

**BEFORE THE UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.**

**QUARTZ SURFACE PRODUCTS FROM CHINA
INV. NOS. 701-TA-606 AND 731-TA-1416 (PRELIMINARY)**

**TESTIMONY OF
MATTHEW HUARTE
VICE PRESIDENT, ARIZONA TILE**

1. Good afternoon. My name is Matt Huarte. I am the Owner and Vice President of Arizona Tile. I have been with Arizona Tile for 29 years. We were founded by John Huarte, 1964 Heisman winner from Notre Dame, in San Diego, CA in 1977. The company has grown to 26 locations in 7 western states, with over 875 employees. Della Terra Quartz by Arizona Tile is our quartz slab line and is well known for beautiful marble looks. Our products are mostly used in new home construction, remodels, hotels and restaurants.

2. Our quartz business is booming. Consumers in the United States are recognizing the benefits and beauty of quartz to be used in countertops and other applications. An expanding number of producers have entered the market to meet this booming demand. This includes Korean company LG and Israeli company Caesarstone, who have opened up U.S. manufacturing in recent years near Atlanta. Also, Dal Tile is currently building a new factory in Tennessee.

3. We began offering quartz products in the 1990s and have worked with both Cambria and Caesarstone. We reentered the quartz slab segment in 2012, with the uptick in popularity. Upon our reentry into the quartz market, we sought to source from domestic suppliers who utilized the Breton technology for quartz, including Cambria. Cambria refused to sell to us because they were unwilling to expand their sales in the region beyond their existing relationships, and so we decided to buy from Korea. As our quartz business expanded, we needed multiple sources with large enough production capacity to fulfill demand, and so we began sourcing from an Italian supplier that used a Breton technology factory in 2014. We added Chinese suppliers in 2015. Our imports from China have grown to fulfill the explosion in demand in the market as customers more and more are selecting quartz slabs rather than granite slabs for their kitchen countertops.

4. Cambria's description of the quartz business in its petition entirely misses the mark. Quartz is not a commodity product. Different quartz products are not interchangeable. Quartz is, at its core, a design product. Consumer trends can change very quickly. Currently, customers love quartz that looks like marble. And so the quartz market is highly segmented. A small number of suppliers, including Cambria, focus principally on the luxury segment of the market, while Chinese suppliers do not.

5. The production process and technology can also be very different based on the quartz supplier, leading to different physical qualities. All three U.S. producers including Cambria use proprietary Italian-made Breton production technology that produces distinctive designs, whereas none of our Chinese suppliers use Breton.

6. U.S. products are marketed accordingly. Cambria promotes its product in the high end of the market as superior to Chinese quartz, for reasons that include the proprietary Breton production process. Cambria consistently trademarks and patents their distinctive colors. As any visit to its website and other marketing materials dramatically demonstrate, Cambria and other high end quartz surface producers devote substantial time and money cultivating their brand image to distinguish themselves from other suppliers. Cambria is quite candid about these efforts. And with good reason. As a result of its efforts to build up a premium brand, Cambria has always commanded the highest prices in the market – and by a very significant margin. The Chinese product is not viewed in the market as an alternative to these Breton premium products. Designs are different from supplier to supplier, and in most instances I cannot find an alternative supplier that can deliver a certain look.

7. The cost of trucking also is a factor that segments the market. Quartz slabs are very heavy. To ship across the country, manufacturers like Cambria and sellers like Arizona Tile must incur very large expense. This is one of the reasons why we focus on the Southwest region of the country. It is an expensive endeavor for Cambria to ship product to the West Coast.

8. In sum, we don't compete with Cambria, but instead we view our main competitors as other imports from China, Spain, Vietnam, and Korea and other surfaces such as granite and marble. For example, our cut-to-size hotel customers have pricing thresholds they'll accept. A tariff on quartz would push them back to granite, and not to Cambria or other luxury end quartz.

9. One final, important note on the U.S. industry. We ask that you keep in mind the thousands of fabricators of quartz employing tens of thousands of Americans, who add more value to the finished product than the producers of the quartz. These are our main customers. Cambria has blocked the vast majority of our fabricators and distributors from purchasing Cambria quartz slabs due to Cambria's business model, and so they will be irreparably harmed by tariffs costing thousands of jobs to the U.S. quartz fabrication industry.

10. Thank you.