



U.S. Customs and  
Border Protection

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**PUBLIC VERSION**

EAPA Case Number: 7270

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**Re: Notice of Final Determination as to Evasion**

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Dear Ms. Levinson and Mr. Rucker:

Pursuant to an examination of the record in Enforce and Protect Act (“EAPA”) Investigation Number 7270, U.S. Customs and Border Protection (“CBP”) has determined that there is not substantial evidence that Newtrend USA Co., Ltd. (“Newtrend USA”) entered into the customs territory of the United States, through evasion, merchandise covered by antidumping duty (“AD”) order A-570-836<sup>1</sup> on glycine from China (“AD order”). Specifically, CBP finds that substantial evidence on the record does not demonstrate that Newtrend USA imported Chinese-origin glycine (“covered merchandise”) into the United States by transshipping covered merchandise through Thailand during the period covered by this EAPA investigation.

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<sup>1</sup> See *Glycine from the People’s Republic of China: Antidumping Duty Order*, 60 Fed. Reg. 16,116 (Dep’t Commerce, Mar. 29, 1995).

## Background

On October 16, 2018, CBP initiated an investigation pursuant to Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the “Enforce and Protect Act” or “EAPA.”<sup>2</sup> On September 24, 2018, CBP acknowledged receipt of an allegation, properly filed by Salvi Chemical Industries Ltd. (“Salvi”), a foreign exporter of covered merchandise.<sup>3</sup> The allegation, which was filed on September 17, 2018, reasonably suggested that Newtrend USA evaded the payment of AD cash deposits on entries of Chinese-origin glycine. In its allegation, Salvi asserted that Newtrend USA evaded AD order A-570-836 on glycine from China<sup>4</sup> by transshipping Chinese-origin glycine through Thailand, and upon entry into the United States, declared the merchandise as a product of Thailand and not subject to the AD order.<sup>5</sup> In accordance with 19 C.F.R. 165.2, entries covered by this investigation are those entered for consumption, or withdrawn from a warehouse for consumption, from September 24, 2017, one year before receipt of the allegation, through the pendency of the investigation.

Salvi alleged that Newtrend Food Ingredient (Thailand) Co., Ltd. (“Newtrend Thailand”), an affiliate of Newtrend USA that supplies glycine to Newtrend USA, did not have access to an adequate volume of the major raw materials for glycine production, mono-chloro acetic acid (“MCAA”) and hexamine, to support the production of glycine in the amount it exported to the United States. Salvi asserted that to its knowledge there was no domestic production of either raw material in Thailand during the period 2016-2018.<sup>6</sup> Furthermore, Salvi submitted trade data that showed the volume of imports of MCAA and hexamine into Thailand during the period 2016-2018 was inadequate to produce the volume of glycine that Newtrend Thailand exported to the United States.<sup>7</sup>

Salvi alleged that Newtrend USA and its affiliates<sup>8</sup> were purchasing Chinese-origin glycine or intermediate glycine products, shipping the glycine from China to Thailand, and then re-exporting that same Chinese-origin glycine to the United States claiming Thailand as the country of origin. To substantiate this allegation, Salvi submitted data from Great Import Export for five

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<sup>2</sup> See Memorandum to Carrie L. Owens, Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7270” (Oct. 16, 2018).

<sup>3</sup> See Email acknowledging receipt from EAPA Allegations, “EAPA Case Number 7270” (Sept. 24, 2018).

<sup>4</sup> The scope of the AD order covers glycine of all purity levels. In a 2002 scope ruling, the Department of Commerce (“Commerce”) determined that all glycine further processed or “purified” from Chinese-origin technical grade, or “crude,” glycine in a third country and exported to the United States is subject to the AD order on glycine from China. Based on Commerce’s determination, glycine of any purity level originating from China is subject to the AD order. Furthermore, refining or further processing in a third country of glycine of any purity level originating from China will not exclude the merchandise from the AD order. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Deputy Assistant Secretary for Import Administration, “Final Scope Ruling; Antidumping Duty Order on Glycine from the People’s Republic of China (A-570-836); (Watson Industries Inc.)” (May 3, 2002).

<sup>5</sup> See Salvi’s EAPA Allegation (Sept. 17, 2018) (“Allegation”) and Supplement to Allegation (Oct. 11, 2018).

<sup>6</sup> See Allegation at 7 and Supplement to Allegation.

<sup>7</sup> See Allegation at 7-9 and Exhibits 10-11; see also Supplemental Information filed by Salvi (Oct. 15, 2018).

<sup>8</sup> Salvi states that these affiliates include Newtrend Thailand; Ji An Newtrend Technology Co., Ltd.; Jiangxi Ansun Chemical Technology Co., Ltd.; Nanchang Newtrend Technology Co., Ltd.; Shenzhen Newtrend International Co., Ltd.; and Xi Zang Newtrend Fine Chemical Technology Co., Ltd. These affiliates, along with Newtrend USA, are part of the Newtrend Group. See Allegation at 1 and Exhibit 14.

shipments of glycine made to Newtrend USA from Thailand.<sup>9</sup> The supporting documents contained information derived from House Bills of Lading that reflected shipments of “glycine Thai,” with an origin of “China,” from Laem Chabang, Thailand to Los Angeles, California. The supporting documents also consisted of information tying those House Bills of Lading to Master Bills of Lading that showed “glycine Thai” shipped from Laem Chabang, Thailand to Los Angeles, California by Newtrend USA from Newtrend Thailand with country of origin of Thailand.

On November 8, 2018, CBP issued Customs Form 28 (“CF28”) to Newtrend USA covering two separate entries of glycine with Thailand reported as country of origin: entry [ ]2792 and entry [ ]2750. Newtrend USA submitted complete CF28 responses to CBP for both entries on December 5, 2018.<sup>10</sup> In addition to Newtrend USA’s CF28 responses, CBP reviewed the following documents on the record of this EAPA investigation: a CBP protest filed by Newtrend USA in 2017;<sup>11</sup> questionnaire responses filed by Newtrend Thailand in Commerce’s AD investigation of glycine from Thailand;<sup>12</sup> the U.S. International Trade Commission’s (“ITC’s”) 2018 preliminary determination regarding glycine from a number of countries, including Thailand, for the AD/countervailing duty (“CVD”) investigations of imports of glycine into the United States;<sup>13</sup> and official trade statistics from Thailand’s Department of Foreign Trade (“DFT”).<sup>14</sup>

In reviewing these documents, CBP observed an inverse relationship between the claimed production capacity and number of employees at Newtrend Thailand between 2016 and 2018. The Newtrend USA Protest indicated that Newtrend Thailand’s glycine production capacity in 2016 was [ ] metric tons (“MT”) monthly ([ ] MT annually) and that the company employed [ ] workers.<sup>15</sup> The 2018 CF28 Responses claimed that Newtrend Thailand’s glycine production capacity was [ ] MT annually ([ ] MT monthly) and that the company employed [ ] workers.<sup>16</sup> Official Thai trade statistics for calendar year 2016 through year-to-date 2018 (January – October) showed an increase in Newtrend Thailand’s total exports,<sup>17</sup> thus indicating increased glycine production capacity. However, CBP found that there was no

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<sup>9</sup> *Id.* at 4-5 and Exhibits 1-5 (providing data from Great Import Export).

<sup>10</sup> *See* Newtrend USA CF28 Responses for entries [ ]2792 and [ ]2750 (Dec. 5, 2018). In addition, on November 28, 2018, Newtrend USA provided an incomplete response to the CF28 for entry [ ]2792. CBP also sent Newtrend USA a follow-up CF28 for entry [ ]2792 on November 29, 2018, to which Newtrend USA submitted a response on December 4, 2018.

<sup>11</sup> *See* Newtrend USA CBP Protest (Feb. 15, 2017) (“Newtrend USA Protest”).

<sup>12</sup> *See* Newtrend Thailand’s Responses to Commerce’s AD Questionnaire for Sections A (June 11, 2018) and B-D (July 12, 2018) (Excerpts); Newtrend Thailand’s Response to Commerce’s Supplemental Questionnaire for Section A (August 1, 2018) (Excerpts); Newtrend Thailand’s Response to Commerce’s First Supplemental Questionnaire for Section D (August 24, 2018); and Newtrend Thailand’s Response to Commerce’s Second Supplemental Questionnaire for Section D (October 3, 2018).

<sup>13</sup> *See* Glycine from China, India, Japan, and Thailand, Publication 4786, U.S. International Trade Commission, May 2018.

<sup>14</sup> *See* CBP Attaché Memorandum for Onsite Visit (Dec. 19, 2018) (“Onsite Visit Memorandum”) at Attachment 1 (containing DFT Import and Export Data for Newtrend Thailand).

<sup>15</sup> *See* Newtrend USA Protest, at Exhibit 4, page 11.

<sup>16</sup> *See* Newtrend USA CF28 Response for entry [ ]2792, at 3 and 71 and Newtrend USA CF28 Response for entry [ ]2750, at 4 and 77.

<sup>17</sup> *See* Onsite Visit Memorandum at Attachment 1 (containing DFT Import and Export Data for Newtrend Thailand).

documentation on the record to explain how Newtrend Thailand could have achieved this while simultaneously decreasing its workforce.<sup>18</sup>

In addition, on December 19, 2018, CBP conducted a preliminary onsite visit to the Newtrend Thailand facility in Rayong, Thailand in conjunction with DFT.<sup>19</sup> However, Newtrend Thailand company officials did not allow CBP or DFT officials to review any purchase, production, labor, shipping or sales documentation during the visit.<sup>20</sup> As such, while CBP observed generally that Newtrend Thailand had some capacity to produce glycine from [ ], CBP could not ascertain whether Newtrend Thailand in fact produced all of the glycine exported to the United States.<sup>21</sup> CBP also could not confirm whether the crude glycine observed during the onsite visit was produced at Newtrend Thailand's facility in Thailand.<sup>22</sup> Moreover, CBP could not examine the original bills of lading referenced in Salvi's allegation as showing "China" as the origin of the glycine.<sup>23</sup>

As a result, on February 28, 2019, CBP issued a formal notice of initiation of investigation and interim measures ("NOI") and notified the interested parties of CBP's decision to impose interim measures in accordance with 19 C.F.R. 165.24 based on a reasonable suspicion that Newtrend USA had entered covered merchandise into the customs territory of the United States through evasion.<sup>24</sup>

After interim measures, CBP issued Requests for Information ("RFIs") to Newtrend USA and Newtrend Thailand. Newtrend USA submitted RFI responses during May 2019, and Newtrend Thailand submitted RFI responses during May and June 2019.<sup>25</sup> From June 18 through June 21, 2019, CBP conducted an onsite verification at Newtrend Thailand's facility in Rayong, Thailand to verify whether Newtrend Thailand could have produced the amount of glycine that Newtrend USA imported into the United States. During the verification, CBP toured Newtrend Thailand's facility to witness the production of glycine, interviewed company officials about the company's organization and operations, and reviewed production records associated with seven invoices related to imports of glycine by Newtrend USA. On July 29, 2019, CBP issued a report summarizing its findings at the onsite verification.<sup>26</sup> Also on July 29, 2019, CBP placed on the record of this EAPA investigation Commerce's sales and cost verification reports from the AD investigation of glycine from Thailand,<sup>27</sup> and provided the parties to this EAPA investigation an

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<sup>18</sup> See Letter to Lizbeth Levinson and Hao Wang regarding the NOI for EAPA Case Number 7270 (Feb. 28, 2019) ("NOI") at 5.

<sup>19</sup> See Onsite Visit Memorandum.

<sup>20</sup> *Id.* at 2 and 4.

<sup>21</sup> *Id.* at 4.

<sup>22</sup> See NOI at 6.

<sup>23</sup> *Id.* at 7.

<sup>24</sup> See NOI; see also 19 U.S.C. 1517(e); 19 C.F.R. 165.24(a).

<sup>25</sup> See RFI Response from Newtrend USA (May 8, 2019); RFI Response from Newtrend Thailand (May 17, 2019) ("Newtrend Thailand May 17, 2019 RFI Response"); RFI Response from Newtrend USA (May 22, 2019); RFI Response from Newtrend Thailand (May 22, 2019); RFI Response from Newtrend Thailand (May 24, 2019); and RFI Response from Newtrend Thailand (Jun. 13, 2019).

<sup>26</sup> See CBP Onsite Verification Report (Jul. 29, 2019) ("CBP Verification Report").

<sup>27</sup> See Commerce Memorandum, "U.S. Verification of the Sales Response of Newtrend Food Ingredient (Thailand) Co., Ltd. in the Antidumping Investigation of Glycine from Thailand" (Mar. 14, 2019); Commerce Memorandum, "Home Market Verification of the Sales Response of Newtrend Food Ingredient (Thailand) Co., Ltd. in the

opportunity to submit rebuttal information pertaining to the Commerce verification reports. Newtrend Thailand filed rebuttal information concerning Commerce’s verification reports on August 8, 2019.<sup>28</sup> Finally, on August 28, 2019, Newtrend USA and Newtrend Thailand submitted written arguments.<sup>29</sup> The allegor, Salvi, did not file rebuttal information regarding Commerce’s verification reports, nor did it submit written arguments.

### **Final Determination as to Evasion**

Under 19 C.F.R. 165.27(a), CBP must “make a determination based on substantial evidence as to whether covered merchandise was entered into the customs territory of the United States through evasion.” “Covered merchandise” is defined by 19 C.F.R. 165.1 as “merchandise that is subject to a CVD order ... and/or an AD order.” As discussed below, the record of this investigation indicates that substantial evidence does not exist to determine that Newtrend USA entered covered merchandise into the customs territory of the United States through evasion, defined as entering covered merchandise “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.” *See* 19 C.F.R. 165.1.

CBP conducted an onsite verification at Newtrend Thailand’s facility in Rayong, Thailand in accordance with 19 C.F.R. 165.25(a), which states that, prior to making a final determination as to evasion, “CBP may in its discretion verify information in the United States or foreign countries collected under 165.23 as is necessary to make its determination.” As such, CBP verified the information Newtrend USA and Newtrend Thailand placed on the record. Because the allegation involved the transshipment of Chinese-origin glycine through Thailand, CBP’s focus at the verification was to examine whether Newtrend Thailand could have produced the quantity of glycine that Newtrend USA imported into the United States.<sup>30</sup> Based on the information CBP examined at verification and other information placed on the record after interim measures, CBP finds that substantial evidence does not exist to determine that Newtrend USA entered Chinese-origin glycine, either in crude or finished form, into the customs territory of the United States through evasion.

At verification, CBP confirmed that Newtrend Thailand had the capacity to produce both crude and finished glycine, despite the fact that Newtrend Thailand [

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Antidumping Investigation of Glycine from Thailand” (Mar. 15, 2019); Commerce Memorandum, “Verification of Cost Response of Newtrend Food Ingredient (Thailand) Co. Ltd. in the Antidumping Duty Investigation of Glycine from Thailand” (Mar. 15, 2019); Commerce Memorandum, “Verification of the Questionnaire Response of Newtrend Food Ingredient (Thailand) Co., Ltd. in the Antidumping Investigation of Glycine from Thailand with Respect to the Transshipment Allegation” (Jun. 20, 2019) (“Commerce Second Sales Verification Report”); and Commerce Memorandum, “2<sup>nd</sup> Verification of Cost Response of Newtrend Food Ingredient (Thailand) Co. Ltd. in the Antidumping Duty Investigation of Glycine from Thailand” (Jun. 20, 2019) (“Commerce Second Cost Verification Report”).

<sup>28</sup> *See* Newtrend Thailand Rebuttal Information (Aug. 8, 2019).

<sup>29</sup> *See* Newtrend USA and Newtrend Thailand Written Arguments (Aug. 28, 2019).

<sup>30</sup> *See* CBP Verification Report at 3.

] and the production observed at verification [ ]<sup>31</sup>

Regarding its production capacity during the period of investigation, Newtrend Thailand reported that its annual production capacity for finished glycine is [ ] MT.<sup>32</sup> At verification, the company provided a capacity evaluation report indicating that Newtrend Thailand's production capacity of finished glycine is [ ] MT per year.<sup>33</sup> Newtrend Thailand stated at verification that it typically employs [ ] that currently, [ ] employees were maintained.<sup>34</sup> The company also stated that [ ], it runs [ ]<sup>35</sup>

To verify Newtrend Thailand's production capabilities, CBP reviewed extensive documentation to assess whether Newtrend Thailand had produced the glycine reflected on seven invoices for glycine sold by Newtrend Thailand to Newtrend USA during the period of investigation.<sup>36</sup> For four of the invoices, CBP requested the underlying production and sales documentation prior to verification; for the other three, CBP requested this documentation upon arriving at the verification site.<sup>37</sup> The production-related documents that CBP examined for each invoice consisted of the following: purchase invoices for raw materials; raw material receipts; payments for the raw materials; documents showing movement of the raw materials through the inventory process; handwritten production records for each stage of the production process; receipt and withdrawal slips for crude glycine and finished glycine; and computer-generated inventory reports from Newtrend Thailand's accounting system confirming the movement of raw materials, crude glycine, and finished goods into and out of inventory.<sup>38</sup>

CBP performed a step-by-step review, tracing the specific purchases of each raw material (*i.e.*, [ ]) into and out of inventory and then into the production of individual batches of crude glycine. Next, CBP traced individual batches of crude glycine into and out of inventory and then into the production of finished glycine, which involved tracing individual batches of crude glycine through the various production records documenting the conversion of crude glycine into finished glycine.<sup>39</sup> Finally, CBP traced the finished glycine to Newtrend Thailand's inventory records. In short, CBP's examination of the production-related documentation established that Newtrend Thailand manufactured both the crude and finished glycine sold to Newtrend USA, and did not reveal any facts or discrepancies indicating that Newtrend Thailand did not produce the glycine.<sup>40</sup>

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<sup>31</sup> *Id.* at 3-4.

<sup>32</sup> *See* Newtrend Thailand May 17, 2019 RFI Response at 17.

<sup>33</sup> *See* CBP Verification Report at 4 and CBP On-site Verification Exhibit 10.

<sup>34</sup> *See* CBP Verification Report at 4.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.* at 5.

<sup>37</sup> *Id.* at 3.

<sup>38</sup> *Id.* at 5 and CBP On-site Verification Exhibits 4, 5, 6, and 7.

<sup>39</sup> It should be noted that the individual batch numbers [ ]

] sold to Newtrend USA.

<sup>40</sup> *See* CBP Verification Report at 5-6.

CBP also reviewed the following sales-related documents for each of the seven invoices: purchase orders from Newtrend USA to Newtrend Thailand; Newtrend Thailand's commercial invoices to Newtrend USA for the finished glycine; forms containing the [ ] of the finished glycine; certificates of analysis; packing lists; certificates of origin; bills of lading; export declaration forms; and payment information.<sup>41</sup> The sales-related documents also confirmed that the glycine sold to Newtrend USA had been produced by Newtrend Thailand, starting with the raw materials needed to make crude glycine and then performing the required processes to convert it to finished glycine.<sup>42</sup>

Moreover, as explained in the verification report, CBP summarized information in inventory reports contained in Newtrend Thailand's RFI responses regarding the volume of crude glycine produced and certain raw materials (*i.e.*, [ ] and [ ]) received into inventory by Newtrend Thailand during the period September 24, 2017 through March 31, 2019.<sup>43</sup> Using actual production records provided in Newtrend Thailand's RFI response, CBP then estimated the amount of the raw materials [ ] and [ ] necessary to produce crude glycine. CBP's calculation indicated that the production of 1 kilogram (kg) of crude glycine requires approximately [ ] kg of [ ] and [ ] kg of [ ].<sup>44</sup> Based on these ratios, CBP determined that Newtrend Thailand received a sufficient volume of the raw materials [ ] and [ ] during the period September 24, 2017 through March 31, 2019 to support the amount of crude glycine produced (*i.e.*, received into inventory) during that same period.<sup>45</sup>

During the verification, CBP asked Newtrend Thailand to perform a live query of its accounting system in order to compare the information recorded in its accounting system to certain inventory reports that Newtrend Thailand provided to CBP in its RFI responses. CBP did not find any discrepancies during this exercise.<sup>46</sup> In addition, CBP selected various account numbers and asked Newtrend Thailand to pull them up in its accounting system to examine whether the accounts were used or to see what was recorded in them. For one account number, [ ], CBP randomly selected several line items reflecting transactions with [ ], and asked to see underlying documentation for the transactions. In all cases, the underlying documentation established that the transactions were either for the purchase of, or payment for, [ ], and not glycine.<sup>47</sup> For another account number, [ ], CBP asked Newtrend Thailand to provide inventory reports for certain suppliers (including [ ], a raw material supplier). The records that Newtrend Thailand provided in response to this request showed that Newtrend Thailand had received various raw materials from its suppliers, but not any crude or finished glycine.<sup>48</sup>

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<sup>41</sup> See CBP On-site Verification Exhibits 4, 5, 6, and 7.

<sup>42</sup> *Id.*

<sup>43</sup> See CBP Verification Report at 7.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 6.

<sup>47</sup> *Id.* at 6-7 and CBP On-site Verification Exhibit 9.

<sup>48</sup> See CBP Verification Report at 6-7 and CBP On-site Verification Exhibit 8.

After conducting the verification, CBP reviewed verification reports issued by Commerce as part of its AD investigation of glycine from Thailand.<sup>49</sup> CBP finds that information therein, as detailed below, establishes that Newtrend Thailand did not transship Chinese-origin glycine through Thailand.

Commerce's second sales verification report describes the procedures followed and findings made while verifying Newtrend Thailand and two of its affiliates, Ji An Newtrend Technology Co., Ltd. ("Newtrend Technology") and Jiangxi Ansun Chemical Technology Co., Ltd. ("Jiangxi Ansun"), both of which are located in China.<sup>50</sup> Commerce noted that during these verifications, Newtrend Technology's affiliates Xi Zang Newtrend Final Chemical Co., Ltd. ("Xi Zang Newtrend"), Shenzhen Newtrend International Co., Ltd. ("Shenzhen Newtrend"), Nanchang Newtrend Technology Co., Ltd., and Shenzhen Anjie Electronic Technology Co., Ltd. each had its accounting records and source documentation (*e.g.*, accounting voucher books, sales invoices, *etc.*) available for examination at both Newtrend Technology's and Jiangxi Ansun's facilities.<sup>51</sup> Thus, Commerce's second sales verification encompassed not only Newtrend Thailand, but also affiliated companies located in China.

In its report, Commerce "noted no affiliated company sales of Chinese-produced crude or finished glycine made to Newtrend Thailand during the three selected calendar years."<sup>52</sup> Specifically, in examining affiliated party transactions, Commerce found that "documentation included in {certain verification exhibits} shows that none of Newtrend Thailand's affiliated glycine producers (*i.e.*, Jiangxi Ansun and Xi Zang Newtrend) appear in the vendor list, have an assigned vendor code, or show up in the accounts payable transaction activity during the three selected calendar years. The documentation included in the above-referenced {verification exhibits} indicates that Newtrend Thailand purchased only sucralose from Newtrend Technology in 2015, 2016, and 2017, and only spare parts and supplies or sucralose from Shenzhen Newtrend during the selected calendar years."<sup>53</sup> Additionally, in reviewing the underlying documentation for pre-selected and on-site selected shipments of glycine from Thailand to the United States, Commerce "found no indication that the merchandise sold originated from anywhere other than from Newtrend Thailand."<sup>54</sup>

In conclusion, based on the information CBP examined at verification and other information placed on the record after interim measures, CBP finds that substantial evidence does not exist to determine that Newtrend USA entered Chinese-origin glycine, either in crude or finished form, into the customs territory of the United States through evasion during the period of this EAPA

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<sup>49</sup> Commerce's AD investigation of glycine from Thailand covered calendar year 2017. Thus, it overlapped with the period of this EAPA investigation, and, consequently, CBP placed Commerce's various verification reports on the record of this EAPA investigation.

It should be noted that after CBP imposed interim measures on Newtrend USA, Commerce postponed the issuance of its final determination in the AD investigation of glycine from Thailand to examine the issues raised in CBP's NOI. As a result, Commerce conducted a second round of verifications of Newtrend Thailand, including a second cost verification. Nothing in the Commerce Second Cost Verification Report invalidated CBP's findings in this EAPA investigation.

<sup>50</sup> See Commerce Second Sales Verification Report at 1.

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* at 11-12.

<sup>53</sup> *Id.* at 16-17.

<sup>54</sup> *Id.* at 15-16.

investigation. As explained above, CBP confirmed at verification that Newtrend Thailand had the capacity to produce both crude and finished glycine. In addition, CBP's review of extensive production- and sales-related documentation at verification showed that Newtrend Thailand manufactured both the crude and finished glycine sold to Newtrend USA. Moreover, information contained in Newtrend Thailand's RFI responses establishes that Newtrend Thailand received an adequate volume of certain raw materials (*i.e.*, [ ] and [ ]) during the period September 24, 2017 through March 31, 2019 to support the amount of crude glycine produced by Newtrend Thailand during that same period. Finally, information in Commerce's second sales verification report for the AD investigation of glycine from Thailand confirms that Newtrend Thailand did not transship Chinese-origin glycine through Thailand.

### **Actions Taken Pursuant to the Negative Determination of Evasion**

In light of CBP's determination that Newtrend USA did not enter covered merchandise into the customs territory of the United States through evasion during the period of this investigation, pursuant to 19 C.F.R. 165.27(c), CBP will cease the application of any interim measures<sup>55</sup> taken under 19 C.F.R. 165.24 and reverse any actions taken with respect to entries covered by the EAPA investigation.<sup>56</sup> This does not preclude CBP or other agencies from pursuing other enforcement actions or penalties.

Sincerely,

*Regina Walton*

Regina Walton  
Acting Director, Enforcement Operations Division  
Trade Remedy & Law Enforcement Directorate  
CBP Office of Trade

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<sup>55</sup> Based on Commerce's affirmative preliminary determination in the CVD investigation on glycine from China (C-570-081), CBP began collecting cash deposits on entries of glycine from China on September 4, 2018. Therefore, the cessation of interim measures will also apply to any countervailing duties collected under C-570-081.

<sup>56</sup> The cessation of interim measures for this EAPA investigation pertains only to the AD order on glycine from China (A-570-836) and any CVD duties collected under the CVD investigation on glycine from China (C-570-081). Due to the ITC's recent final determination that imports of glycine from Thailand are causing material injury to the U.S. industry, Commerce will soon be issuing an AD order on glycine from Thailand. The cessation of interim measures has no bearing on the forthcoming AD order on glycine from Thailand.