



U.S. Customs and Border Protection

PUBLIC VERSION

July 31, 2024

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RE: Notice of Initiation of Investigation and Interim Measures for EAPA Case Number 7839

Dear Counsel and/or Representatives for the Above-Referenced Entities:

This letter serves 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). Specifically, CBP is investigating whether AXN Heavy Duty LLC (AXN, or the Importer) evaded the antidumping duty (AD) order (A-570-135) and countervailing duty (CVD) order (C-570-136) on certain chassis and subassemblies thereof from the People's Republic of China (China)¹ (collectively, covered merchandise) by entering covered merchandise into the United States without declaring it as subject to the *Orders* and paying the applicable AD/CVD duties. Based on a review of information on the record, CBP has determined there is reasonable suspicion of evasion of AD/CVD duties by AXN; therefore, CBP has imposed the interim measures outlined below.

¹ See *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Antidumping Duty Order*, 86 Fed. Reg. 36,093 (Dep't Commerce, Jul. 8, 2021) (*AD Order*) and *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 Fed. Reg. 24,844 (Dep't Commerce, May 10, 2021) (*CVD Order*), respectively (collectively, the *Orders*).

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”² Entry is defined as an “entry for consumption, or withdrawal from warehouse for consumption, of merchandise in the customs territory of the United States.”³ On April 2, 2024, SAF-HOLLAND, Inc. (SAF) filed an EAPA allegation against the Importer.⁴ CBP acknowledged receipt of the properly filed EAPA allegation against AXN on April 4, 2024.⁵ Therefore, the entries covered by the period of investigation (POI) are those entered for consumption, or withdrawn from warehouse for consumption, from April 4, 2023, through the pendency of this investigation.⁶

Initiation

On April 25, 2024, the Trade Remedy Law Enforcement Directorate (TRLED) within CBP’s Office of Trade initiated an investigation under EAPA as a result of the allegation submitted by SAF regarding the evasion of AD/CVD duties by AXN.⁷ SAF alleged that U.S. importer AXN imported covered merchandise without declaring such merchandise as subject to the AD/CVD orders on certain chassis and subassemblies thereof from China and paying the applicable AD/CVD duties.⁸

TRLED will initiate an investigation if it determines that “{t}he 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....”⁹ Evasion is defined as “entering covered merchandise into the customs territory of the United States 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 merchandise.”¹⁰ Thus, the allegation must reasonably suggest not only that the importer alleged to be evading entered merchandise covered by an AD and/or CVD order into the United States, but also that such entry was made by a material false statement or act, or material omission, that resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security. As discussed below, TRLED found the information provided in the Allegation reasonably suggested that AXN evaded the *Orders* by

² See 19 C.F.R. § 165.2.

³ See 19 C.F.R. § 165.1.

⁴ See Letter from SAF, “Allegation of Evasion of Antidumping Order via Non-Declaration of Subject Merchandise and Non-Payment of AD/CVD Tariffs,” dated April 2, 2024 (Allegation).

⁵ See CBP Email, “EAPA 7839 - Receipt of Allegation,” dated April 4, 2024.

⁶ See 19 C.F.R. § 165.2.

⁷ See CBP Memorandum, “Initiation of Investigation for EAPA Case Number 7839,” dated April 25, 2024 (Initiation Memorandum).

⁸ See Allegation at 1-2, 7, and 9.

⁹ See 19 C.F.R. § 165.15(b); see also 19 U.S.C. § 1517(b)(1).

¹⁰ See 19 U.S.C. § 1517(a)(5); see also 19 C.F.R. § 165.1 (setting forth the definition of “evasion”).

entering covered merchandise into the United States and failing to declare the merchandise as subject to the applicable AD/CVD orders.

The scope of the *Orders* states, in relevant part:

The merchandise covered by this order consists of chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport....

Subject merchandise includes, but is not limited to, the following subassemblies:

- Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
- Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;
- Landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and
- Assemblies that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this order.

Subject merchandise also includes chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: Hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

Individual components entered and sold by themselves are not subject to the order, but components entered with or for further assembly with a finished or unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers....

The finished and unfinished chassis subject to this order are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under order is dispositive.¹¹

SAF contends that for several years it has sold axles and slide box subassemblies to various U.S. trailer manufacturers, including [customer].¹² SAF states that in late 2021 and early 2022, it served as the primary supplier of slide box subassemblies for [customer's] U.S.-produced container chassis, but in late 2022, [customer] informed SAF that it was obtaining slide box subassemblies from a second supplier, AXN.¹³ SAF maintains it was also advised that [customer] was purchasing the axles for its container chassis from AXN.¹⁴ According to SAF, AXN does not manufacture slide box subassemblies or axles in the United States, but imports them from its parent company, Guangdong Fuwa Group Engineering Co. Ltd. (Fuwa), which produces them in its facility in Shenzhen, China.¹⁵ SAF indicates that AXN is located in Louisville, Kentucky.¹⁶

SAF asserts that, as defined in the *Orders*, these slide box subassemblies and axles imported for further assembly into container chassis are covered merchandise.¹⁷ SAF claims it is highly unlikely that AXN could import these products and pay the requisite AD/CVD duties while remaining competitive with SAF's products; in fact, SAF asserts that representatives of [customer] informed SAF that they believe these products are not covered merchandise and that AXN is not declaring or paying AD/CVD duties.¹⁸

To support its allegation, SAF provides an affidavit from [name] (Affiant), SAF's [title] for the original equipment manufacturer (OEM) trailer market and the primary account manager for [customer].¹⁹ The Affiant attests that in April 2023,

¹¹ See *AD Order*, 86 FR at 36,094-95 and *CVD Order*, 86 FR at 24,845.

¹² See Allegation at 7.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.* at 3.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.* at 8 and Attachment 1.

[customer's] purchasing management indicated to the Affiant that it would purchase chassis slide box subassemblies from AXN in addition to SAF.²⁰ The Affiant also declared that during a visit to [customer's] facility in [city, state] in April 2023, the Affiant observed about 200 AXN chassis slide box subassemblies on their lot. The Affiant states that on subsequent visits, [pro-noun] witnessed AXN slide box subassemblies installed on completed container chassis trailers ready for delivery to customers; photographs from the Affiant's visits include a picture of an AXN serial tag on a slide box subassembly that contains the description "Intermodal Slider" and a reference to "Louisville, KY" but no mention of manufacture in China.²¹ The Affiant declares that [pro-noun] is not aware of chassis slide box subassembly production by AXN in the United States, and that to the best of [poss-pro-noun] knowledge and as advised by [customer] representatives, this product is made at Fuwa's manufacturing facility in China.²²

As further support for its allegation, SAF provides screenshots from 2023 LinkedIn social media posts by [name], [title] for AXN regarding [poss-pro-noun] trip to Fuwa in China to visit the production site of the slide box subassemblies and axles.²³ One screenshot consists of a post in which [name] stated:

I have not visited our manufacturing plants since 2019. It's great to finally travel back to Fuwa and see all the amazing upgrades in our manufacturing capabilities!

It is awesome to see our galvanized sliders and axles being completed and the preparation for shipping. Two components of our 555 Galvanized Under Carriage Program!²⁴

The screenshots also include pictures showing container chassis slide box subassemblies and axles at the Fuwa facility in China, which, according to SAF, were later imported into the United States.²⁵

Lastly, SAF provides photographs from the Intermodal Association of North America exhibition that took place in Long Beach, California, in September 2023.²⁶ SAF asserts the first photograph depicts the AXN/Fuwa display booth promoting AXN/Fuwa-brand chassis subassemblies and components, including slide box subassemblies, axles, and landing gear; according to SAF, all were produced by Fuwa in China.²⁷ SAF further asserts these chassis subassemblies and components are distributed by AXN and intended for use on U.S. container chassis.²⁸ SAF claims that additional photographs from the display booths of U.S. trailer OEMs Fontaine Trailer and Jansteel show container chassis with Chinese-made AXN/Fuwa axles, and, on the Jansteel

²⁰ *Id.*

²¹ *Id.*

²² *Id.* at Attachment 1.

²³ *Id.* at 8 and Attachment 2.

²⁴ *Id.* at Attachment 2.

²⁵ *Id.* at 8 and Attachment 2.

²⁶ *Id.* at 8 and Attachments 3 through 5.

²⁷ *Id.* at 8 and Attachment 3.

²⁸ *Id.* at Attachment 3.

container chassis, a Chinese-made AXN/Fuwa slide box subassembly.²⁹ According to SAF, photographs taken at the Jansteel display booth show that the AXN serial tag plate on the slide box subassembly notes “Louisville, KY” and the label on the axle states that it was “Designed, Engineered and Assembled in the USA.”³⁰ However, AXN avers, both products are manufactured in China.³¹

In assessing the claims made and evidence provided in the Allegation, CBP found the information submitted by SAF reasonably suggested that AXN evaded the *Orders* by entering covered merchandise into the customs territory of the United States without declaring the merchandise as subject to the *Orders*. Specifically, SAF was informed by representatives of U.S. customer [customer] that they believed the slide box subassemblies and axles imported by AXN are not covered merchandise and that AXN is not declaring or paying AD/CVD duties.³² In addition, an affidavit provided in the Allegation includes the statements of an SAF official attesting to [customer's] recent decision to purchase chassis slide box subassemblies from AXN; the SAF official’s observations and photographs of AXN chassis slide box subassemblies and completed container chassis with AXN slide box subassemblies at this U.S. customer’s location; and the SAF official’s knowledge that AXN does not produce slide box subassemblies in the United States, but at Fuwa’s manufacturing facility in China.³³ Further, the social media posts by an AXN official recount that official’s visit to Fuwa’s plants in China to see the manufacturing site of the slide box subassemblies and axles.³⁴ Lastly, photographs from the Intermodal Association of North America exhibition in September 2023 depict the installation of AXN/Fuwa axles and a slide box subassembly on U.S. trailer OEMs’ container chassis.³⁵ TRLED found this information reasonably suggested evasion, and, thus, on April 25, 2024, TRLED initiated an EAPA investigation of AXN.³⁶

Interim Measures

Not later than 90 calendar days after initiating an investigation under EAPA, CBP will decide based on the record evidence if there is reasonable suspicion that merchandise covered by an AD and/or CVD order was entered into the United States through evasion.³⁷ CBP need only have sufficient evidence to support a reasonable suspicion that the importer alleged to be evading entered merchandise covered by an AD and/or CVD order into the customs territory of the United States by a materially false statement or act, or material omission, that resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security.³⁸ 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, based

²⁹ *Id.* at 8 and Attachments 4 and 5.

³⁰ *Id.* at 8-9 and Attachment 5; *see also* Letter from SAF, “Correction of Error in Description of Photograph on Page 8-9 of EAPA Allegation,” dated April 24, 2024, at 1-2.

³¹ *Id.* at 8-9 and Attachment 5.

³² *Id.* at 7.

³³ *Id.* at 8 and Attachment 1.

³⁴ *Id.* at 8 and Attachment 2.

³⁵ *Id.* at 8 and Attachments 4 and 5.

³⁶ *See* Initiation Memorandum.

³⁷ *See* 19 C.F.R. § 165.24(a); *see also* 19 U.S.C. § 1517(e).

³⁸ *Id.*

on the record evidence, there is reasonable suspicion that AXN entered covered merchandise into the customs territory of the United States through evasion.

CF-28 Responses

On May 3 and May 14, 2024, CBP issued Customs Form 28 (CF-28) requests for information to AXN for two entries during the POI, [#]1687 and [#]9958, respectively.³⁹ In the CF-28s, CBP requested information regarding the merchandise entered under Harmonized Tariff Schedule (HTS) numbers 8716.90.5060 and 8716.90.5010, both of which are listed in the scope of the *Orders* as HTS numbers that may be used to classify covered merchandise.⁴⁰ AXN declared the merchandise listed under these HTS numbers on these two entries as type 01 (*i.e.*, not subject to AD/CVD duties).⁴¹ Specifically, CBP requested information related to production including raw material purchase documentation, production records, labor records, a description of the production process, and information regarding the machinery used for production.⁴² CBP also requested information pertaining to the transaction between the foreign manufacturer and AXN, such as purchase orders, bills of lading, original commercial invoices, certificates of origin, and proof of payment documentation.⁴³ In addition, CBP requested information regarding any final assembly in the United States and how the imported products are used.⁴⁴

AXN provided responses to the CF-28s for both entries on June 18, 2024.⁴⁵ AXN reported that the products included in entry [#]1687 consisted of [products].⁴⁶ According to AXN, the [products] are “universal parts suitable for semi-trailers;” AXN stated they are individual parts that are “ [description of how products are used].”⁴⁷ AXN claimed that universal parts for semi-trailers are not dedicated to any specific type of use trailer and, thus, they are not subject to the *Orders* “because they are not dedicated to the production of container chassis or subassemblies thereof from China.”⁴⁸ AXN also claimed that the question regarding any final assembly in the United States did not apply because it “entered the goods as individual parts and sold the goods as individual parts.”⁴⁹

³⁹ See CF-28 issued to AXN for entry [#]1687 on May 3, 2024 (CF-28 for Entry [#]1687), and CF-28 issued to AXN for entry [#]9958 on May 14, 2024 (CF-28 for Entry [#]9958).

⁴⁰ See *AD Order*, 86 FR at 36,094-95 and *CVD Order*, 86 FR at 24,845.

⁴¹ See CBP Data, “EAPA Receipt Report (7839),” dated April 11, 2024 (EAPA Receipt Report).

⁴² See CF-28 for Entry [#]1687 and CF-28 for Entry [#]9958.

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ See Letter from AXN, “CBP Form 28-Request for Information Responses AXN Heavy Duty LLC Entry Nos. [#]1687 and [#]9958,” dated June 18, 2024, at Exhibit 1 (CF-28 Response for Entry [#]1687) and Exhibit 2 (CF-28 Response for Entry [#]9958).

⁴⁶ See CF-28 Response for Entry [#]1687 at 2-3.

⁴⁷ *Id.* at 6.

⁴⁸ *Id.*

⁴⁹ *Id.*

AXN reported that Fuwa manufactured the [product] at its production facility in China.⁵⁰ CBP observed that the total value on the invoice and total quantity on the packing list from Fuwa to AXN matched the sum of the values and quantities recorded in CBP systems for entry [#]1687, which comprised two line numbers (one for which HTS number 8716.90.5060 was declared and another for which 8716.90.5010 was declared).⁵¹ Since all the products on the invoice and packing list were described as [products], it is unclear why AXN would have declared two different HTS numbers for the two line numbers for this entry. CBP noted references to “[product]” in some of the associated production records, indicating the imported products are meant to be incorporated into chassis components and/or subassemblies.⁵²

For entry [#]9958, AXN reported that the merchandise reported under HTS numbers 8716.90.5060 and 8716.90.5010 consisted of [products].⁵³ AXN stated the merchandise consisted of “individual parts universal for semi-trailers” and described each item as follows:

Item	Description
[product]	A [product] that does not contain [product]
[product]	[description]
[product]	[description of how product is used]
[product]	[description of product and how it is used] ⁵⁴

As with the CF-28 response for the other entry, AXN asserted these items are universal parts for semi-trailers that are not dedicated to any specific type of use trailer and, therefore, are not covered merchandise “because they are not dedicated to the production of container chassis or subassemblies thereof from China.”⁵⁵ In response to the question about whether any final assembly occurs in the United States, AXN stated the following:

AXN is an importer of individual parts of trucks and trailers. The parts have multiple uses which are based upon AXN’s end-user customer’s needs.

AXN also provides domestic assembly services for customers of [description of products, work performed, and use

⁵⁰ *Id.* at 2-5 and attachments referenced therein, and Attachment 12 (certificate of origin). CBP notes that AXN referred to the manufacturer as “Fuwa” in its narrative response; the supporting documentation in the attachments contains references to “[company name],” “[abbrev],” “[abbrev],” “[company name],” Fuwa,” and “[company name].”

⁵¹ *Id.* at Attachments 1.4 and 1.5; *see also* EAPA Receipt Report. As noted above, both are listed in the scope of the *Orders* as HTS numbers that may be used to classify covered merchandise.

⁵² *Id.* at, e.g., Attachment 6 (noting the Product name as “[product]” on [name of production record] and Attachment 8 (noting the “[product]” department in the “[name of production]” and including a “[name of production record]” for each product type).

⁵³ *See* CF-28 Response for Entry [#]9958 at 2-4 and 7.

⁵⁴ *Id.* at 3-4.

⁵⁵ *Id.* at 7.

]⁶⁰

AXN reported that Fuwa manufactured the merchandise at issue at its production facility in China.⁵⁷ To explain how raw materials can be tied to the “final shipped product,” AXN provided a written description from Fuwa, which stated that the “packed products” included, among others, “[#, product] of type [product numbers] of order [#]” and “[#, product] of {type} [product numbers] of order [#].”⁵⁸ Fuwa provided information explaining how the [product] serial numbers (barcodes) could be traced to a specific [details of shipment] and also to raw materials and production processes, including assembly.⁵⁹ Notably, Fuwa states:

With the serial number of this [product], it can be traced back to the [product information] of the [product], the [product] assembly record, the assembly date of [month date, year], the attendance record of the assembly personnel on [month date, year], and the equipment used by the employees. Similarly, the [production information] of the [product] can be used to trace production records, quality records, and employee attendance records of other processes in the same [product grouping].⁶⁰

Cargo Exams

On July 2, 2024, CBP conducted a cargo exam of entry number [#]0952.⁶¹ The CBP Form 7501 (*i.e.*, entry summary) for this entry shows that AXN declared it as type 01, meaning not subject to AD/CVD duties, and some of the merchandise was declared under HTS number 8716.90.5010.⁶² According to the associated invoice and packing list, the merchandise declared under this HTS number consisted of [products and product numbers

].⁶³ CBP took various photographs of the cargo contained in the entry; some of the photographs appear to show [products].⁶⁴ The photographs also show labels stating “Made in China,” tags stating “Fuwa,” and serial plates containing information such as model and serial numbers and the marking “AXN Heavy Duty Louisville, KY USA.”⁶⁵ One serial plate in

⁵⁶ *Id.* at 8.

⁵⁷ *Id.* at 4-6 and various attachments referenced therein, and Attachment 12 (certificate of origin).

⁵⁸ *Id.* at Attachment 11.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ See CBP Memorandum, “EAPA Case No. 7839 – Cargo Examination for Entry [#]0952,” dated July 22, 2024 (Cargo Exam Memorandum for Entry [#]0952).

⁶² *Id.* at Attachment 1.

⁶³ *Id.*

⁶⁴ *Id.* at Attachment 2.

⁶⁵ *Id.*

particular indicates the product is [[product number](#)], which denotes a [[product](#)] according to AXN’s website (discussed further under “Other Information Examined by CBP” below).⁶⁶

CBP also conducted a cargo exam of entry number [<#>]2974 on July 3, 2024.⁶⁷ The entry summary for this entry also indicated that AXN declared it as type 01 and some of the merchandise was declared under HTS number 8716.90.5010.⁶⁸ The related invoice and packing list described this merchandise as [[products](#)].⁶⁹ Photographs taken by CBP show subassemblies that, based on the picture of the serial plate, are [[products](#)].⁷⁰ In one of the pictures, there is a label stating “Made in China.”⁷¹

Other Information Examined by CBP

CBP reviewed the information posted on AXN’s website (<http://www.axnheavyduty.com>). AXN states that it is an American company headquartered in Louisville, Kentucky, that serves trucks, trailers, and buses in the OEM and aftermarket segments.⁷² AXN declares that on-site personnel support its North American customers with, among other things, “Final Assembly” and “Direct Shipment Planning.”⁷³ AXN indicates that its headquarters and warehouse in Kentucky has “93,000 square feet of manufacturing and kitting space” and that manufacturing occurs at Fuwa’s facility in Taishan, China.⁷⁴ AXN states that the Fuwa facility in Taishan is staffed by Fuwa and AXN managers and engineers.⁷⁵ In a press release concerning direct-ship solutions, John Logan, AXN’s Vice President of Sales, stated, “We have seen a lot of interest in our direct-ship solutions over the past several months, and are coming up with creative ways to deliver complete ‘trailer kits’ in one convenient container – direct to your door. It is like offering bulk-rate pricing without bulk-rate quantities.”⁷⁶ The press release also states that Fuwa’s manufacturing facility in Taishan and its “newly operational Shunde plant” (presumably also in China) “support AXN by supplying assembled axles, mechanical suspensions and landing gear.”⁷⁷

The drop-down menu for the “Products” tab on AXN’s website indicates that AXN’s three main product offerings are trailer axles, suspensions, and landing gear.⁷⁸ AXN’s website includes detailed information about each, including key features, specifications, pictures, and

⁶⁶ *Id.*

⁶⁷ See CBP Memorandum, “EAPA Case No. 7839 – Cargo Examination for Entry [<#>]2974,” dated July 22, 2024 (Cargo Exam Memorandum for Entry [<#>]2974).

⁶⁸ *Id.* at Attachment 1.

⁶⁹ *Id.*

⁷⁰ *Id.* at Attachment 2.

⁷¹ *Id.*

⁷² See CBP Memorandum, “EAPA Case No. 7839 – Information on AXN Heavy Duty LLC’s Website,” dated July 22, 2024 (AXN Website Memorandum), at Attachment 2.

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Id.* at Attachment 5.

⁷⁷ *Id.* CBP presumes Shunde is in China because an Internet search of “Shunde” yields results referencing China. *Id.* at Attachment 6.

⁷⁸ *Id.* at Attachment 3.

nomenclature.⁷⁹ For example, the sales brochure for trailer axles includes, among other information, product illustrations and a nomenclature chart:

▶ AXN 12.25 Brake Trailer Axle

▶ AXN 16.5 Brake Trailer Axle

▶ AXN Drop Center Trailer Axle

▶ AXN Crank Trailer Axle

▶ AXN Disc Brake Trailer Axle with Wabco Pan 22

AXN TRAILER AXLE NOMENCLATURE					
Product	Nominal Beam Rating	Spindle Type	Brake Size (in.)	Brake Type	Track (in.)
TA Trailer Axle	200 20.0K lbs	T Tapered	67 16.5 x 7	E Extended Service	715 71.5"
TAC Trailer Axle Crank	225 22.5K lbs	P Parallel	27 12.25 x 7.5	S Standard Service	775 77.5"
TAD Trailer Axle Drop Center	250 25.0K lbs		68 16.5 x 8	D Disc	Custom Tracks also available.
	300 30.0K lbs		69 16.5 x 8.625		
			W2 Wabco Pan 22		

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AXN’s website also advertises “Mix and Match Trailer Kits” for axles, suspensions, landing gear, or “ALL 3.”⁸¹ For instance, the sales brochure for mechanical suspensions contains information about overslung and underslung suspensions as well as “Features & Benefits,” which includes details about front, center rocker, and rear hangers and “connections” (underslung axle seats, underslung spring seats, adjustable radius rods, overslung axle top and bottom plates, overslung axle seats, fixed radius rods, and u-bolts).⁸² Underneath the “Features & Benefits” section, AXN advertises kits as shown below:

KITTING AND DELIVERY OPTIONS

Single Axle Kit w/Axle Connections + Expansion Kit w/Axle Connections = KIT

Add One More Expansion Kit for Tridem Application

BULK

YOUR CONTAINER, YOUR WAY, DIRECT!
MIX & MATCH TRAILER KITS:
Suspensions, Axles, Landing Gear or all Three!

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AXN’s website also provides information about other products besides trailer axles, suspensions, and landing gear under the “Literature” tab.⁸⁴ Two such products are the “G-Rail Chassis Slider” and the “Z-Rail Chassis Slider,” which, AXN states, are both designed for chassis trailers.⁸⁵

⁷⁹ *Id.* at Attachments 3 and 4.

⁸⁰ *Id.* at Attachment 4.

⁸¹ *Id.* at Attachments 3 and 4.

⁸² *Id.* at Attachment 4.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

Additionally, CBP reviewed data in its systems regarding entries made by AXN during the POI of merchandise classified under the HTS numbers listed in the scope of the *Orders*.⁸⁶ CBP observed that of [#] entries, AXN declared [#] of those entries as type 03 (*i.e.*, subject to AD/CVD duties); [# of entries] consisted of [#] line numbers, [#] for which HTS number 8716.90.5010 was declared and [#] for which HTS number 8716.90.5060 was declared.⁸⁷

Analysis

In assessing the record evidence, CBP finds that based on information submitted by SAF, AXN's CF-28 responses, the cargo examinations conducted by CBP, and other information placed on the record by CBP, there is reasonable suspicion that AXN entered merchandise covered by the *Orders* into the customs territory of the United States through evasion by failing to declare the merchandise as subject to, and subsequently failing to pay, AD/CVD duties on covered merchandise.

As an initial matter, AXN does not dispute that the merchandise at issue in the CF-28s was of Chinese origin. In fact, AXN reported in its CF-28 responses that the imported merchandise was manufactured in China by Fuwa.⁸⁸ AXN's website also conveys that its products are manufactured by Fuwa in China.⁸⁹ Photographs taken during cargo exams confirm this, as they show barcodes and labels on the imported merchandise stating, "Made in China."⁹⁰

AXN's website indicates that its three main product offerings are trailer axles, suspensions, and landing gear, and that Fuwa supplies AXN with "assembled axles, mechanical suspensions and landing gear."⁹¹ AXN's website also references other products, such as sliders for chassis trailers.⁹² As noted in the scope of the *Orders*, subject merchandise includes subassemblies such as "landing gear assemblies" and "{r}unning gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels."⁹³ The scope of the *Orders* also states that it covers "chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled..." and that "{i}mportation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this order."⁹⁴ Further, the scope of the *Orders* states:

Individual components entered and sold by themselves are not subject to the order, but components entered with or for further assembly with a finished or

⁸⁶ See EAPA Receipt Report. The HTS numbers listed within the scope of the *Orders* are 8716.39.0090, 8716.90.5060, and 8716.90.5010. See *AD Order*, 86 FR at 36,094-95 and *CVD Order*, 86 FR at 24,845.

⁸⁷ *Id.*

⁸⁸ See generally CF-28 Response for Entry [#]1687 and CF-28 Response for Entry [#]9958.

⁸⁹ See AXN Website Memorandum at Attachments 2 and 5.

⁹⁰ See Cargo Exam Memorandum for Entry [#]0952 at Attachment 2 and Cargo Exam Memorandum for Entry [#]2974.

⁹¹ *Id.* at Attachments 3 and 5.

⁹² *Id.* at Attachment 4.

⁹³ See *AD Order*, 86 FR at 36,094 and *CVD Order*, 86 FR at 24,845.

⁹⁴ *Id.*

unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.⁹⁵

Thus, the scope of the *Orders* makes it clear that landing gear and slider subassemblies for container chassis, which AXN openly advertises on its website, are subassemblies that are subject to the *Orders*. Moreover, the scope of the *Orders* makes it clear that components such as axles and suspensions, which AXN also advertises on its website, are subject to the *Orders* when entered with or for further assembly with an unfinished chassis, which, in turn, include subassemblies, whether assembled or unassembled.

In its CF-28 responses, AXN claimed that the merchandise at issue are all universal parts for semi-trailers, and therefore, are not dedicated to any specific type of use trailer.⁹⁶ As a result, AXN asserted these universal parts are not subject to the *Orders* “because they are not dedicated to the production of container chassis or subassemblies thereof from China.”⁹⁷ However, information on the record demonstrates that AXN is dedicating at least some portion of the merchandise it imports from Fuwa to container chassis. In the Allegation, an SAF employee attested that [customer], one of SAF’s customers, informed SAF that it would be purchasing chassis slide box subassemblies from AXN; the SAF employee also attested that during a visit to the customer’s facility, [pronoun] observed AXN chassis slide box subassemblies and later observed AXN slide box subassemblies installed on completed container chassis trailers ready for delivery to customers.⁹⁸ SAF also stated in the Allegation that it was informed that [customer] was purchasing the axles for its container chassis from AXN.⁹⁹ In addition, photographs in the Allegation from the Intermodal Association of North America exhibition in September 2023 show the Fuwa/AXN display booth promoting AXN/FUWA-brand chassis subassemblies and components, including slide box subassemblies, axles, and landing gear.¹⁰⁰ Photographs from the same exhibition depict Fontaine Trailer and Jansteel container chassis with AXN axles, and an AXN slide box subassembly on the Jansteel container chassis.¹⁰¹

In its CF-28 response for entry [#]1687, AXN stated the imported [products] were individual parts that were entered and sold as such.¹⁰² Despite AXN’s claim that the [products] are individual parts, information on AXN’s website suggests that they are not necessarily sold individually. Rather, the sales brochure for [products] references [products] under [portion of brochure].¹⁰³ Further, AXN’s website is replete with references to “trailer kits” for suspensions, axles, and landing gear.¹⁰⁴ This indicates that, in the case of [products] that are unassembled at the time of entry, customers can purchase them in the form of a kit that would seemingly include the [product]. Moreover,

⁹⁵ *Id.*

⁹⁶ See CF-28 Response for Entry [#]1687 at 6 and CF-28 Response for Entry []9958 at 7.

⁹⁷ *Id.*

⁹⁸ See Allegation at Attachment 1.

⁹⁹ *Id.* at 7.

¹⁰⁰ *Id.* at Attachment 3.

¹⁰¹ *Id.* at Attachments 4 and 5.

¹⁰² See CF-28 Response for Entry [#]1687 at 6.

¹⁰³ See AXN Website Memorandum at Attachment 4.

¹⁰⁴ *Id.* at Attachments 3 and 4.

AXN's website advertises that it supports its customers through final assembly.¹⁰⁵ The scope of the *Orders* states that “{i}mportation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this order” and “{i}ndividual components entered and sold by themselves are not subject to the order, but components entered with or for further assembly with a finished or unfinished chassis are subject merchandise.”¹⁰⁶ Accordingly, even if AXN deems its entries of certain merchandise to be “individual parts,” their inclusion in kits meant for assembly into subassemblies for container chassis, or their incorporation into subassemblies *via* final assembly by AXN, suggests that at least some of the “individual parts” entered by AXN are meant “for further assembly” into subassemblies.

In its CF-28 response for entry [#]9958, AXN also asserted the imported products at issue ([products]) were individual parts.¹⁰⁷ However, AXN describes the “[product]” as a [product], which appears to be depicted as a chassis component and/or subassembly in the [product] sales brochure on AXN's website.¹⁰⁸ Moreover, the sales brochure for [products] contains references to [product option].¹⁰⁹ As for the [product], AXN describes this product as a “[description].”¹¹⁰ Separately, AXN states that it offers “domestic assembly services for customers of [description of products].”¹¹¹ However, in the narrative description from Fuwa contained in AXN's CF-28 response for this entry, Fuwa explained how the [product] serial numbers could be traced to raw material and production processes; notably, Fuwa referred to the product as [product], not [product].¹¹² Fuwa also noted the [products] bore AXN part numbers [#] and [#], which, incidentally, correspond with the product nomenclature for [products] in the [product] sales brochure on AXN's website.¹¹³

Likewise, for entry [#]0952, for which CBP conducted a cargo exam, the invoice and packing list referenced, among other products, [products].¹¹⁴ Some of the photographs taken as part of the cargo exam show what appear to be [products].¹¹⁵ One photograph shows a serial plate indicating the product is [product number], which denotes a [product] based on the nomenclature in the [product] sales brochure.¹¹⁶

Lastly, a photograph taken during the cargo exam for entry number [#]2974 showed a serial plate with the description [product]; the invoice and packing list described the imported merchandise as [products].¹¹⁷ Although it is unclear whether [products]

¹⁰⁵ *Id.* at Attachment 2.

¹⁰⁶ *See AD Order*, 86 FR at 36,094 and *CVD Order*, 86 FR at 24,845.

¹⁰⁷ *See* CF-28 Response for Entry [#]9958 at 3-4.

¹⁰⁸ *Id.* at 3 and AXN Website Memorandum at Attachment 4.

¹⁰⁹ *See* AXN Website Memorandum at Attachment 4.

¹¹⁰ *See* CF-28 Response for Entry [#]9958 at 4.

¹¹¹ *Id.* at 8.

¹¹² *Id.* at Attachment 11.

¹¹³ *Id.* and AXN Website Memorandum at Attachment 4.

¹¹⁴ *See* Cargo Exam Memorandum for Entry [#]0952 at Attachment 1.

¹¹⁵ *Id.* at Attachment 2.

¹¹⁶ *Id.*

¹¹⁷ *See* Cargo Exam Memorandum for Entry [#]2974.

are covered by the scope of the *Orders*, the entry of subassemblies such as these further demonstrates that AXN is not merely importing individual parts.

In sum, evidence on the record shows that AXN's product offerings include chassis subassemblies and components such as trailer axles, suspensions, landing gear, and sliders for chassis trailers that are manufactured by Fuwa in China. Based on information in the Allegation, the record demonstrates that AXN is dedicating at least some portion of the merchandise it imports from Fuwa to container chassis. Nonetheless, CBP systems show that AXN declared as type 03 only [#] of [#] POI entries of merchandise classified under the HTS numbers listed in the scope of the *Orders*. Accordingly, CBP finds there is reasonable suspicion that AXN evaded the AD/CVD orders on certain chassis and subassemblies thereof from China by failing to declare entries of covered merchandise as subject to the AD/CVD orders.

Enactment of Interim Measures

Based on the record evidence described above, CBP determines reasonable suspicion exists that AXN entered merchandise subject to AD order A-570-135 and CVD order C-570-136 on certain chassis and subassemblies thereof from China into the United States without declaring them as subject to the *Orders* and paying the requisite AD/CVD duties. Consequently, there is reasonable suspicion of evasion. Therefore, CBP is imposing interim measures pursuant to this investigation.¹¹⁸ Specifically, in accordance with 19 U.S.C. § 1517(e)(1)-(3), CBP shall:

- (1) suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after April 25, 2024, the date of the initiation of the investigation;
- (2) pursuant to the Commissioner's authority under 19 U.S.C. § 1504(b), extend the period for liquidating each unliquidated entry of such covered merchandise that entered before April 25, 2024, the date of the initiation of the investigation; and
- (3) pursuant to the Commissioner's authority under 19 U.S.C. § 1623, 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.¹¹⁹

In addition, CBP will require live entry and reject any entry summaries that do not comply with live entry and require refile of entries that are within the entry summary rejection period. CBP may also evaluate AXN's continuous bond to determine its sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 U.S.C. § 1517(h).

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 to serve the parties to this investigation (*i.e.*, to the parties identified at the top of this notice). Administrative record documents will be available *via* the EAPA Portal; to learn

¹¹⁸ See 19 U.S.C. § 1517(e); see also 19 C.F.R. § 165.24.

¹¹⁹ See also 19 C.F.R. § 165.24(b)(1)(i)-(iii).

more about the Administrative Protective Order (APO) process for EAPA investigations, including eligibility requirements, please see the APO Handbook, found at <https://www.cbp.gov/document/user-documentation/administrative-protective-order-apo-handbook>.¹²⁰ Please note that CBP is requiring that all documents submitted *via* the CMS be 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 Deborah.Scott@cbp.dhs.gov with “EAPA Case 7839” 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>.

Sincerely,



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

¹²⁰ See 19 C.F.R. § 165.4; *see also* 19 C.F.R. § 165.23(c) and 19 C.F.R. § 165.26.