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**U.S. Customs and
Border Protection**

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Re: Notice of Initiation of Investigation and Interim Measures - EAPA Case 7810

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

This letter is to inform you that U.S. Customs and Border Protection (CBP) has commenced a formal investigation under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the Enforce and Protect Act (EAPA), against importer CIMC Intermodal Equipment LLC (CIE).¹ CBP is investigating whether CIE Manufacturing evaded antidumping duty (AD) and countervailing duty (CVD) orders A-570-135 and C-570-136 on certain chassis and subassemblies from the People's Republic of China (China).² Based on a review of available information, CBP has found that reasonable suspicion exists that CIE entered covered merchandise into the customs territory of the United States through evasion, and CBP has imposed interim measures.³

¹ See Alleger's letter, "Certain Chassis and Subassemblies Thereof from the People's Republic of China: Request for an Investigation under the Enforce and Protect Act," dated December 22, 2023 (Allegation); and "Certain Chassis and Subassemblies Thereof from the People's Republic of China: Supplement to Request for an Investigation under the Enforce and Protect Act," dated March 24, 2023 (Supplemental Allegation) (collectively, the Allegations).

² See *Certain Chassis and Subassemblies Thereof From the People's Republic of China: Antidumping Duty Order*, 86 FR 36093 (July 8, 2021); and see also *Certain Chassis and Subassemblies Thereof From the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination*, 86 FR 24845 (May 10, 2021) (collectively, the *Orders*).

³ See 19 USC 1517(e); see also 19 CFR 165.24.

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 into the customs territory of the United States.”⁴ CBP also may, at its discretion, investigate other entries of such covered merchandise.⁵ CBP acknowledged receipt of a properly filed allegation against CIE on April 3, 2023.⁶ However, the entries covered by this investigation are those entered for consumption, or withdrawn from warehouse for consumption, from October 3, 2021, through the pendency of this investigation.⁷

Scope of the Orders

The merchandise covered by the *Orders* 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. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

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 the *Orders*.

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

⁵ See 19 CFR 165.2.

⁶ See email “EAPA 7810 - CERTAIN CHASSIS AND SUBASSEMBLIES - CIMC Intermodal Equipment, LLC,” dated April 3, 2023.

⁷ See 19 CFR 165.2. See also Memorandum, “Initiation of Investigation for EAPA Case Number 7810 – CIMC Intermodal Equipment, LLC,” dated April 24, 2023 (Initiation Memorandum).

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 *Orders*, 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. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to the *Orders* 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 the *Orders* is dispositive.

Initiation

On April 24, 2023, the Trade Remedy Law Enforcement Directorate (TRLED), within CBP's Office of Trade, initiated this investigation under EAPA as a result of Allegations submitted by the Coalition of American Chassis Manufacturers (the Alleger or the CACM)⁸ concerning the evasion of AD and CVD duties by CIE.⁹ In the Allegations, the CACM asserts that CIE evaded

⁸ The Alleger is a trade or business association in which a majority of the members manufacture, produce, or wholesale a domestic like product in the United States; thus, pursuant to 19 CFR 165.1(4), the Alleger meets the definition of an interested party that is permitted to submit an EAPA allegation.

⁹ See Initiation Memorandum.

the *Orders* by importing Chinese-origin chassis and subassemblies into the United States that were transshipped through Thailand.¹⁰

Description of the Alleged Transshipment Scheme

The Allegor asserts CIE is a U.S. based subsidiary of CIMC Vehicles (Group) Co., Ltd. (CIMC Vehicles), which, in turn, is a subsidiary of China International Marine Containers (Group) Co., Ltd. (CIMC Group) (collectively, CIMC).¹¹ CIMC Group is a large Chinese company with various shareholders, subsidiaries and is partly owned by the Chinese government. China Merchants Group Limited, one of China's largest state-owned enterprises (SOEs), is CIMC Group's second largest shareholder. The company's largest shareholder is Shenzhen Capital Holdings Co., Ltd., also a Chinese SOE. The Allegor claims CIMC Group describes itself as a "state-owned manufacturer" in its annual report.¹² The Allegor contends CIMC Vehicle (Thailand) Co., Ltd. (CIMC Thailand) is another CIMC subsidiary.

The Allegor conducted an analysis of bill of lading data and argues that CIE previously imported Chinese-origin chassis and subassemblies into the United States but has largely stopped and instead started importing from its Thai affiliate, CIMC Thailand, which prior to the issuances of the *Orders* (July 8, 2021 and May 10, 2021 for Antidumping and Countervailing Orders, respectively) did not manufacture or export chassis and subassemblies to the United States.¹³ The Allegor states that bill of lading data covering January 2021 through mid-August 2022 indicates there were only five shipments of chassis and subassemblies overall that were shipped from CIMC entities in China to the United States in 2021 and four shipments in early 2022.¹⁴

CIE's last shipment of chassis and subassemblies from CIMC in China appears to have been in February 2022.¹⁵ CIE started importing chassis and subassemblies from CIMC Thailand in August 2021, with 17 entries in 2021 and 102 entries in 2022, just through mid-August 2022.¹⁶ In 2020, CIMC entities in China were identified as the shipper for 44,550,606 kgs of merchandise with CIE as the consignee. During this time, CIMC Thailand had zero imports to CIE.¹⁷ In 2021, imports from CIMC's entities in China dropped 99 percent to 602,065 kgs and then dropped an additional 73 percent with 164,000 kgs in 2022 (January through August).¹⁸ In contrast, CIMC Thailand imports to CIE jumped from zero in 2020 to 4,294,905 kgs in 2021 and to 28,855,531 kgs in 2022 (January through August).¹⁹

The Allegor provided additional information that mirrors the trends described above in the overall imports of chassis and subassemblies. For instance, the Allegor contends there has been a sudden, large increase in U.S. imports from Thailand.²⁰ In particular, for HTS 8716.39.0090,

¹⁰ See Allegations at 1 and 4-5.

¹¹ See Allegation at 6 and Exhibit 5.

¹² *Id.* at 7 and Exhibit 5.

¹³ *Id.* at 12.

¹⁴ *Id.* at 13 and Exhibits 2 and 3.

¹⁵ *Id.* at Exhibit 3.

¹⁶ *Id.* at Exhibits 2 and 3.

¹⁷ *Id.* at 15 and Exhibit 16.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* at 11-12.

which should include imports of complete chassis, there were no imports from Thailand in 2018 through 2021. Imports under HTS 8716.39.0090 only started in 2022.²¹ For HTS 8716.90.5060, which should include imports of chassis parts, imports from Thailand increased by over 4,000 percent from 59,336 kgs in 2019 to 2,681,210 kgs in 2021.²² And just through September 2022 (19,417,062 kgs), Thai imports are more than seven times the volume in all of 2021 (2,681,210 kgs).²³ The Alleger argues the magnitude of the shift in import trends, as well as the timing of the *Orders*, suggests that the sudden surge of imports from Thailand includes transshipped Chinese merchandise.

The Alleger also argues there is minimal manufacturing activity at CIMC Thailand, such that the Thai facility could not manufacture the volumes of merchandise entering the United States. CIMC's Chinese affiliates continue to have substantial manufacturing activity. To support this assertion, the Alleger provided a declaration from [**name**],²⁴ Based on [**name**] declaration, the Alleger asserts CIMC is estimated to supply the U.S. market with about 20,000 units of chassis per year, or about 400 units of chassis per week.²⁵ The Alleger claims CIMC told its U.S. customers that it has moved all of its production of chassis and subassemblies for the U.S. market from China to its Thai facility.²⁶ The Alleger asserts that to produce 400 units of chassis per week, or 20,000 units per year, CIMC's Thai facility would need approximately 80 workers per shift and two shifts per day, to produce approximately 80 units per day, assuming a five-day work week.²⁷ A large volume of raw materials would also need to be delivered throughout the week for this level of production. Each chassis frame requires two steel beams along with several other steel parts.²⁸ The Alleger claims that, to produce 400 units of chassis per week, the manufacturer would need 800 beams a week, which would normally require four to six flatbed trailer loads of beams.²⁹ Based on industry experience, the Alleger indicated that to produce 400 units of chassis per week, a manufacturer would also need a large volume of coiled steel – approximately 14 coils a week.³⁰ In addition, to ship 80 units of chassis per day, or 400 units a week, there would need to be about 90 45"-high cube containers per week, or 80 flat-rack open containers, leaving the facility full of chassis.³¹

The Alleger [**activity**] to conduct multiple on-site visits and confirmed that the manufacturing activity at the Thai facility could not produce the volume of chassis and subassemblies that CIMC Thailand supplies the U.S. market.³² Over a period of [**duration month/year**] and [**duration month/year**], only 20 to 40 staff were observed at the factory

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.* at 15 and Exhibit 11.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.* at 15-16 and Exhibit 11.

³¹ *Id.*

³² *Id.* at 16 and Exhibit 17.

premises at any one time.³³ On [activity and month], approximately 50 employees were observed leaving the facility. However, according to the Alleger, far more than 50 employees would be needed per shift to produce the volume of chassis and subassemblies that CIMC claims to produce at the Thai facility, as discussed above. Regarding raw materials, the Alleger states that during the [duration/month and professional] only observed one truck carrying what appeared to be bundles of steel parts and no steel I-beams, which are required for chassis production, were observed entering the facility.³⁴ The Alleger argues that CIMC Thailand is not receiving enough raw materials to support actual production in any meaningful quantities. Such minimal raw materials could not possibly support the substantial volume of chassis manufacturing purported to be occurring at CIMC's Thai facility.³⁵

According to the Alleger, CIMC's Dongguan factory in China continues to have substantial activity. As of [date], [professional] confirmed that CIMC [observation]³⁶ [Professionals] stated that the factory [observations]³⁷ [Individuals] also confirmed that the factory [observations]³⁸ From [name] the Dongguan facility's normal operating schedule [observation]³⁹ This schedule accounts for Chinese New Year and other holidays accounted for [#] working days per year. In [year], the headcount of CIMC Dongguan was over [#]⁴⁰ The U.S. market [percentage]⁴¹ The Alleger claims that if the Dongguan facility is running on schedule without interruption, based on [name and observations], the chassis output would be approximately [computations]. The Alleger argues this production level, which appears to still be running at CIMC Dongguan, can only exist if serving U.S. demand.⁴²

The Alleger states that an analysis of the movement of containers from CIMC Thailand provides further evidence of evasion.⁴³ This analysis corroborates the bill of lading data and confirms that merchandise was shipped from CIMC Thailand to China before being exported to the United States. The Alleger argues that containers shipped from CIMC Thailand were included on bills of lading with additional containers not observed leaving the Thai facility, suggesting that the additional containers were commingled in China with the Thai containers.⁴⁴ To support this claim, the Alleger cites to the [professional and activity]

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.* at 17 and Exhibit 17.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.* at Exhibit 11.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.* at 19 and Exhibit 17.

⁴⁴ *Id.*

] and identified, through shipment data and logistical sources, 50 containers entering and leaving the Thai facility.⁴⁵ Twenty-eight of these containers were identified leaving the facility. Using logistics sources, the investigator tracked 27 of these containers and found that they were bound for the United States.⁴⁶ The investigator obtained bill of lading abstracts for those CIMC containers that left the Thai facility and were shipped on [names] vessels, arriving in the United States in June 2022. Notably, these bills of lading listed additional containers that were not observed leaving the Thai facility.⁴⁷

The Alleger argues that Chinese-origin subassemblies assembled into chassis in Thailand remain subject to the scope pursuant to the plain language of the scope, and duties should be paid on such merchandise upon entry into the United States.⁴⁸ In addition, the Alleger understands that CIMC Thailand is purchasing steel parts from its Chinese affiliates and assembling the chassis in Thailand. According to the declaration of [name], [

statement

]. The Alleger asserts that this appears to be how the commingling of Chinese chassis and Thai chassis started.⁴⁹ CIMC appears to have a history of shipping subject subassemblies back and forth between the Chinese and Thai facilities. The Alleger contends that as CIMC’s exports to the United States continued to increase, it appears that the two facilities began shipping components and subassemblies back and forth for processing to maximize shipping and freight efficiencies, as well as production capacities.⁵⁰

The Alleger provided additional information in the Supplemental Allegation. The Global Offering for CIMC Vehicles (Group) Co., Ltd. published June 27, 2019, listed manufacturing facilities in China, Belgium, UK, and the United States⁵¹ There were also nine assembly plants in the United States, Poland, Thailand, South Africa, and Australia. The Global Offering discussed capacity expansion and upgrade plans for CIMC’s manufacturing plants in China, particularly the Yangzhou “Light Tower” plant would relocate to a manufacturing plant under construction at the time of the Global Offering. The Zhumadian “Light Tower” plant would see a production line of chassis, curtain-side, and stake trailers. The plan includes upgrading the Liangshan plant for chassis and flatbed trailers and the Wuhu plant for tank trailers.⁵² There was no mention of expanding capacity or upgrading the facilities in Thailand to facilitate manufacturing. In CIMC Vehicles’ 2021 Annual Report, there is a line item, “Expand the manufacturing and assembly plant for chassis trailers in Rayong, Thailand,” with HK\$193.5 million stated as the “utilized amount during the reporting period.”⁵³ The capital investment in

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* at 21.

⁴⁹ *Id.* at Exhibit 11.

⁵⁰ *Id.*

⁵¹ See Supplemental Allegation at Attachment 6. The Alleger contends the U.S. International Trade Commission found CIE’s U.S. operations constituted only minor assembly and did not constitute sufficient production-related activities for it to be considered a U.S. domestic producer. See Allegation at 8 and Exhibit 1.

⁵² *Id.* at Attachment 6.

⁵³ *Id.* at Attachment 9.

Thailand's facility does not explain the spike in exports to the United States that occurred the same year considering the time required for planning and construction of new manufacturing facilities during COVID-19 lockdowns.

Initiation Assessment

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.”⁵⁴ 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.”⁵⁵ 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.

In assessing the basis for the Allegations, CBP finds that the information submitted by the Alleger reasonably suggests that CIE entered merchandise covered by the *Orders* into the customs territory of the United States through evasion. The Alleger has submitted documentation reasonably available to it, including aggregate and Importer specific U.S. import trade data, [**content**], manufacturer-specific production capacity and financial information, and sworn affidavits from industry figures. The information reasonably suggests that Chinese-origin chassis and subassemblies may have been transshipped through Thailand, that CIMC Thailand is processing or assembling Chinese subassemblies and components in Thailand,⁵⁶ and that Chinese-origin chassis and subassemblies are being commingled with Thai merchandise and then imported into the United States without being declared as subject to the *Orders*.

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 *Orders* was entered into the United States through evasion.⁵⁷ 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

⁵⁴ See 19 CFR 165.15(b); see also 19 USC 1517(b)(1).

⁵⁵ See 19 CFR 165.1; see also 19 USC 1517(a)(5)(A).

⁵⁶ See *Orders*, “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.”

⁵⁷ 19 USC 1517(e); see also 19 USC 165.24(a).

reduction or avoidance of applicable AD and/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 Thailand.⁵⁸

CBP Form 28 (CF-28)

On May 4, 2023, CBP issued CF-28 requests for information to CIE, requesting various information including invoices, packing slips, bills of lading, sources of raw materials, production records, and customs documentation for entries from Thailand during the POI.⁵⁹ CIE submitted timely CF-28 responses.⁶⁰ As outlined below, the importer's responses contain multiple discrepancies and are not complete. Therefore, TRLED is unable to rely on the information contained in the CF-28 responses to determine if CIE's supplier CIMC Thailand can produce chassis and subassemblies nor to determine the country of origin of the imported chassis and subassemblies.⁶¹

Work Order Raw Material Records

CIE did not provide all the requested documentation for the raw materials associated with Entry 5670 and Entry 1870. CBP requested documentation showing raw materials were obtained by the factory in Thailand and were available for production. CIE explained that there are 8 work orders total associated with these entries, specifically Entry 1870 has three work orders ([numbers and letters]) and Entry 5670 has five work orders ([numbers and letters]).⁶² CIE only provided the specific raw material documentation associated with two of the eight work orders ([numbers and letters]).⁶³ Work order [# and letters] accounts for approximately 17 percent of the quantity produced by the work orders associated with Entry 1870.⁶⁴ Work order [# and letters] accounts for approximately 15 percent of the quantity produced by the five work orders associated with Entry 5670.⁶⁵ Both work orders [numbers and letters] do not represent the largest work order within each set of work orders reported by CIE and CIMC Thailand.⁶⁶ CIE did not comply with CBP's request for all raw materials and did not provide a reason for why they did not submit raw material documentation for all 8 work orders associated with Entry 5670 and Entry 1870. CBP relies on raw material documentation to substantiate production and the country of origin of the imported products. CIE failed to provide all, or even the majority of, the raw material documentation for the requested entries. Therefore, CBP

⁵⁸ See 19 CFR 165.24(a).

⁵⁹ See CF-28 request for entries [#/letters]5670 (Entry 5670) and [#/letters]1870 (Entry 1870) sent to CIE, dated May 4, 2023 (CIE's CF-28 Requests).

⁶⁰ See CIE's Entry 1870 CF-28 and CIE's Entry 5670 CF-28 Response (collectively, CIE's CF-28 Responses), both dated June 14, 2023.

⁶¹ CIE reported that CIMC Thailand changed the business name to Dee Siam Manufacturing Co., Ltd. For clarity, the NOI will use the name CIMC Thailand to refer CIE's supplier. See CIE's CF-28 Responses.

⁶² See CIE's Entry 1870 CF-28 Response and CIE's Entry 5670 CF-28 Response at 2, 5-9 and Exhibits 5 and 6.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

cannot rely on the information within the CF-28 responses to verify that CIMC Thailand produced in Thailand all of the chassis and/or subassemblies in these entries.

Country of Origin and Mill Certificates

CBP requested that CIE submit certificates of origin for the merchandise or certificates of origin for all assemblies, subassemblies, and other components comprising the final product.⁶⁷ CIE failed to provide all requested documentation on country of origin of raw materials that comprised the final product. For Entry 1870 and Entry 5670, CIE failed to provide the country of origin certificates for CIMC Thailand's purchases of [materials].⁶⁸ Additionally,

CBP requested documentation regarding purchase orders for raw materials.⁶⁹ CBP notes that CIE reported that CIMC Thailand's [materials] purchase order contracts required certificate of origin and that CIE failed to provide these documents in its CF-28 responses nor did it state reasons or an explanation why did not comply with CBP's request. Without these certificates and complete purchase order documentation to establish country of origin for the raw materials, CBP cannot determine the final product's correct country of origin. Without this documentation, CBP also cannot rely on the CIE's CF-28 Responses to determine the actual country of origin per the *Orders* for Entries 1870 and 5670. Moving forward in this investigation, the manufacturer will need to substantiate all raw material purchases for CBP to determine the country of origin for the finish product being imported into the United States.

As mentioned, CBP requested records from CIE's foreign manufacturer (CIMC Thailand) demonstrating that raw materials were obtained by the factory and were available for production, particularly purchase orders for raw materials.⁷⁰ CBP notes that CIE submitted several purchase orders for raw materials, and the purchasing contract for those raw materials required mandatory steel mill certificates.⁷¹ For Entry 1870 and Entry 5670, CIE reported that CIMC Thailand's purchase orders for [materials] and [materials] required a mill certificate.⁷² However, CIE did not submit the mill certificate documentation in its CF-28 responses. CBP relies on complete purchase order/raw material information to assess production and country of origin for products imported into the United States. Particularly, mill certificates verify that the steel products in the purchase orders meet the technical specifications to produce the final product. Without these technical specifications, CBP cannot rely on the documentation in the CF-28 responses to determine if CIMC Thailand had the appropriate raw materials for production of chassis and/or subassemblies. Therefore, CBP cannot determine if CIE's Entries 1870 and 5670 were produced in CIMC Thailand's facilities or if their country of origin is Thailand.

⁶⁷ See CF-28 Requests at question 19.

⁶⁸ For [materials], purchase orders [numbers and letters] do not have country of origin certificates. CBP will further investigate whether these parts constitute a subassembly which are covered by the *Orders*. See CIE's CF-28 Responses at 5-9 and Exhibits 5 and 6.

⁶⁹ See CF-28 Requests at question 4.

⁷⁰ *Id.*

⁷¹ See CIE's CF-28 Responses at 5-9 and Exhibits 5 and 6.

⁷² For steel coil (grade SM490), purchase orders [numbers and letters]. *Id.*

Customs Clearance Records

CBP requested documentation on Customs clearance records for raw materials imported into the country of manufacture.⁷³ CIE failed to provide all documentation concerning Customs clearance records, specifically export documentation from the country of origin for certain raw materials. For Entries 1870 and 5670, CIE did not provide copies of export documentation from the government of [nation] for its purchases of [materials] nor did it state reasons or an explanation why did not comply with CBP's request.⁷⁴ CIE also did not submit evidence of export documentation filed with the [nation] government for certain purchases of [materials] nor did it state reasons or an explanation why did not comply with CBP's request.⁷⁵ Because CIE failed to provide the Customs clearance documentation for these raw material purchases, CBP is unable to rely on the submitted raw material purchasing information to determine the country of origin of CIE's chassis and subassemblies entries.

Delivery Records

CBP requested shipping records for raw materials purchased by CIE's foreign manufacturer.⁷⁶ CIE provided shipping records for CIMC Thailand's raw material purchases; however, CBP notes that the delivery information provided by CIE is incomplete.⁷⁷ CIE provided a spreadsheet that summarizes its submitted purchasing documentation of [materials] from [months and year] and [months and year].⁷⁸ This spreadsheet indicates that the purchase orders were delivered on a rolling schedule. However, CIE did not submit delivery documentation for many of the purchase orders highlighted in its summary.⁷⁹ CBP relies on copies of actual delivery documentation, not summary tables, to substantiate that foreign manufacturers have sufficient raw materials for production. Thus, with incomplete information, CBP cannot rely on CIE's CF-28 responses to corroborate that CIMC Thailand had sufficient raw materials to produce chassis and subassemblies.

CBP notes that CIE provided some documentation on delivery of raw materials, but that the submitted documentation contains discrepancies. For example, CIE did not submit documentation to substantiate the delivery of its shipments of its purchases of [materials] from the [nation] supplier to either the CIMC Thailand factory or [companies].⁸⁰ CIE provided some delivery records for [material] from [companies] to the CIMC Thailand facilities, but those delivery records have discrepancies. For example, the information provided to justify work order [#/letters] indicates that [companies] provided delivery receipts

⁷³ See CF-28 Requests at question 4.

⁷⁴ See CIE's CF-28 Responses at 5-9 and Exhibit 5.

⁷⁵ See CIE's Entry 5670 CF-28 Response at 5-9 and Exhibit 5 at sections A-03 and A-05 through A-08.

⁷⁶ See CF-28 Requests at question 4.

⁷⁷ See CIE's Entry 1870 CF-28 Response at 5-9 and Exhibit 5.

⁷⁸ See CIE's CF-28 Responses at 5-9 and Exhibits 5 and 6.

⁷⁹ *Id.* For steel coil, purchase orders [numbers and letters].

⁸⁰ According to CIE, CIMC Thailand hired [companies] to [activity]. See CIE's Entry 1870 CF-28 Response at 5-9 and Exhibit 5 at section B.

for [material] for delivery on [date]. However, CIMC Thailand's production records for work order [#/letters] show that [material] was only in production at CIMC Thailand's facility from [dates].⁸¹ CIE does not provide any more CIMC Thailand production records that show [material] being used in production past [date]. If [companies] delivery records are correct, then CIMC Thailand did not have the [material] in time for production of work order [#/letters]. Therefore, CIE did not provide sufficient evidence that CIMC Thailand could fulfill work order [#/letters]. With discrepancies with the purchase orders, delivery records, and production records, CBP cannot rely on CIE's Entry 1870 CF-28 Response to determine country of origin for or CIMC Thailand's ability to produce the chassis and subassemblies.

Raw Material Withdrawal Records

CBP asked CIE to provide all production records associated with Entries 1870 and 5670 and to demonstrate how foreign manufacturer ties the raw material to the finished product based on the documentation furnished.⁸² CIE provided production records but failed to connect the raw material inventory withdrawal with production records.⁸³ The documentation that CIE provided for CIMC Thailand's raw material withdrawal shows that all raw materials were withdrawn from the exact same warehouse ([#/letters]) and storage area ([#/letters]).⁸⁴ CIMC Thailand's raw material withdrawals refer to different commodity goods, such as [materials]. Citing one warehouse and one location does not substantiate that CIMC Thailand can track these raw materials by purchase order. Further, CBP notes that other CIMC Thailand paperwork refers to [material] purchases by specific "lots" within [companies'] receipts.⁸⁵ This suggests that CIMC Thailand has the ability to track the raw material inventory but failed to provide evidence linking raw material inventories to production records. Failure to provide evidence linking raw materials to production records calls into question whether the raw material purchase orders provided in CIE's CF-28 responses actually substantiate CIMC Thailand's production of chassis and subassemblies. Without proper raw material and production documentation, CBP cannot rely on CIE's CF-28 Responses to determine country of origin for or CIMC Thailand's ability to produce the chassis and subassemblies.

Shipment information

CBP requested export documentation showing the goods purported to be produced by the foreign factory were the ones exported.⁸⁶ CIE provided insufficient proof that CIMC Thailand tracked the chassis frames from production to shipment.⁸⁷ CIMC Thailand traced the chassis production for welding, bending, and painting operations by chassis serial number.⁸⁸ However, CBP cannot

⁸¹ See CIE's Entry 1870 CF-28 Response at Exhibit 8.

⁸² See CF-28 Requests at questions 6 and 17.

⁸³ See CIE's CF-28 Responses at 5-9, 14-22, and Exhibits 5 and 8.

⁸⁴ See CIE's CF-28 Responses at Exhibit 8.

⁸⁵ See CIE's CF-28 Responses at Exhibit 5, section B, and Exhibit 8.

⁸⁶ See CF-28 Requests at question 9.

⁸⁷ See CIE's CF-28 Responses at 12 and Exhibits 4 and 8.

⁸⁸ *Id.* The chassis serial number is also referred to as Chassis Frame ASSY in CIE and CIMC Thailand's documentation.

corroborate the chassis serial numbers with the export documentation provided.⁸⁹ CIMC Thailand provided an “Equipment Interchange Receipt,” which is a spreadsheet that assigned the specific chassis frames to the Bill of Lading numbers associated with Entries 1870 and 5670.⁹⁰ CIE did not provide an explanation on how CIMC Thailand tracks specific chassis frames production to the shipments. Further, these chassis frame serial numbers do not appear on Thai export documentation, including commercial invoices and packing lists, or the U.S. import documentation provided by CIE.⁹¹ Without sufficient tracking of chassis frames from production to inventory to shipment, CBP cannot confirm that the production records provided by CIE are associated with the merchandise in Entries 1870 and 5670.

Summary

The importer’s responses contain multiple discrepancies and are not complete. Therefore, TRLED is unable to rely on the information contained in the CF-28 responses to determine if CIE’s supplier CIMC Thailand can produce chassis and subassemblies and to determine the correct country of origin of the imported chassis and subassemblies. Based on CIE’s CF-28 responses and other evidence on the record, TRLED has determined there is reasonable suspicion that CIE entered covered merchandise into the United States through evasion, by means of transshipment through Thailand.

Enactment of Interim Measures

Based on the record evidence described above, CBP has determined that reasonable suspicion exists that chassis and subassemblies produced by CIMC Thailand and entered into the customs territory of the United States by CIE has been transshipped from China and misclassified; thus, such goods were entered in evasion of the *Orders*. Therefore, TRLED is imposing interim measures pursuant to this investigation.⁹² 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 April 24, 2023, the date of the initiation of the investigation;
- (2) pursuant to the Commissioner’s authority under section 1504(b) of this title, extend the period for liquidating each unliquidated entry of such covered merchandise that entered before the date of the initiation of the investigation; and
- (3) pursuant to the Commissioner’s authority under section 1623 of this title, take such additional measures as the Commissioner determines necessary to protect the revenue of the United States, including requiring a single transaction bond or additional security or the posting of a cash deposit with respect to such covered merchandise.⁹³

In addition, CBP will require live entry and reject any non-compliant entry summaries, as well as require the refile of entries that are within the entry summary rejection period. CBP will also evaluate CIE’s continuous bonds to determine sufficiency. Finally, CBP may pursue

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² See 19 USC 1517(e); see also 19 CFR 165.24.

⁹³ See also 19 CFR 165.24.

additional enforcement actions, as provided by law, consistent with 19 USC 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 and serve the public version on the parties to this investigation (*i.e.*, to the parties identified at the top of this notice). Public versions of administrative record documents will be available via the EAPA Portal at <https://eapallegations.cbp.gov/>.⁹⁴ Please note that CBP is requiring that all documents submitted via the CMS are made text searchable, especially if those documents are submitted as PDFs.

Should you have any questions regarding this investigation, you may contact us at eapallegations@cbp.dhs.gov and Michele.Breaux@cbp.dhs.gov with "EAPA Case 7810" 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,

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

Victoria Cho
(A) Director, Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
CBP Office of Trade

⁹⁴ See 19 CFR 165.4; *see also* 19 CFR 165.23(c) and 19 CFR 165.26.