



PUBLIC VERSION

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Re: Notice of Initiation of Investigation and Interim Measures - EAPA Case 7604

The purpose of this notice 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 Simpli Home, Ltd. (Simpli Home). CBP is investigating whether Simpli Home evaded antidumping duty (AD) and countervailing duty (CVD) orders A-570-084 and C-570-085¹ on quartz surface products (quartz) from the People's Republic of China (China) when importing quartz into the United States. Because evidence supports a reasonable suspicion that Simpli Home entered covered merchandise into the customs territory of the United States through evasion, CBP has imposed interim measures.²

Period of Investigation

Pursuant to 19 CFR 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 in the customs territory of the United States.”³ CBP acknowledged receipt of the properly filed allegation against Simpli Home on March 3, 2021.⁴ The entries covered by this investigation are

¹ See *Certain Quartz Surface Products from the People's Republic of China: Antidumping and Countervailing Duty Order*, 84 FR 33053 (July 11, 2019) (the *Orders*).

² See 19 USC 1517(e); see also 19 CFR 165.24.

³ See 19 USC 1517(a)(4); see also 19 CFR 165.1.

⁴ See email “EAPA 7604 - Receipt of Simpli Home Ltd.,” dated March 3, 2021.

those entered for consumption, or withdrawn from warehouse for consumption, from March 3, 2020, through the pendency of this investigation.⁵

Initiation

On March 24, 2021, the Trade Remedy Law Enforcement Directorate (TRLED), within CBP's Office of Trade, initiated this investigation⁶ under EAPA after receiving an allegation submitted by Cambria Company LLC (Cambria or Alleger)⁷ concerning the evasion of AD and CVD duties by Simpli Home.⁸ In the Allegation, the Alleger asserts that Simpli Home evaded the *Orders* by importing Chinese-origin quartz into the United States that had been transshipped through Vietnam.⁹ The Alleger contends that Simpli Home evaded the AD and CVD applicable to quartz, under the *Orders*, by importing bathroom vanities containing quartz tops from Vietnam.¹⁰ The Alleger argues that the scope of the *Orders* expressly includes vanities with quartz tops, and thus, Simpli Home owes the AD/CVD duties.¹¹

According to [source] data submitted in the Allegation, Simpli Home imported “bathroom vanities” by Anaq Viet Nam Co. Ltd. (Anaq) in Vietnam.¹² The Alleger asserts that the merchandise description contained in the data does not indicate that the vanities contain Chinese-origin quartz.¹³ Additionally, [source] data shows that Anaq has been importing merchandise from China under HTS 681099 described as “artificial stone” with sink holes already cut into the stone, so that it can easily be attached to a wooden cabinet for purposes of constructing a bathroom vanity.¹⁴ The Alleger also points out that Simpli Home's website lists a variety of quartz top bathroom vanities.¹⁵ Taken together, the Alleger argues that the [sources] data and Simpli Home's website show that Anaq has been importing quartz from China to incorporate into its bathroom vanities that are then sold to Simpli Home.¹⁶

The Alleger states that the scope of the *Orders* explicitly covers the quartz incorporated into the bathroom vanity.¹⁷ The scope of the *Orders* state:

In addition, quartz surface products are covered by the orders whether or not they are imported attached to, or in conjunction with, non-subject merchandise such as sinks, sink

⁵ See 19 CFR 165.2.

⁶ See Memorandum to File, “Initiation of Investigation for EAPA Case Number 7604 – Simpli Home, Ltd.,” dated March 24, 2021.

⁷ The alleger is a domestic producer of quartz, the domestic like product, in the United States, and thus, pursuant to 19 CFR 165.1(2), meets the definition of an interested party that is permitted to submit an EAPA allegation.

⁸ See Letter from the Alleger, “Quartz Surface Products from the People's Republic of China: Request for an investigation under the Enforce and Protect Act of Simpli Home Ltd.,” dated January 18, 2021 (Allegation).

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*, at 5-6.

¹² *Id.*, at 6 and Exhibit 3.

¹³ *Id.*

¹⁴ *Id.*, at 7 and Exhibit 7.

¹⁵ *Id.*, at 6 and Exhibit 5.

¹⁶ *Id.*

¹⁷ *Id.*, at 7 and Exhibit 1.

bowls, vanities, cabinets, and furniture. If quartz surface products are imported attached to, or in conjunction with, non-subject merchandise, only the quartz surface products is covered by the scope.¹⁸

While the wooden cabinetry imported by Simpli Home is not covered by the *Orders*, the quartz vanity top is covered and requires the payment of AD/CVD duties.¹⁹ However, [source] data does not indicate that Simpli Home declared the quartz that is incorporated into the bathroom vanities as Chinese-origin, making it unlikely that Simpli Home tendered the applicable AD/CVD duties.²⁰

Finally, the Alleger argues, with the combined AD/CVD duties of roughly to 300% to 400%, it seems highly doubtful that Simpli Home is properly declaring its quartz imports.²¹ Thus, taken *in toto*, the Alleger argues that the aforementioned information reasonably suggests that Simpli Home is evading the *Orders*.

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.”²² 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.”²³ Thus, the allegation must reasonably suggest not only that merchandise subject to an AD and/or CVD 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.

CBP finds that the information submitted by the Alleger reasonably suggests that Simpli Home entered merchandise covered by the *Orders* A-570-084 and C-570-085 into the customs territory of the United States through evasion. Specifically, the trade data submitted by the Alleger, *i.e.*, from [sources], indicates that Anaq, the Vietnamese manufacturer from which Simpli Home is importing bathroom vanities, uses Chinese-origin quartz in its production of bathroom vanities. The clear plain language of the scope, provided above, indicates that quartz originating from China is covered merchandise under the *Orders*, even if added to vanities manufactured in Vietnam. In addition, Simpli Home’s website demonstrates that it sells bathroom vanities with quartz tops. TRLED found that the allegation, including the trade data and the products Simpli Home sells, reasonably suggests evasion of the *Orders*.

¹⁸ *Id.*

¹⁹ *Id.*, at 7.

²⁰ *Id.*, at 7-8 and Exhibit 3.

²¹ *Id.*, at 8.

²² See 19 CFR 165.15(b); see also 19 USC 1517(b)(1).

²³ See 19 CFR 165.1; see also 19 USC 1517(a)(5)(A).

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 importer alleged to be evading entered merchandise covered by an AD or CVD order 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 USC 1517(e) and 19 CFR 165.24. As explained below, CBP is imposing interim measures because there is a reasonable suspicion that the importer entered covered merchandise into the United States through evasion by means of transshipment through the Vietnam.²⁴

Issuance of CF-28 and CF-29

On April 13, 2021, CBP issued a CBP Form – 28 (CF-28) concerning entry number [#]0719 to Simpli Home for which CBP asked for sales and production documents for the entry. Simpli Home had 30 days from the date of request, *i.e.*, May 13, 2021, to respond.²⁵ CBP did not receive a response to the CF-28 from Simpli Home.

On May 19, 2021, CBP issued CBP Form – 29 (CF-29) to Simpli Home, advising the importer to respond to the CF-28 within 20 days, *i.e.*, June 8, 2021, otherwise CBP would rate advance the entry.²⁶ On June 8, 2021, Simpli Home, through Counsel, requested a two-week extension to respond to the CF-29.²⁷ On June 8, 2021, CBP granted an extension until June 18, 2021 to respond to the CF-29.²⁸ On June 18, 2021, Simpli Home notified CBP that it was unable to provide the requested information to CBP and claimed that it was waiting for documents from the manufacturer.²⁹ Although CBP made two attempts to obtain information from Simpli Home, Simpli Home did not provide any information contradicting the evidence supporting the allegation that its bathroom vanities contained Chinese-origin quartz tops.

Enactment of Interim Measures

Based on the evidence on the administrative record, CBP has determined that reasonable suspicion exists that the quartz tops on bathroom vanities imported by Simpli Home and entered into the customs territory of the United States were transshipped from China through Vietnam. The quartz tops are subject to the *Orders*. Therefore, TRLED is imposing interim measures

²⁴ See 19 CFR 165.24(a).

²⁵ See CBP's CF-28 to Simpli Home, dated April 13, 2021.

²⁶ See CBP's CF-29 to Simpli Home, dated May 19, 2021.

²⁷ See Email Exchange "Proposed CF-29 - Entry NO. [#]0719 ," dated June 18, 2019.

²⁸ *Id.*

²⁹ *Id.*

pursuant to this investigation.³⁰ Specifically, in accordance with 19 USC 1517(e)(1)-(3), CBP shall:

- (1) suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after March 24, 2021, the date of the initiation of the investigation;
- (2) pursuant to the Commissioner's authority under section 504(b), extend the period for liquidating each unliquidated entry of such covered merchandise that entered before the date of the initiation of the investigation; and
- (3) pursuant to the Commissioner's authority under section 623, 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.³¹

In addition, 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 Simpli Home's continuous bonds to determine their sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 USC 1517(h).

For any future submissions of factual information that you submit to CBP pursuant to this EAPA investigation, please provide a business confidential version and a public version to CBP, and serve the public versions on the parties to this investigation.³² Public versions of administrative record documents will be available via the EAPA Portal: <https://eapallegations.cbp.gov>.

Should you have any questions regarding this investigation, you may contact us at eapallegations@cbp.dhs.gov with "EAPA Case 7604" 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,



Brian M. Hoxie
Director, Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
CBP Office of Trade

³⁰ See 19 USC 1517(e); see also 19 CFR 165.24.

³¹ See also 19 CFR 165.24.

³² See 19 CFR 165.4; see also 19 CFR 165.23(c) and 19 CFR 165.26.