



U.S. Customs and  
Border Protection

June 27, 2017

Public Version

**EAPA Case Number: 7184**

Yan Li  
Diamond Tools Technology  
9339 Castlegate Dr.  
Indianapolis, IN 46256-1002

**Re:** Notice of interim measures taken as to Diamond Tools Technology LLC concerning a reasonable suspicion as to evasion of the antidumping duty order on Diamond Sawblades from the People's Republic of China

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Dear Mr. Li,

This letter is to inform you that on June 21, 2017, U.S. Customs and Border Protection ("CBP") conducted a site visit of Diamond Tools Technology LLC ("DTT")'s supplier, Diamond Tools Technology (Thailand) Co., Ltd. ("DTT Thailand"), to determine whether it was transshipping merchandise subject to the antidumping duty order on diamond sawblades from the People's Republic of China ("China"), A-570-900. As explained below, CBP has determined that there is a reasonable suspicion that DTT has entered merchandise into the United States through evasion and CBP has taken the interim measures described below.

Background

On June 27, 2017, the Trade Remedy Law Enforcement Directorate (TRLED), Office of Trade, notified the parties, Diamond Sawblades Manufacturers Coalition ("DSMC") and DTT, that CBP had initiated an 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), on DTT's entries of diamond sawblades from DTT Thailand. The notice detailed the evidence contained on the record and explained the inconsistencies therein. Additionally, the notice informed the parties that the identified discrepancies required further investigation before interim

measures would be applied. Lastly, the notice indicated that CBP had conducted a site visit of DTT Thailand's facility to verify the record information.

### Interim Measures

CBP has determined that there is a reasonable suspicion that the importer entered covered merchandise into the customs territory of the United States through evasion. *See* 19 C.F.R. §165.24(a). After initiation, CBP conducted a site visit of DTT Thailand in [ ], Thailand on June 21, 2017. The scheduled DTT Thailand point of contact changed on the date of the visit from [ ], who claimed to be the Export and Import Manager, to [ ], the Human Resource and Purchase-Sale Manager, who accompanied CBP and acted as a Chinese interpreter throughout the tour of the facility. CBP first met with Vice General Manager, [ ], and Production Manager, [ ] for the initial interview in a conference room. In the initial interview, DTT Thailand representatives reported that the company operates [ ] days per week from [ ]-[ ] and has a capacity to manufacture up to [ ] units of diamond sawblades annually, in various sizes, with the average daily production capacity varying based on the sizes of units being produced: [ ] small size units ([ ] mm) and [ ] large size units for (greater than [ ] mm). In terms of distribution, exports to the United States account for [ ]%, other non-Thai countries account for [ ]%, and the remaining [ ]% is for Thailand. However, in contrast, the DTT Thailand representatives later stated that the company produces [ ] units (of all sizes) monthly for export to the United States and [ ] units monthly for non-U.S. exports. Thus it indicated that the company exports [ ] units annually rather than [ ] as initially claimed. Yet, its exports to the United States in 2016 were [ ] pieces and if exports to the United States make up [ ]% of its distribution, then its production should only be around [ ] pieces, far lower than what it claimed to export.

Following the initial interview, CBP proceeded with a walk-through of the production floor to observe DTT Thailand's manufacturing and work flow process. CBP noted that about [ ] of facility's machines were not in use and [ ] of the employees were responsible for operating more than one station. Moreover, CBP noticed [ ] packages of [ ] diamond sawblades at the packing station where "Made in Thailand" labels are affixed on the outside of packages. However, when CBP inquired as to the equipment used for that type of packaging, DTT Thailand's representatives failed to identify any equipment that could package in that manner. Additionally, while providing a tour of the facility, CBP noticed that DTT Thailand was storing unsegmented saw blades and other raw materials in the middle of the production floor and that packaged and finished goods awaiting shipping for export were simply stored on pallets on the production floor. Due to this unusual method for storage of raw material and finished goods, CBP inquired whether DTT Thailand had any warehouse space. Ms. [ ] informed CBP that the facility had no [ ] space. However, CBP took a photograph of a door marked "[ ]" in both Thai and English, which we were not permitted to enter.

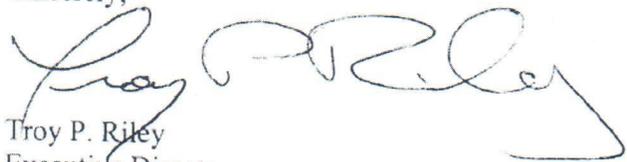
CBP need only have evidence sufficient to support a reasonable suspicion that merchandise subject to an antidumping or countervailing duty order was entered into the United States by the importer alleged to be evading by a material false statement or act, or material omission, that resulted in the reduction or avoidance of applicable antidumping or countervailing duty cash

deposits or other security. Accordingly, based on the foregoing, there is reasonable suspicion that merchandise imported by DTT was entered as to evasion of the antidumping order on Diamond Sawblades from the People's Republic of China. DTT Thailand's refusal to permit inspection of certain areas of its facility, including one marked "[redacted]," while stating it did not exist, coupled with the fact that there were sawblades that did not appear to be packaged there, along with discrepant information on its actual production capacity support the determination that there is a reasonable suspicion as to evasion for merchandise imported from DTT Thailand. For these reasons, we have determined to take interim measures.

Entries under this investigation that entered the United States as not subject to antidumping duties, will be rate-adjusted to reflect that they are subject to the antidumping duty order on diamond sawblades from China and cash deposits are owed. Additionally, "live entry" is required for all future imports for DTT, meaning that all entry documents and duties are required to be provided before cargo is released by CBP into the U.S. commerce. CBP will reject any entry summaries and require a refile for those that are within the entry summary reject period; suspend the liquidation for any entry that has entered on or after March 22, 2017, the date of initiation of this investigation; as well as extend the period for liquidation for all unliquidated entries that entered before that date. *See* 19 C.F.R. §165.24(b)(1)(ii) and (ii). For any entries that have liquidated and for which CBP's reliquidation authority has not yet lapsed, CBP will reliquidate those entries accordingly. CBP will also be evaluating DTT's continuous bond to determine its sufficiency, among other measures, as needed.

For any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation, please provide a public version to CBP, as well as to Mr. Pickard, counsel for DSMC, at [dpickard@wileyrein.com](mailto:dpickard@wileyrein.com). *See* 19 C.F.R. §§165.4, 165.23(c), and 165.26. Should you have any questions regarding this investigation, please feel free to contact us at [capallegations@cbp.dhs.gov](mailto:capallegations@cbp.dhs.gov). Please include your EAPA case Number "7184" in the subject line of your email. Additional information on these investigations, including the applicable statute and regulations, may be found on CBP's website at: <https://www.cbp.gov/trade/trade-enforcement/t/en/enforce-and-protect-act-eapa>.

Sincerely,



Troy P. Riley  
Executive Director  
Trade Remedy & Law Enforcement Directorate  
Office of Trade