



U.S. Customs and Border Protection

PUBLIC VERSION

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VIA EMAIL

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Re: Notice of Determination as to Evasion - EAPA Case 7743

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

Pursuant to an examination of the record in Enforce and Protect Act (“EAPA”) Case 7743, U.S. Customs and Border Protection (“CBP”) has determined there is substantial evidence that LTT International Trading Co. (“LTT” or the “Importer”) entered merchandise covered by antidumping duty (“AD”) and countervailing duty (“CVD”) orders A-570-084 and C-570-085¹ on quartz surface products (“QSP”) from the People’s Republic of China (“China”) (covered merchandise) into the customs territory of the United States through evasion.. Substantial evidence demonstrates that LTT entered covered merchandise into the United States and evaded the *AD/CVD Orders* by transshipping the covered merchandise through Taiwan and declaring the entries of Chinese-origin QSP as having a country of origin of Taiwan, resulting in no cash deposits being collected on the merchandise. The basis for CBP’s determination is further provided below.

I. Background & Procedural History (Pre-Interim Measures)

Allegation and Initiation

¹ See *Certain Quartz Surface Products from the People’s Republic of China: Antidumping and Countervailing Duty Orders*, 84 FR 33053 (July 11, 2019) (“*AD/CVD Orders*”).

On November 7, 2022, the Trade Remedy Law Enforcement Directorate (“TRLED”), within CBP’s Office of Trade, initiated this investigation under EAPA after evaluating the allegation² submitted by Cambria Company LLC (the “Alleger”)³ regarding evasion of the applicable *AD/CVD Orders* by LTT.⁴ In its Allegation, the Alleger asserted that available information reasonably suggested LTT evaded the *AD/CVD Orders* by transshipping covered merchandise through Taiwan and failing to declare the subject QSP as originating in China. The Alleger provided the following basis for this Allegation:

The Alleger contended that according to [[source](#)] data, LTT acted as the importer of record for numerous shipments of quartz countertops and related merchandise from Taiwan with Cheng Jug Enterprise Co. Ltd. (“Cheng Jug”) reported as the manufacturer.⁵ A Google Maps view of the address listed for Cheng Jug on its website showed an apartment building with a commercial storefront on the first level, rather than a building that could serve as a QSP production facility.⁶ As explained below, Cheng Jug engaged in both the purchasing of QSP from other manufacturers and aided in the facilitation of the transshipping QSP through Taiwan.

The Alleger asserted Cheng Jug is involved in transshipment schemes of Chinese merchandise covered by other AD/CVD orders as well. In particular, the [[source](#)] data showed that Cheng Jug also exported mattresses and diamond sawblades to the United States.⁷ Both of these types of merchandise, if Chinese in origin, are covered by AD/CVD orders.⁸ Because of these vastly different product categories, the Alleger argued it is highly unlikely that any one facility is capable of manufacturing QSP, mattresses, and diamond sawblades together.⁹ The Alleger asserted that as all of these goods are subject to AD/CVD orders if produced in China, it is likely the goods are sourced in China and transshipped through Taiwan.¹⁰

The Alleger further contended that LTT transshipped Chinese-origin QSP via Taiwan to import it into the United States.¹¹ To support its Allegation, the Alleger submitted U.S. import data for February through June 2022 for Harmonized Tariff Schedule of the United States (“HTSUS” or “HTS”) number 6810.99.00.¹² This HTSUS classification, and the shipments’ product descriptions, corresponded to the product description and HTSUS classification contained in the

² See “Quartz Surface Products from the People’s Republic of China: Request for an Investigation under the Enforce and Protect Act of LTT International Trading Co.” (“Allegation”), dated July 29, 2022.

³ The Alleger is a domestic producer of QSP and the petitioner before the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“ITC”) in the original AD/CVD investigations; therefore, it qualifies for interested party status pursuant to 19 USC 1517(a)(6) and 19 CFR 165.1.

⁴ See CBP Memorandum, “Initiation of Investigation for EAPA Case Number 7743 – LTT International Trading Co.,” dated November 7, 2022.

⁵ See Allegation at Exhibit 3.

⁶ *Id.* at Exhibit 9. Cheng Jug’s registered address is No. 12, Ln. 1, Zhongzheng Rd., Yuanlin City, Changhua County 51045, Taiwan. See discussion of claimed manufacturers’ addresses below.

⁷ *Id.* at 7 and Exhibit 7.

⁸ *Id.* at 7 and Exhibits 14 and 15.

⁹ *Id.* See also discussion below of QSP imports from China and Taiwan sourced from U.S. International Trade Commission trade data.

¹⁰ See Allegation.

¹¹ *Id.* at Exhibit 3.

¹² *Id.* at Exhibits 3, 7, and 10. HTS 6810.99.00 covers agglomerated quartz slabs of the type used for countertops.

AD/CVD Orders for QSP. Specifically, the scope of the *AD/CVD Orders* states that QSP “may also generally be referred to as engineered stone or quartz, {or} artificial stone or quartz...”¹³ It also states that “{i}n addition to slabs, the scope of the orders includes, but is not limited to, other surfaces such as countertops...”¹⁴ Furthermore, the scope of the *AD/CVD Orders* states that “{t}he products subject to the scope are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheading: 6810.99.0010.”¹⁵

[[source](#)] data provided in the Allegation demonstrated that LTT imported QSP into the United States from September 2021 through June 2022.¹⁶ The *AD/CVD Orders* also state that third country further processing would not remove the merchandise from the scope of the orders and does not change the country of origin.¹⁷ Collectively, the Alleger asserts these facts indicate that the artificial quartz stone countertops that LTT imported during the period of investigation (“POI”) were QSP as described by the *AD/CVD Orders*. Therefore, the Alleger claimed the evidence present in the Allegation reasonably suggested that LTT evaded the *AD/CVD Orders* on QSP from China by transshipping the merchandise through its Taiwanese supplier, Cheng Jug.¹⁸

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...”¹⁹ 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.”²⁰ Thus, the allegation must reasonably suggested not only that merchandise subject to an AD and/or CVD order was entered into the United States by the importer, 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 evidence provided in the Allegation, TRLED found, as explained in its Notice of Initiation and Interim Measures,²¹ that the Allegation reasonably suggested that LTT may have entered covered merchandise into the United States and evaded the *AD/CVD Orders* by declaring

¹³ See *AD/CVD Orders*.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ See Allegation at Exhibit 3.

¹⁷ See *AD/CVD Orders*.

¹⁸ See also discussion below of QSP imports from China and Taiwan sourced from ITC trade data.

¹⁹ See 19 CFR 165.15(b)(2); see also 19 USC 1517(b)(1).

²⁰ See 19 USC 1517(a)(5)(A); see also 19 CFR 165.1 (setting forth the definition of “evasion”).

²¹ See CBP Memorandum, “RE: Notice of Initiation of Investigation and Interim Measures -EAPA Case 7743,” dated February 13, 2023 (“NOI”).

entries of Chinese-origin QSP as having a country of origin of Taiwan.²² Specifically, and as detailed herein, the Allegor provided evidence that LTT imported what appeared to be covered merchandise, *i.e.*, Chinese-origin QSP during the year prior to the filing of the Allegation, and provided documents to support its Allegation. Therefore, on November 7, 2022, TRLED initiated an investigation under the EAPA. 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 “the entry, or withdrawal from warehouse for consumption, of merchandise in the customs territory of the United States.”²³ Because CBP acknowledged receipt of the properly filed allegation against LTT on October 17, 2022,²⁴ the entries covered by this investigation were those entered for consumption, or withdrawn from warehouse for consumption, from October 17, 2021, through the pendency of the investigation.²⁵

CBP Form 28 Responses

On November 30, 2022, CBP issued CBP Form 28 (“CF-28”) requests for information (“RFI”) to LTT for entry numbers [# prefix]6861 (“entry 6861”), [# prefix]9070 (“entry 9070”), and [#prefix]9016 (“entry 9016”).²⁶ CBP requested supporting documentation, *i.e.*, commercial invoices, purchase orders for raw materials, proof of payment, production records, and transportation documents, to substantiate the manufacturer of the QSP that was entered into the United States.²⁷ On December 29, 2022, and January 5, 2023, CBP received timely CF-28 responses for entries 6861, 9070, and 9016 from LTT’s broker.²⁸ While LTT provided timely responses, the responses were not all translated into English.

The CF-28 requests specifically stated that all documents should be clear, legible and translated to English; therefore, CBP took into consideration only information that was provided in English and did not review documents that were untranslated.²⁹ On January 10, 2023, CBP reminded LTT through its broker that the CF-28 responses must be translated into English.³⁰ LTT requested an extension to provide the English translations, and CBP granted an extension until close of business, January 23, 2023.³¹ LTT failed to provide the requested translations despite being granted an extension.

²² See 19 CFR 165.11; *see also* 19 CFR 165.15(2).

²³ See 19 USC 1517(a)(4); *see also* 19 CFR 165.2.

²⁴ See October 17, 2022, email entitled “EAPA 7743 – Quartz Surface Products – LTT International Trading Co.”

²⁵ See 19 CFR 165.2.

²⁶ See November 30, 2022, CF-28 RFI on entries 6861, 9070, and 9016.

²⁷ *Id.*

²⁸ See CF-28 Responses.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

Entry 6861

The reported manufacturer of entry 6861 is [[company name](#)] (“Supplier 1”). LTT provided a sales confirmation from “seller” (Supplier 1) for [#] kgs of QSP dated November 8, 2011, with an agreed shipment date of December 1, 2022.³² This document was supposedly issued 11 years before the actual entry date, January 17, 2022, which is highly suspicious because it is an unusually long lead time for the contracted quantity of [#] kgs of QSP. Further, the actual shipped gross quantity was [#] kgs of QSP, indicating that the contract was fulfilled in its entirety 11 years later.³³ Multi-year contracts are not unusual; however, in such a contract, normally a buyer will purchase significantly larger total quantities, and the manufacturer will then produce and invoice smaller quantities over the set time period. *For example*, a sales contract can be for 100,000 metric tons (“MT”) of QSP, and the manufacturer will produce and invoice 10,000 MT each year over a 10-year period. Here, the sales confirmation was for one set quantity of approximately [#] MT, which was fulfilled completely in one shipment over 11 years after the sales confirmation was issued.

On the sales confirmation provided, Supplier 1’s address is listed as [[address](#)].³⁴ According to Google Maps imaging, the location is depicted as a commercial building and not a manufacturing facility in Taiwan.³⁵ LTT provided the arrival notice/freight invoice, dated February 28, 2022, which lists the “shipper” as Cheng Jug and is for [#] kgs of quartz countertops.³⁶ The container numbers are [#] and [#].³⁷ The document that the importer claims is the certificate of origin states that the “exporter” is Cheng Jug for container numbers [#] and [#], and it has a stamp from the Taipei Chamber of Commerce dated February 18, 2022 (which is dated after the actual U.S. entry date of January 17, 2022).³⁸ CBP attempted to authenticate the certificate of origin by entering the certificate number, EC22KC00115, and verification code, 18952595A01, into the online certificate of origin verification system operated by Taiwan’s Ministry of Economic Affairs, Bureau of Foreign Trade, at <https://cocp.trade.gov.tw/tbmc/public/coe0160.jsp>; however, “{n}o records were found matching {the} search criteria.”³⁹

For the same entry, LTT provided a document titled “Cheng Jug” with a narrative description of the quartz production process and photos of the production; however, none of the photos identify the facilities as Cheng Jug’s or Supplier 1’s.⁴⁰ The commercial invoice is titled “Cheng Jug,” and lists the address as No.12, Ln. 1, Zhongzheng Rd., Yuanlin City, Changhua County 510005,

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ See CBP Memorandum to the File, “Additional Information,” dated February 13, 2023 (Additional Information Memo).

³⁶ See CF-28 Responses.

³⁷ *Id.*

³⁸ *Id.*

³⁹ See Additional Information Memo.

⁴⁰ See CF-28 Responses.

Taiwan.⁴¹ The commercial invoice is dated December 18, 2021, for [#] kgs of quartz countertops.⁴² The Allegation explains and includes evidence that a manufacturing facility does not exist at this address as the address appears to be of an apartment building with a commercial storefront on the first level.⁴³

In addition to providing the unreliable information described above, LTT failed to provide several crucial details in response to CBP's RFI. LTT failed to provide full production records demonstrating the production process from start to finish. LTT also failed to provide raw material purchasing invoices and production records, such as documentation of raw material usage, packing costs, and factory production records including stamped timecards, payroll, and work orders. LTT failed to describe and account for all the equipment used in the production of the merchandise and the capacity of the equipment on site. LTT also failed to provide the manufacturer's corporate information, such as how long the factory has been opened for business, the name of the factory owner and all corporate officers, and whether the manufacturer is related to the importer.

Entry 9070

The reported manufacturer of entry 9070 is Cheng Jug.⁴⁴ For this entry, LTT provided contradictory information: the sales contract is dated December 18, 2018, and it lists the "seller" as Cheng Jug located at No. 12, Ln. 1, Zhongzheng Rd, Yuanlin City, Changhua County, 510005, Taiwan, selling [#] kgs of quartz countertops.⁴⁵ However, the discrepancy is that the bill of lading, arrival notice, certificate of origin, and narrative description of production processes indicate Supplier 1 is the manufacturer.⁴⁶ LTT imported the gross quantity, [#] kgs of quartz according to the bill of lading, four years after the sales contract was signed.⁴⁷ The actual entry date is March 4, 2022.⁴⁸

For entry 9070, LTT submitted a bill of lading dated December 3, 2021, for container numbers [#] and [#], and the document states the "shipper" is Supplier 1, located at [address].⁴⁹ As stated above, the location is a commercial office building rather than a manufacturing facility.⁵⁰ The document which LTT claims is the certificate of origin states the "exporter" is Supplier 1 for container numbers [#] and [#], and it has a stamp from the Taipei Chamber of Commerce dated January 03, 2022. CBP attempted to authenticate the certificate of origin by entering the certificate number, EC22YC00017, and verification code, 16851903A01,

⁴¹ *Id.*

⁴² *Id.*

⁴³ *See* Allegation at Exhibit 9.

⁴⁴ *See* CF-28 Responses.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *See* CF-28 Responses.

⁴⁸ *See* CBP data.

⁴⁹ *See* CF-28 Responses.

⁵⁰ *See* Additional Information Memo.

into the online certificate of origin verification system; however, “{n}o records were found matching {the} search criteria.”⁵¹ The commercial invoice provided for this entry is not from Cheng Jug but is rather from Supplier 1 and is dated August 11, 2021, for [#] kgs.⁵²

The importer provided a written description and photos of the production process for QSP and indicates Supplier 1 is the “producer.”⁵³ Nevertheless, the photos do not have any signage that clearly identifies Supplier 1 as the manufacturer. Like entry 6861, LTT failed to substantiate the production process with accounting and factory records. LTT failed to provide raw material purchasing invoices and production records, such as documentation of raw material usage, packing costs, and factory production records including stamped timecards, payroll, and work orders. LTT failed to describe and account for all the equipment used in the production of the merchandise and the capacity of the equipment on site. LTT also failed to provide the manufacturer’s corporate information such as how long the factory has been opened for business, the name of the factory owner and all corporate officers, and whether the manufacturer is related to the importer.

Entry 9016

The reported manufacturer of entry 9016 is Pan Yang Enterprise Co. Ltd. (“Pan Yang”). The sales confirmation is dated April 5, 2022, for [#] kgs of quartz countertops, and the agreed shipment date was May 30, 2022.⁵⁴ The address on the packing list and bill of lading for Pan Yang is 3f.-13, No. 36, Dexing W. Rd., Shilin Dist., Taipei City 11158, Taiwan, [[address information](#)].⁵⁵ LTT provided a narrative description of the production process and stated the address for Pan Yang is No. 151, Mingde Rd., Shigang Dist., Taichung City 42265, Taiwan, which is a different location than listed on the sales documentation.⁵⁶

According to Google Maps, the address provided by LTT for Pan Yang is a commercial building that does not appear to be suitable for QSP production, which would require spacing necessary for machinery, loading, docking, storage, and transportation among others.⁵⁷ Similar to the other CF-28 responses, the photos in the description of the production process did not clearly identify Pan Yang as the manufacturer.⁵⁸ As was the case with the previous entries, LTT failed to substantiate the production process with accounting and factory records. LTT failed to provide raw material purchasing invoices and production records, such as, documentation of raw material usage, packing costs, and factory production records including stamped timecards, payroll, and work orders. LTT failed to describe and account for all the equipment used in the production of the merchandise and the capacity of the equipment on site. LTT also failed to provide the manufacturer’s corporate information such as how long the factory has been opened for business,

⁵¹ *Id.*

⁵² *See* CF-28 Responses.

⁵³ *Id.*

⁵⁴ *See* CF-28 Responses.

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *See* Additional Information Memo.

⁵⁸ *See* CF-28 Responses.

the name of the factory owner and all corporate officers, and whether the manufacturer is related to the importer.

Other Information

An analysis of U.S. import data sourced from the U.S. International Trade Commission for HTS 6810.99.0010 - Agglomerated quartz slabs of the type used for countertops – (an HTS subheading listed in the *AD/CVD Orders*) from 2017 to 2021⁵⁹ shows a dramatic trade pattern shift during the AD/CVD investigation of QSP by Commerce starting in 2018 when the preliminary results were published, and continuing when the *AD/CVD Orders* went into effect in 2019.⁶⁰ In 2017, the United States imported \$464,557,065 of QSP from China and \$156,042 of QSP from Taiwan.⁶¹ In 2018, the United States imported \$579,813,368 of QSP from China and \$2,901,286 of QSP from Taiwan, which is a 1,759.30% increase in imports of QSP from Taiwan when compared to the previous year.⁶²

In 2019, with Commerce’s preliminary results in place and then the *AD/CVD Orders* being published on July 11, 2019, U.S. imports shift from China to other countries such as Taiwan. That year, U.S. imports from China drastically dropped 91.45 % to \$49,578,482 and imports from Taiwan skyrocketed 875.46 % to \$28,300,774.⁶³ The reduction in imports from China continued in 2020 and 2021, at \$6,820,032 and \$3,066,249, respectively, accounting for 86.24% and 55.04% declines from the prior year.⁶⁴ At the same time, the United States saw imports from Taiwan increase 51.31% and 25.34%, in 2020 and 2021, respectively, with \$42,821,359 in 2020 and \$53,671,628 in 2021.⁶⁵ Notably, this timeframe encompasses a portion of the period of investigation.

Initiation of Investigation and Enactment of Interim Measures

Based on the record evidence through February 13, 2023, which is described in detail above, CBP determined that reasonable suspicion existed that LTT entered covered merchandise into the United States and evaded the *AD/CVD Orders* by declaring entries of Chinese-origin QSP as having a country of origin of Taiwan.⁶⁶

In accordance with 19 U.S.C. § 1517(e)(1)-(3), CBP suspended the liquidation of each unliquidated entry of covered merchandise that entered on or after November 7, 2022, the date of

⁵⁹ *Id.*

⁶⁰ See *Certain Quartz Surface Products from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 83 FR 47881 (September 21, 2018); see also *Certain Quartz Surface Products from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 FR 58540 (November 20, 2018). See also *AD/CVD Orders*.

⁶¹ See Additional Information Memo.

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ See Additional Information Memo.

⁶⁶ See NOI.

the initiation of the investigation; extended the period for liquidating each unliquidated entry of covered merchandise that entered before the date of the initiation of the investigation; and took additional measures necessary to protect the revenue of the United States, On February 13, 2023, interested parties were notified that CBP had commenced a formal EAPA investigation for LTT and that interim measures had been enacted.⁶⁷

II. Post-Interim Measures

Requests for Information & Written Arguments

To further investigate the claims in the Allegation, in March 2023, CBP issued RFIs to LTT, Cheng Jug, Pan Yang, and Supplier 1.⁶⁸ These entities failed to supply any responses to CBP questions despite confirmation of receipt by each.⁶⁹ On May 10, 2023, CBP afforded LTT an additional opportunity to engage by reissuing the original RFI;⁷⁰ however, LTT, again, failed to respond. As of the date of this determination, CBP has yet to receive any extension requests or responses to RFIs from any of the aforementioned entities.

Analysis

Because LTT, the manufacturers, and Supplier 1 never responded to CBP's RFIs, CBP's ability to obtain information for its investigation was impeded significantly. Similarly, LTT was due to submit written arguments by June 25, 2023. Again, by failing to do so, LTT missed another opportunity to potentially disprove the Allegation and put forth arguments to rebut the evidence on the record. EAPA's regulations at 19 C.F.R. § 165.6(a) state that if "the importer, or the foreign producer or exporter of the covered merchandise fails to cooperate and comply to the best of its ability with a RFI made by CBP, CBP may apply an inference adverse to the interests of that party in selecting from among the facts otherwise available to make the determination as to evasion..."⁷¹ Because LTT, the manufacturers, and Supplier 1 all failed to respond to CBP's RFI in the multiple instances described above, CBP finds that these entities have not cooperated and complied with CBP's RFI during the underlying investigation to the best of their abilities. As such, CBP is drawing inferences adverse to LTT from the information submitted to CBP in the Allegation and other information uncovered during CBP's investigation.⁷²

Under 19 U.S.C. § 1517(c)(1)(A), to reach a final determination as to evasion, CBP must "make a determination, based on substantial evidence, with respect to whether such covered merchandise entered into the customs territory of the United States through evasion." Evasion is

⁶⁷ *Id.*

⁶⁸ See Letter from CBP to LTT, "RFI TO IMPORTER," dated March 9, 2023; see also Letter from CBP to Cheng Jug, "RFI TO CHENG JUG," dated March 8, 2023; see also Letter from CBP to Pan Yang, "RFI TO PAN YANG," dated March 8, 2023; see also Letter from CBP to Supplier 1, "RFI TO SUPPLIER 1," dated March 8, 2023.

⁶⁹ See CBP Memorandum to the File, "PROOF OF DELIVERY RFI TO MANUFACTURERS," dated May 18, 2023.

⁷⁰ See Letter from CBP to LTT, "REISSUE RFI TO IMPORTER," dated May 10, 2023.

⁷¹ See also 19 USC 1517(c)(3)(A).

⁷² See 19 USC 1517(c)(3)(B)-(C); see also 19 CFR 165.6(c); see also Allegation.

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 of any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.”⁷³ As discussed in this determination, the record of this investigation contains substantial evidence that covered merchandise was entered by LTT into the United States through evasion.

Drawing inferences adverse to the interests of LTT from the evidence on the record, CBP finds that LTT entered covered merchandise into the United States through evasion. The documents that CBP did obtain from LTT through issuance of a CF-28, prior to LTT being aware of any EAPA investigation, are riddled with discrepancies, and suggest that Chen Jug does not manufacture any QSP itself. CBP was unable to corroborate the Importer’s claim that its imports of QSP were manufactured in Taiwan. As discussed above, LTT submitted documents with multiple discrepancies, *e.g.*, the certificates of origin could not be validated on the Ministry of Economic Affairs, Bureau of Foreign Trade website; Pan Yang and Supplier 1 [[address information](#)] that is a commercial building and not a factory location; Pan Yang’s second location (provided by LTT) is also a commercial building and not a factory location; and the sales contracts of Supplier 1 and Cheng Jug were signed several years earlier—as much as 11 years before the commercial invoices were issued and merchandise delivered.

These discrepancies call into question the reliability of these documents and whether any production exists at all in Taiwan. LTT failed to provide the requested accounting and production documentation, such as raw material purchasing invoices, raw material payments, production records, timecards, pay roll records, *etc.*, to support the claim that the QSP was manufactured by Cheng Jug, Supplier 1 or Pan Yang in Taiwan. In addition, the analysis of the international trade data shows a drastic decline in QSP imports from China to the United States and a sharp growth spike of QSP imports from Taiwan to the United States in 2018 when the AD/CVD investigation at Commerce occurred. All of this information, combined with the fact noted in the Allegation that Cheng Jug is exporting to the United States several other goods subject to Chinese AD/CVD orders (which generally would not be produced at a singular factory location given their dissimilarity), suggests that Cheng Jug does not manufacture any QSP itself and is exporting to LTT merchandise that likely comes from China. Thus, the QSP merchandise being imported by LTT should be subject to AD/CVD duties.

III. Determination as to Evasion

As detailed above, the record establishes that there is substantial evidence that LTT entered covered merchandise into the United States and evaded the *AD/CVD Orders* by declaring entries of Chinese-origin QSP as having a country of origin of Taiwan.

⁷³ See 19 CFR 165.1; *see also* 19 USC 1517(a)(5)(A).

Actions Taken Pursuant to the Affirmative Determination as to Evasion

In consideration of CBP's determination that substantial evidence demonstrates that LTT entered covered merchandise into the customs territory of the United States through evasion, and pursuant to 19 U.S.C. § 1517(d) and 19 C.F.R. § 165.28, CBP will suspend or continue to suspend the entries covered by this investigation, until instructed to liquidate. For those entries previously extended in accordance with Interim Measures, CBP will rate adjust and change those entries to type 03 and continue suspension until instructed to liquidate these entries. CBP will continue to evaluate the importer's continuous bonds in accordance with CBP's policies. None of the above actions precludes CBP or other agencies from pursuing additional enforcement actions or penalties.

Sincerely,

A handwritten signature in black ink, appearing to read 'KH', with a long horizontal line extending to the right.

Kristina Horgan
Acting Director
Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
CBP Office of Trade