6810990080	THAILAND
Global Source & Supply Inc	[no.]5420 (entry 5420)	2/21/2023	6810990020	THAILAND
Global Source & Supply Inc	[no.]9554 (entry 9554)	5/19/2023	6810990040	THAILAND

Specifically, the CF-28s requested the following information— (1) entry summary supporting documents, such as commercial invoice, bill of lading (B/L), purchase order (P/O), packing list, freight invoice, proof of payment (*i.e.*, wire transfers, canceled checks, bank statement, *etc.*), (2) the QSP production records to include the dated transportation document from the manufacturer and supplier to the loading port and from the foreign port to the U.S. port of entry, (3) a list of raw materials to produce the QSP (the supplier commercial invoice for each raw material and the dated receipt with a signature of receipt for the raw materials), (4) the foreign customs clearance documentation if raw material(s) are imported, (5) a demonstration of how the manufacturer ties the raw material to the finished product, (6) a flow chart of the production process that explains clearly what raw materials are used at each step, (7) a list of all the equipment used on site in producing QSP, along with the description of each equipment function and its capacity to produce for each stage, and photographs of all production machinery and equipment, (8) a list of employees for the QSP manufacturer, and (9) a copy of the business registration or articles of incorporation and physical address location of the QSP manufacturer and its mailing address.

CF-28 Responses for Entries 9638, 0781 and 8025— Cosmos East

On April 13, 2024 and April 24, 2024, CBP received the CF-28 responses for entry 9638 pertaining to container no. [letter-no.].³⁹ The documents submitted include: a proforma invoice from [name] to Cosmos Granite & Marble at 278 Mason Road, LaVergne, TN 37086, dated October 21, 2022 for 60 pieces of artificial stone (JS-9171 Calacatta Colline), total value of \$[no.]; a commercial invoice from [name] to Cosmos Granite (East)-BNA at 278 Mason Road, Lavergne, TN 37086, dated December 8, 2022 for 60 pieces artificial stone total value of \$[no.] with reference to no. [no.] and P/O no. [no.]; a packing list, dated December 8, 2022; a certificate of origin issued by Thailand Ministry of Commerce, dated January 3, 2023 for [no.]kg of artificial stone (Colline), invoice no. [no.]; photos of the raw material mixing, polishing, pressing and oven machines; photos of the quality check and packing stations; proof of payment to Amata International Logistics Co., Ltd. on December 30, 2022; P/O no. [no.] from Cosmos Granite (East)-BNA to [letter-no.], dated October 21, 2022 for 60 slabs of Calacatta Colline

³⁹ See April 13, 2024 Cosmos East CF-28 response for entry 9638 (Entry 9638 CF-28 Response).

CQ 3CM [letter-no.] total value of \$[no.]; receipts for the raw materials such resin, quartz sand and quartz powder; B/L from [name] to Cosmos Granite (East)-BNA dated December 14, 2022; and a business license document in the Thai language.⁴⁰ CBP noted from these documents that Cosmos Granite & Marble and Cosmos Granite (East) operate out of the same address and were both involved in this same sales transaction.

On May 5, 2024, CBP received the CF-28 response for entry 0781 pertaining to container no. [letter-no.]⁴¹ and the CF-28 response for entry 8025 pertaining to container no. [letter-no.].⁴² The importer submitted similar information for each entry. Documents submitted included: the raw materials records for the coupling agent, quartz grits, quartz powder and resin, along with the raw material inventory lists for [name and location address] factory; container booking; proof of payments; photos of the raw materials, loading station, and mixing machines; shipping documents from [name]; P/O; proforma invoice; packing list; and the workers list.⁴³

Even with all the documents provided, the CF-28 responses for these three entries were incomplete. The documents did not tie the raw materials to production or tie production to the entries in question. Without this information, CBP is unable to determine that Thailand is the country of origin for these entries. Therefore, even though the factories may exist in Thailand, we cannot verify that they produced the U.S. imports in question. This, combined with further information discussed below, provides reasonable suspicion that the reported Thai companies may not have actually produced the QSP in Thailand.

CF-28 Responses for 5420— Global Source

Global Source's CF-28 response for entry 5420 was received on April 30, 2024.⁴⁴ The documents submitted include the P/O no. [letter], dated September 23, 2022 for Elite Stonetech, proof of payment for \$[no.] dated September 27, 2022, arrival notice for container no. [letter-no.], house bill of lading no. [letter-no.] containing [no.] kgs of QSP dated February 20, 2023, Elite Stonetech commissioning test run sheet dated October 25, 2022, Elite Stonetech trial polishing report dated October 26, 2022, Elite Stonetech production flow report dated November 22, 2022, Thai Ministry of Commerce certificate of origin dated February 3, 2023, a production flow chart with black and white photos of machines, an employees list, and raw materials invoices and sale contracts for materials such as quartz grits, resin and titanium dioxide.⁴⁵

⁴⁰ *Id.*

⁴¹ See May 5, 2024 Cosmos East CF-28 Response for entry 0781 (Entry 0781 CF-28 Response).

⁴² See May 5, 2024 Cosmos East CF-28 Response for entry 8025 (Entry 8025 CF-28 Response).

⁴³ *Id.*

⁴⁴ See April 30, 2024 Global Source CF-28 response for entry 5420 (Entry 5420 CF-28 Response).

⁴⁵ *Id.*

Even with all the documents provided, the CF-28 response for this entry was incomplete. The documents did not contain information to tie the raw materials to production or to tie production to the entry in question. The fact that the production documents do not tie to the imported goods in the reviewed entry, combined with the information in the Allegation and further information discussed below, provides reasonable suspicion that Elite Stonetech did not actually produce the QSP in Thailand.

CF-28 Responses for 9554— Global Source; 3499—Cosmos West; and 8676, 2116, and 4914— US Atlanta

Importers Cosmos West and US Atlanta failed to comply with CBP’s CF-28 requests for information.⁴⁶ As of May 31, 2024, CBP has not received any CF-28 response from Cosmos West for entry 3499 nor for Global Source entry 9554.⁴⁷ Similarly, CBP has not received any response from US Atlanta’s CF-28s for entries 8676, 2116 and 4914.⁴⁸ Accordingly, for these five entries, the importers have not provided any information substantiating that the QSP they imported from Thailand was produced in Thailand. Because the importers did not provide any documents substantiating their entries’ purported Thai production and have not cooperated with CBP’s CF-28 requests, reasonable suspicion exists that US Atlanta’s entries, Cosmos West’s entry and one of Global Source’s entries may have entered through evasion.

CBP Trade Data

CBP reviewed its trade data to validate the Alleger’s claim of QSP being exported from Elite Stonetech before its production site was operational. CBP data confirm that Elite Stonetech had one shipment of artificial stone to the United States in September 2018, and then started regular shipments of stone slabs to the United States from November 2019 through December 2023.⁴⁹ It

⁴⁶ See 19 C.F.R. § 163.6(a) requiring importers to produce the supporting documentation to CBP upon request. This means by written, oral, or electronic notice, any Customs officer may require the production of entry records by any person listed in § 163.2(a) who is required under this part to maintain such records, even if the entry records were required at the time of entry. Any oral demand for entry records shall be followed by a written or electronic demand. The entry records shall be produced within 30 calendar days of receipt of the demand or within any shorter period as Customs may prescribe when the entry records are required in connection with a determination regarding the admissibility or release of merchandise. Should any person from whom Customs has demanded entry records encounter a problem in timely complying with the demand, such person may submit a written or electronic request to Customs for approval of a specific additional period of time in which to produce the records; the request must be received by Customs before the applicable due date for production of the records and must include an explanation of the circumstances giving rise to the request. Customs will promptly advise the requesting person electronically or in writing either that the request is denied or that the requested additional time period, or such shorter period as Customs may deem appropriate, is approved. The mere fact that a request for additional time to produce demanded entry records was submitted under this section shall not by itself preclude the imposition of a monetary penalty or other sanction under this part for failure to timely produce the records, but no such penalty or other sanction will be imposed if the request is approved and the records are produced before expiration of that additional period of time.

⁴⁷ See CF-28 Requests for Information on entries 3499 and 9554, dated March 29, 2024.

⁴⁸ See CF-28 Requests for Information on entries 8676, 2116 and 4914, dated March 29, 2024.

⁴⁹ See CBP May 30, 2024 Memo to the File, “Supplemental Information to the Administrative Record of EAPA Consolidated Case 7888” (CBP’s May 30th Memo).

is suspicious that Elite Stonetech sent a shipment of [no.] kg of artificial stone to the United States before it was registered as being operational with the Thai government on September 5, 2019.⁵⁰ In addition, CBP found that Elite Stonetech was dissolved as a company, according to the Thai government, on November 27, 2023.⁵¹ CBP data also indicated that Cosmos East switched from importing QSP from Elite Stonetech to importing QSP from [name] following the dissolution of Elite Stonetech.⁵² Although Cosmos East provided some evidence that [name] has production facilities in Thailand, the switch from buying from one company, Elite Stonetech, that appears to not have produced QSP in Thailand to another one, whose photographs⁵³ on Google maps do not show a large or robust operation, provides reasonable suspicion that the QSP imported was not produced in Thailand.

Other Research

CBP research also indicates that there are several Cosmos Granite companies all owned and registered by the same individual named Vainsi Mohan Nallapati. Mr. Nallapati owns, among others, CGM Group LLC, Cosmos Granite (East), LLC; Cosmos Granite (West) LLC; Cosmos Granite (Central) LLC; Cosmos Granite (D.C.) LLC; and Cosmos Granite & Marble NC LLC.⁵⁴ Cosmos East and Cosmos Granite & Marble also share address in Tennessee as indicated in entry 9638. Hence, CBP has reason to believe these various companies are affiliated and that Cosmos East and Cosmos West may in fact be the same corporate entity and thus should be investigated as such.⁵⁵

[name]

CBP investigated [name]'s affiliations and ownership for a possible link to Elite Stonetech, since Elite Stonetech is no longer operational. According to the Thai government, [name] is owed solely by three Chinese nationals.⁵⁶ CBP found that the "boss" of [name], named Huang Xiangdong, is located in Fujian, China. Huang Xiangdong is a director and key principle of [name] and [name].⁵⁷ Furthermore, Huang Xiangdong is the owner of [names], which manufactures QSP in Fujian, China. [name] does not appear to have its own website, but its Facebook page links to [name], also a Chinese QSP manufacturer. Based on a comparison of photos obtained from Facebook and [name] website of the inside

⁵⁰ *Id.* attachment 2 and 4

⁵¹ *Id.* attachment 4.

⁵² *Id.* attachment 6.

⁵³ *Id.* attachment 5. [name]'s website photos don't seem to line up with the empty looking warehouse facility shown on Google maps. The Google maps facility looks overrun by vegetation and does not show a lot of activity. The photos in Cosmos East's CF-28 response to entry 9638 look like [name] is operating inside a new factory that is clean.

⁵⁴ *Id.* attachments 1 and 3.

⁵⁵ See Cosmos East's CF-28 response to entry 9638.

⁵⁶ *Id.* attachment 5.

⁵⁷ *Id.*

of the factory and warehouse, including photos of the entire floor of the factory and close up shots of certain machinery and inventory, it appears that [name] is affiliated with, or operates under the name of, [name] and that the two companies share one factory.⁵⁸ Therefore, based on all of the above, [name] is affiliated with Chinese QSP producers [name].⁵⁹

Based on the totality of evidence on the record, CBP finds there is reasonable suspicion that the Importers entries of QSP from Elite Stonetech were not produced in Thailand. This is supported by the Allegations establishing that no such operating factory existed in July 2023, well before the company's official dissolution later that year, and that Elite Stonetech shipped artificial stone to the United States in 2018 before it even became a legal company in Thailand. This is also supported by the lack of fulsome information about Elite Stonetech in the CF-28 response provided by Global Source and the fact that US Atlanta and Cosmos West did not provide any CF-28 responses at all about their imports from Elite Stonetech. Similarly, record evidence shows there is reasonable suspicion that the entry that Cosmos East imported from [name] entered through evasion. Namely, Cosmos East provided no evidence that the production documents provided tied to the shipped merchandise, and [name] has a known affiliation with two Chinese manufacturers of QSP.

Thus, there is reasonable suspicion that the Importers may have engaged in evasion of the Chinese QSP *Orders* by transshipping the Chinese-origin QSP through Thailand, and by falsifying the country of origin to evade AD/CVD duty deposits, when entering QSP shipments into the United States.

Enactment of Interim Measures

Based on the record evidence described above, CBP has determined that reasonable suspicion exists that the Importers entered Chinese-origin QSP into the customs territory of the United States in evasion of the *AD/CVD Orders*. Therefore, TRLED is implementing interim measures pursuant to this investigation.⁶⁰ Specifically, in accordance with 19 U.S.C. § 1517(e)(1)-(3), CBP shall:

- (1) For all Importers, suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after March 11, 2024, the date of the initiation of the investigation;
- (2) For Cosmos East and US Atlanta,⁶¹ pursuant to the Commissioner's authority under section 1504(b) of this title, extend the period for liquidating each unliquidated entry of such covered merchandise that entered before the date of the initiation of the investigation; and

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ See 19 U.S.C. § 1517(e); see also 19 C.F.R. § 165.24.

⁶¹ Currently, Cosmos West and Global Source do not have unliquidated entries of QSP from Thailand and as such this interim measure would not apply.

- (3) For all Importers, pursuant to the Commissioner's authority under section 1623 of this title, take such additional measures as the Commissioner determines necessary to protect the revenue of the United States, including requiring a single transaction bond or additional security or the posting of a cash deposit with respect to such covered merchandise.⁶²

In addition, for all Importers, CBP will require live entry and reject any non-compliant entry summaries, as well as require refile of entries that are within the entry summary rejection period. CBP will also evaluate the Importers' continuous bonds to determine sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 U.S.C. § 1517(h).

Consolidation of the Investigations

CBP is consolidating EAPA investigations 7888, 7909, 7910 and 7911 on the Importers into a single investigation. The new consolidated (cons.) case number will be EAPA Cons. Case 7888, and a single administrative record will be maintained. At its discretion, CBP may consolidate multiple allegations against one or more importers into a single investigation, pursuant to 19 C.F.R. § 165.13(b), which stipulates that the factors that CBP may consider in consolidating multiple allegations include, but are not limited to, whether the multiple allegations involve: 1) relationships between the importers; 2) similarity of covered merchandise; 3) similarity of AD/CVD orders; and 4) overlap in time periods of entries of covered merchandise.⁶³ The Importers in these four investigations entered the same covered merchandise subject to the same *AD/CVD Orders* on QSP from China.⁶⁴ It appears as though two of the importers are affiliated. In addition, the Importers' entries overlap during a similar period of investigation. Because factors warranting consolidation are present in these investigations, CBP is consolidating them and will provide notice pursuant to 19 C.F.R. § 165.13(c).

Any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation must be made electronically using EAPA's case management system (CMS) at <https://eapallegations.cbp.gov/>. Please provide a business confidential and public version to CBP via the CMS. Administrative record documents will be available via the EAPA CMS/Portal at <https://eapallegations.cbp.gov/>.⁶⁵ Please note that CBP is requiring that all documents submitted via the CMS are made text searchable, especially if those documents are submitted as PDFs.

Should you have any questions regarding this investigation, you may contact us at eapallegations@cbp.dhs.gov and somboun.dauble@cbp.dhs.gov with "EAPA Cons. Case 7888" in the subject line of your email. Additional information on this investigation, including the applicable statute and regulations, may be found on CBP's website at: <https://www.cbp.gov/trade/trade-enforcement/tftea/eapa>.

⁶² See 19 C.F.R. § 165.24.

⁶³ See also 19 U.S.C. § 1517(b)(5).

⁶⁴ See CBP's May 30th Memo at attachments 1 and 3.

⁶⁵ See 19 C.F.R. § 165.4; see also 19 C.F.R. § 165.23(c) and 19 C.F.R. § 165.26.

Sincerely,

A handwritten signature in blue ink, appearing to read "Victoria Cho".

Victoria Cho
Director, Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
Office of Trade