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# Hughes Hubbard & Reed

## New Antidumping and Countervailing Duty Petitions on Quartz Surface Products from India and the Republic of Turkey

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**May 9, 2019** – On May 8, 2019, Cambria Company LLC (“petitioner”) filed antidumping (“AD”) and countervailing (“CVD”) petitions with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”) on quartz surface products from India and Turkey.

According to official U.S. import statistics, \$76 million of the subject merchandise was imported into the United States from India, and \$29 million was imported from Turkey during 2018.

These petitions are different from the AD and CVD petitions filed by Cambria Company in April 2018 on imports of quartz surface products from China. See the background section for more information about these other cases.

The products covered by these investigations include:

Quartz surface products consist of slabs and other surfaces created from a mixture of materials that includes predominately silica (e.g., quartz, quartz powder, cristobalite, glass powder) as well as a resin binder (e.g., an unsaturated polyester). The incorporation of other materials, including, but not limited to, pigments, cement, or other additives does not remove the merchandise from the scope of the investigation. However, the scope of the investigation only includes products where the silica content is greater than any other single material, by actual weight.

Quartz surface products are typically sold as rectangular slabs with a total surface area of approximately 45 to 60 square feet and a nominal thickness of one, two, or three centimeters. However, the scope of this investigation includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope of this investigation includes, but is not limited to, other surfaces such as countertops, backsplashes, vanity tops, bar

tops, work tops, tabletops, flooring, wall facing, shower surrounds, fire place surrounds, mantels, and tiles. Certain quartz surface products are covered by the investigation whether polished or unpolished, cut or uncut, fabricated or not fabricated, cured or uncured, edged or not edged, finished or unfinished, thermoformed or not thermoformed, packaged or unpackaged, and regardless of the type of surface finish.

In addition, quartz surface products are covered by the investigation whether or not they are imported attached to, or in conjunction with, non-subject merchandise such as sinks, sink bowls, vanities, cabinets, and furniture. If quartz surface products are imported attached to, or in conjunction with, such non-subject merchandise, only the quartz surface product is covered by the scope.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise fabricated in a third country, including by cutting, polishing, curing, edging, thermoforming, attaching to, or packaging with another product, or any other finishing, packaging, or fabrication that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the quartz surface products.

The scope of the investigation does not cover quarried stone surface products, such as granite, marble, soapstone, or quartzite. Specifically excluded from the scope of the investigations are crushed glass surface products. Crushed glass surface products must meet each of the following criteria to qualify for this exclusion:

1. the crushed glass content is greater than any other single material, by actual weight;
2. there are pieces of crushed glass visible across the surface of the product;
3. at least some of the individual pieces of crushed glass that are visible across the surface are larger than 1 centimeter wide as measured at their widest cross-section ("Glass Pieces"); and
4. the distance between any single Glass Piece and the closest separate Glass Piece does not exceed three inches.

The 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. Subject merchandise may also enter under subheadings 6810.11.0010, 6810.11.0070, 6810.19.1200, 6810.19.1400, 6810.19.5000, 6810.91.0000, 6810.99.0080, 6815.99.4070, 2506.10.0010, 2506.10.0050, 2506.20.0010, 2506.20.0080, and 7016.90.10.

### **Foreign Producers and Exporters of Subject Merchandise**

Attachment 1 provides a list of foreign producers of the subject merchandise as identified by the petitioner.

### **U.S. Importers of Subject Merchandise**

Attachment 2 provides a list of U.S. importers of the subject merchandise as identified by the petitioner.

### **Alleged Margins of Dumping/Subsidization**

Petitioner alleges dumping margins of 344.11% for India and 89.38% for Turkey.

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

No specific subsidy margins are included in the petition.

## **Background**

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., "dumped"). A domestic industry can also petition the initiation of a CVD investigation of alleged subsidization of foreign producers by a foreign government. Additional duties can be imposed if DOC determines that imported goods are "dumped" and/or subsidized and if the ITC also determines that the domestic industry is materially injured or threatened with such injury by reason of subject imports.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries on or after the date DOC's preliminary determination is published in the Federal Register. The preliminary AD/CVD rates can change in the final DOC determination, especially if foreign producers and their governments participate fully in the investigations.

In a separate investigation that is ongoing, on April 17, 2018, Cambria Company LLC, Eden Prairie, Minnesota filed a petition alleging that an industry in the United States is materially injured or threatened with material injury by reason of dumped and subsidized imports of quartz surface products from China. On May 31, 2018, the ITC reached an affirmative preliminary determination of injury in that case, on September 21, 2018, DOC issued an affirmative preliminary countervailing duty determination, and on November 20, 2018, DOC issued an affirmative preliminary antidumping duty determination, imposing preliminary AD duties at rates of 242.1%-314.1% and preliminary CVD duties at rates of 34.38% and 178.45% on imports, depending on the foreign producer.

## **Estimated Schedule of Investigations**

5/8/2019 – Petition filed

6/22/2019 – ITC preliminary injury determination

7/12/2019 – DOC preliminary CVD determination, if not postponed

9/15/2019 – DOC preliminary CVD determination, if fully postponed

9/25/2019 – DOC preliminary AD determination, if not postponed

11/14/2019 – DOC preliminary AD determination, if fully postponed

4/4/2020 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed

5/26/2020 – ITC final injury determination, if DOC's determinations are fully postponed

6/9/2020 – AD/CVD orders published

If you have any questions about the petitions, please contact the experienced attorneys in HHR's International Trade group.

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