Quartz Surface Products from India and Turkey

Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451(Final)

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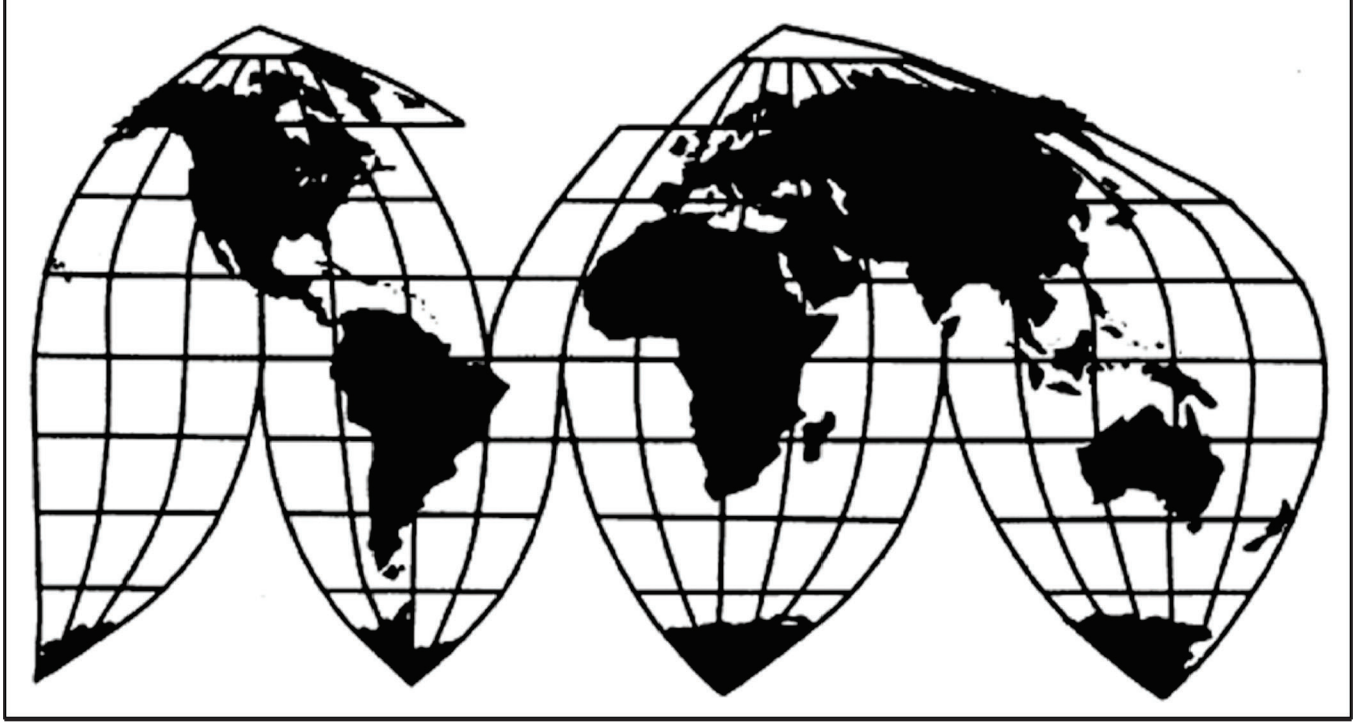

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final)

Quartz Surface Products from India and Turkey

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of quartz surface products from India and Turkey, provided for in subheading 6810.99.00 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV"), and to be subsidized by the governments of India and Turkey.[2]

BACKGROUND

The Commission instituted these investigations effective May 14, 2019, following receipt of petitions filed with the Commission and Commerce by Cambria Company LLC, Eden Prairie, Minnesota. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of quartz surface products from India and Turkey were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the revised notice in the *Federal Register* on February 11,

[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] The Commission also finds that imports subject to Commerce's affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the countervailing and antidumping duty orders on quartz surface products from India and Turkey.

2020 (85 FR 7782). In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, and in accordance with 19 U.S.C. 1677c(a)(1), the Commission did not cancel its hearing scheduled for April 29, 2020, but conducted its hearing through a series of written questions, submissions of written testimony, written responses to questions, posthearing briefs and closing remarks through teleconferencing; all persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of quartz surface products ("QSP") from India and Turkey found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and subsidized by the governments of India and Turkey. We also find that critical circumstances do not exist with respect to imports of QSP from India and Turkey subject to Commerce's affirmative critical circumstances determinations.

I. Background

Cambria Company LLC ("Cambria" or "Petitioner") filed the petitions in these investigations on May 8, 2019.[1] Cambria is a domestic producer of QSP. It submitted written responses to questions from the Commission and prehearing and posthearing briefs.[2]

Four sets of respondents participated in these final phase investigations and submitted witness testimony, written responses to questions from the Commission, and prehearing and posthearing briefs:

- MS International, Inc., and Arizona Tile LLC (collectively, "MSI Respondents"), U.S. importers of subject merchandise from India and Turkey.
- Belenco Dis Ticaret A.S. ("Belenco"), an exporter/producer of subject merchandise from Turkey.
- Global Stones Private Limited, Baba Super Minerals Private Limited, Pacific Quartz Surfaces LLP, Divyashakti Granites Limited, and the Federation of the Indian Quartz Industry (collectively, "GS Respondents"), exporters and producers of subject merchandise from India.
- Pokarna Engineer Stone Ltd., an exporter of subject merchandise from India, and Wilsonart Engineered Surfaces LLC, a U.S. importer of subject merchandise from India (collectively "Wilsonart Respondents").

U.S. industry data for the producers of unfabricated QSP ("slabs") are based on the questionnaire responses of seven firms, which accounted for the vast majority of U.S. production of slabs in 2019.[3] Two independent U.S. fabricators submitted producers'

[1] The parties dispute when the petitions on subject imports from Turkey were actually filed. We discuss this further in section IV below.

[2] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its hearing (originally scheduled for April 28, 2020) through opening statements, prehearing briefs, written questions, submissions of written testimony, written responses to questions, closing statements and rebuttal comments via teleconference, and posthearing briefs as set forth in procedures provided to the parties.

[3] Confidential Report, INV-RR-048 (May 31, 2019) ("CR") at III-1 and Table III-1, Public Report ("PR") at III-1 and Table III-1. Petitioner Cambria, the sole integrated producer of QSP, produces slabs and has its own fabrication operations. CR/PR at III-1. In addition to Cambria, the following six firms are

questionnaire responses, and Cambria also provided information about its fabrication operations.[4] Staff calculates that these three fabricators account for over *** percent of domestically fabricated QSP slabs in 2019.[5]

U.S. import data for slabs are based on official Commerce statistics; import data for fabricated QSP ("fabs") are based on questionnaire responses.[6] The questionnaire responses received from 73 U.S. importers are estimated to account for over 75 percent of subject imports from India in 2019 and nearly all subject imports from Turkey in 2019 under harmonized tariff schedule ("HTS") statistical reporting number 6810.99.0010.[7] The Commission received responses to its questionnaires from 23 producers/exporters of subject merchandise from India and three producers/exporters of subject merchandise from Turkey, accounting for *** U.S. imports of subject merchandise from India in 2019 and approximately *** percent of U.S. imports of subject merchandise from Turkey in 2019.[8]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[9] Section 771(4)(A) of the Tariff Act of 1930, as amended ("The Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[10] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[11]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[12]

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domestic producers of quartz slabs: Caesarstone, Dal-Tile, Elite Quartz (which began test production in December 2019), Estone, LG Hausys, and USA Quartz. CR/PR at III-1 & Table III-1.

[4] CR/PR at III-1 & Table III-1. The two independent fabricators that submitted questionnaire responses are Granite and Marble Express and Stone Suppliers, Inc. *Id*.

[5] CR/PR at III-1.

[6] CR/PR at Table IV-2.

[7] CR/PR at IV-1.

[8] CR/PR at VII-3 & VII-13.

[9] 19 U.S.C. § 1677(4)(A).

[10] 19 U.S.C. § 1677(4)(A).

[11] 19 U.S.C. § 1677(10).

[12] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind

Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[13] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[14] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[15] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[16] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[17]

B. Product Description

In its final determinations, Commerce defined the imported merchandise within the scope of these investigations as:

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of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[13] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[14] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[15] *See*, *e.g*., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co.* 747 F. Supp. at 749 n.3 (("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[16] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[17] *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

certain quartz surface products. 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 investigations. However, the scope of the investigations 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 these investigations includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope of these investigations 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 investigations 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 investigations 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 investigations if performed in the country of manufacture of the quartz surface products. The scope of the investigations 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 7016.90.1050. The HTSUS subheadings set forth above are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.[18]

QSP are compacted stone composite building materials used for countertops or aesthetic accents in residential, commercial, and industrial properties.[19] They compete with quarried natural stone products, such as granite or marble.[20]

The scope of these investigations covers both the raw-material slabs and fabricated QSP, with the latter being a finished product.[21]

C. Analysis

Petitioner argues that the Commission should define a single domestic like product coextensive with the scope of these investigations.[22] Respondents have not argued to the contrary.[23]

In its preliminary determinations, the Commission found that quartz slabs and fabricated QSP were not separate domestic like products and defined a single domestic like product coextensive with the scope.[24] As discussed above, the parties do not dispute that the

[18] Certain Quartz Surface Products from India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances, 85 Fed. Reg. 25391, 25393-25394 (May 1, 2020); Certain Quartz Surface Products from India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part, 85 Fed. Reg. 25398, 25400 (May 1, 2020); Certain Quartz Surface Products from the Republic of Turkey: Final Affirmative Determination of Sales at Less than Fair Value and Final Negative Determination of Critical Circumstances, 85 Fed. Reg. 25389, 25391 (May 1, 2020); Certain Quartz Surface Products from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part, 85 Fed. Reg. 25400, 25402 (May 1, 2020),

[19] CR/PR at I-13.

[20] CR/PR at I-13.

[21] CR/PR at I-13.

[22] Petitioner's Prehearing Br. at 4-10.

[23] MSI Respondents agree with Petitioner that the Commission should define a single domestic like product. MSI Respondents' Prehearing Brief at 5. None of the other respondents addressed this issue.

[24] *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 & 731-TA-1450-1451 (Preliminary), USITC Pub. 4919 at 8 (July 2019) ("USITC Pub. 4919"). In the preliminary determinations, the Commission observed that it had previously addressed this issue in contemporary investigations regarding imports from China ("*QSP from China"*), which involved the same product and scope. *Id*. In the preliminary determinations in *QSP from China*, the Commission examined whether fabricated QSP and slabs should be defined to be separate domestic like products under its semi-finished product analysis. *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 & 731-TA-1416 (Preliminary), USITC Pub. 4794 at 9-10 (June 2018). It found that all slabs are dedicated to production of fabs. *Id*. at 9. While

Commission should find one domestic like product. Moreover, there is no information in the current record that warrants departing from the analysis in the preliminary determinations.[25] Therefore, we define a single domestic like product consisting of quartz slabs and fabricated QSP coextensive with the scope.[26]

III. Domestic Industry

The statute defines the relevant industry as the "producers as a {w}hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[27] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

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the functions of the products differ, their essential physical characteristics remain the same, whether QSP is fabricated or not. *Id*. Consequently, notwithstanding separate markets for slab and fabs, the Commission found that quartz slab and fabricated QSP are a single domestic like product. *Id*. at 10. In the final phase investigations in *QSP from China*, the Commission gathered additional information concerning slabs and fabs. The information gathered concerning the semi-finished product factors was largely unchanged from the preliminary phase with the exception of differences in value, and the Commission reached the same domestic like product finding as in the preliminary determinations. *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 & 731-TA-1416 (Final), USITC Pub. 4913 at 9 (June 2019) (hereinafter "USITC Pub. 4913").

[25] CR/PR at I-13-19.

[26] The scope of these final phase investigations is identical to the scope language in the preliminary phase and includes certain quartz glass surface products ("quartz glass"). CR/PR at I-7-8 & I-11-12. In the preliminary determinations, the Commission found that quartz glass within the scope should not be defined as a separate domestic like product, given the lack of party arguments to the contrary and the information available from U.S. producers' and importers' questionnaires indicating that there appeared to be at least some degree of overlap for most of the like product factors and therefore no clear dividing lines between in-scope quartz glass and other QSP within the scope. USITC Pub. 4919 at 8-11. In these final phase investigations, the Commission collected additional information concerning quartz glass in questionnaires it issued to U.S. producers, importers, and purchasers. *See generally* CR/PR at Appendix E & Table E-4. Almost all U.S. producers and most importers reported that in-scope quartz glass and all other QSP within the scope were fully or mostly comparable for each of the six like product factors. CR/PR at Appendix E & Table E-4. Most purchasers reported that in-scope quartz glass and all other QSP were fully or mostly comparable for three of the six factors (physical characteristics, interchangeability, and common manufacturing facilities, processes, and employees), while large minorities of purchasers reported that they were fully or mostly comparable for the other three factors (channels of distribution, customer and producer perceptions, and price). CR/PR at Appendix E & Table E-4. Consequently, the information gathered from questionnaires is not materially different from that in the preliminary phase and does not indicate that there are clear dividing lines between in-scope quartz glass and all other QSP within the scope.

[27] 19 U.S.C. § 1677(4)(A).

There are two sets of domestic industry issues in these investigations. The first concerns whether stand-alone fabricators engage in sufficient production activity to be considered members of the domestic industry. The second concerns whether appropriate circumstances exist to exclude any producer from the domestic industry pursuant to the related parties provision.

A. Sufficient Production-Related Activities

None of the parties in these final phase investigations dispute that slab producers are domestic producers of QSP. Petitioner argues, however, that companies solely engaged in fabrication operations (*i.e.*, cutting, edging, and polishing quartz slab for installation) do not engage in sufficient production-related activity to qualify as domestic producers.[28] Respondents disagree.[29]

In deciding whether a firm qualifies as a domestic producer, the Commission generally has analyzed the overall nature of a firm's production-related activities in the United States, although production-related activity at minimum levels could be insufficient to constitute domestic production.[30]

In its preliminary determinations, the Commission found that stand-alone fabricators engaged in sufficient production-related activities to qualify as domestic producers.[31] It found that the capital investment by reporting fabricators, while less than that of slab producers, was substantial; fabricators employed a significant number of personnel in their U.S. operations; the value added to the finished product by fabrication, whether or not including selling, general and administrative ("SG&A") expenses, was substantial; fabricators obtained the majority of their raw materials (quartz slabs) from domestic sources; and fabrication required at least moderate technical expertise, including specialized knowledge and training.[32]

As discussed above, data that the Commission collected from stand-alone fabricators in

[28] Petitioner's Prehearing Br. at 10-19.

[29] MSI Respondents' Prehearing Br. at 6-9.

[30] The Commission generally considers six factors: (1) source and extent of the firm's capital investment; (2) technical expertise involved in U.S. production activities; (3) value added to the product in the United States; (4) employment levels; (5) quantity and type of parts sourced in the United States; and (6) any other costs and activities in the United States directly leading to production of the like product. No single factor is determinative, and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation. *Crystalline Silicon Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 at 12-13 (Nov. 2012).

[31] USITC Pub. 4919 at 12. The record in the preliminary phase of these investigations regarding the operations of quartz slab fabricators was largely based on information contained in the final Commission Report in the final phase investigations in QSP from China, in which the Commission collected industry data and other information from stand-alone fabricators. USITC Pub. 4919 at 12 n.56.

[32] USITC Pub. 4919 at 12-13.

the final phase investigations in *QSP from China* are in the record of these proceedings.[33] In the final phase of the instant investigations, the Commission received questionnaire responses from only two independent fabricators; by contrast, it received questionnaire responses from 17 independent fabricators in the *QSP from China* final phase investigations. We therefore consider the data from the *QSP from China* final staff report, as well as the data collected in these investigations, in our analysis below.[34]

Source and Extent of the Firm's Capital Investment. The capital investment necessary for fabricating is substantial, although it is lower than the investment needed to produce slabs. In the final phase investigations in *QSP from China*, total capital investment that the responding fabricators reported was $*** during the POI, whereas capital investment reported for slab producers was $***; fabricators reported annual capital expenditures ranging from $*** to $***, whereas slab producers reported annual capital expenditures ranging from $*** to $***.[35] In these final phase investigations, fabricators reported capital expenditures of $*** in 2017, $*** in 2018, and $*** in 2019.[36] Because only a limited number of independent fabricators responded to the Commission's questionnaire, the actual total capital expenditure by fabricators is likely substantially higher. Slab producers in these final phase investigations reported capital expenditures of $*** in 2017, $*** in 2018, and $*** in 2019.[37] Petitioner asserts that it is substantially less expensive to build a fabrication facility than a slab production facility.[38]

Technical Expertise Involved in U.S. Production Activities. The production of slabs is a multi-step manufacturing process involving mixing, combining, dispensing and molding, pressing, curing, cooling, polishing, and inspection.[39] Fabrication is a somewhat simpler physical process insofar as fabrication gives the product a new shape but does not alter its chemistry or physical properties.[40] A technician with the fabricator creates a design file and adjusts the design for features like the type of edge, desired configuration, various cutouts and openings, and the backsplash of the surface.[41] The technician then sends the design file to a production facility where workers program machines so that a diamond blade saw will cut straight lines

[33] *See* Final Staff Report in *QSP from China*, Inv. Nos. 701-TA-606 and 731-TA-1416, at Tables III-6 & VI-8 (INV-RR-048) (May 31, 2019) (EDIS Doc. No. 678202). We note that the period of investigation ("POI") in *QSP from China* was January 2015-September 2018 (*see* USITC Pub. 4913 at 24-33),) whereas the POI in these final phase investigations is 2017-2019. However, there is no indication in the record that the nature of fabricators' operations have changed materially in the last three years.

[34] Petitioner does not object to use of the data from the *QSP from China* investigations that has been included in the record of these proceedings. *See* Petitioner's Posthearing Br., Responses to Second Set of Hearing Questions at 22.

[35] Final Staff Report in *QSP from China* at Tables III-6 & VI-8 (INV-RR-048) (May 31, 2019) (EDIS Doc. No. 678202).

[36] CR/PR at Table VI-10.

[37] CR/PR at Table VI-10.

[38] *See, e.g.*, Petitioner's Prehearing Brief at 13-14.

[39] CR/PR at I-15-16.

[40] CR/PR at I-17.

[41] CR/PR at I-17.

and waterjets will cut arcs and circles into the slab.[42] Computer networked control ("CNC") routers are programmed to cut edges and cutouts for sinks and faucets.[43]

According to Petitioner, employees working to produce slabs may have bachelors of science or advanced degrees in engineering and receive ***, whereas fabrication employees require the ability to use certain basic machinery and experience with computer-aided design.[44] However, three of four responding U.S. slab producers, and ***, indicated in their questionnaires that fabrication operations are complex to varying degrees.[45] Workers producing slabs are paid approximately *** per hour while workers with fabricators are paid approximately *** per hour.[46]

Value Added to the Product in the United States. In these final phase investigations, the value added by fabrication excluding SG&A expenses ranged from *** percent during the POI; the value added including SG&A expenses was higher, ranging from *** percent.[47]

Employment Levels. In the final phase investigations in *QSP from China*, the fabricators that responded to the Commission's questionnaires reported *** employees whereas slab producers reported *** employees.[48] In these final phase investigations, fabricators that responded to the Commission's questionnaire reported *** employees.[49] Slab producers reported 1,490 to 1,559 employees.[50] Because only a limited number of independent fabricators responded to the Commission's questionnaire, the actual total employment level by fabricators is likely substantially higher.

Quantity and Type of Parts Sourced in the United States. In the final phase investigations in *QSP from China*, the record indicated that U.S. fabricators sourced slabs from both domestic and subject sources and that the majority of independent fabricators' slabs were purchased from domestic sources.[51] In these final phase investigations, both responding independent fabricators reported purchasing slabs from foreign sources during the period of investigation.[52]

Conclusion. The record in the final phase of these investigations indicates that fabricators should be included in the domestic industry. We recognize that fabricators' reported capital investments are substantially less than those of slab producers, and that their production activities are to some extent less technically specialized than slab production.

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[42] CR/PR at I-17.

[43] CR/PR at I-20.

[44] *See, e.g.*, Petitioner's Prehearing Br. at 17-18.

[45] CR/PR at Table III-5.

[46] CR/PR at Table III-14.

[47] *Derived from* CR/PR at Tables III-6 & VI-3. In the final phase investigations in *QSP from China*, the value added by fabrication, excluding SG&A expenses, ranged from *** percent. *See* Final Staff Report in *QSP from China* at Table III-6 (INV-RR-048) (May 31, 2019) (EDIS Doc. No. 678202).

[48] Final Staff Report in *QSP from China* at Table III-6 (INV-RR-048) (May 31, 2019) (EDIS Doc. No. 678202).

[49] CR/PR at Tables III-6 & III-14.

[50] CR/PR at Tables III-6 & III-14.

[51] USITC Pub. 4913 at 12.

[52] CR/PR at VI-17; *see also* CR/PR at Table III-6.

Nevertheless, the capital expenditures associated with fabrication and the capital investments required to establish a fabrication facility are not insubstantial. Fabrication also requires at least moderate technical expertise, including specialized knowledge and training in order to create the design file and operate CNC routers and other specialized equipment required for fabrication. Workers producing slabs are not paid substantially higher wages than workers engaged in fabrication. Further, examining all the data in the record, including data from the final phase investigations in *QSP from China* in which the fabricators' response rate to the Commission's questionnaires was significantly greater, it is apparent that fabricators employ a significant number of personnel in their U.S. operations. Moreover, the value added to the finished product by fabrication is substantial, ranging from *** percent on this record, excluding SG&A expenses. Based on this record, we conclude that fabricators are engaged in sufficient production-related operations to be included in the domestic industry.

B. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[53] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[54]

In its preliminary determinations, the Commission found that two domestic producers – *** – met the statutory definition of a related party because each was related to an importer of subject merchandise or itself imported such merchandise.[55] The Commission did not find appropriate circumstances existed to exclude either related party.[56]

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[53] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem*., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[54] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[55] USITC Pub. 4919 at 13: Confidential Preliminary Views at 19 (EDIS Doc. No. 680004).

[56] USITC Pub. 4919 at 14: Confidential Preliminary Views at 19-20 (EDIS Doc. No. 680004).

In these final phase investigations, domestic producers *** and *** directly imported subject merchandise during the period of investigation.[57] Consequently, each of these firms may be excluded from the domestic industry pursuant to the related parties provision. No party has argued for the exclusion of any producers from the domestic industry in these final phase investigations. We discuss below whether appropriate circumstances exist for the exclusion of either of the related parties.

****.* *** accounted for *** percent of domestic production of quartz slab in 2019.[58] It *** the petitions.[59] It was the *** domestic slab producer in 2019.[60] Its imports of subject merchandise were *** square feet in 2017, *** square feet in 2018, and *** square feet in 2019.[61] *** reported that it manufactures high-end products in the United States and imports others to offer a full range of products in the U.S. market.[62] The ratio of its subject imports to production was *** percent in 2017, *** percent in 2018, and *** percent in 2019.[63] The firm's primary interest therefore appears to be in domestic production.[64] In view of the fact that *** domestic production was *** larger than its subject imports and the fact that no party has argued for its exclusion from the domestic industry, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

****.* *** accounted for *** percent of domestic production of quartz slab in 2019.[65] It *** the petitions.[66] It was the *** domestic slab producer in 2019.[67] Its imports of subject merchandise were *** square feet in 2017, *** square feet in 2018, and *** square feet in 2019.[68] *** reported that it imported subject merchandise during the POI prior to its U.S. production operations commencing in December 2018.[69] The ratio of its subject imports to domestic production was *** percent in 2019, and both its subject imports and total imports were *** in 2019 ***.[70] It also engaged in substantial capital expenditures during the POI.[71] Given these considerations and since no party has argued for its exclusion, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

[57] CR/PR at Table III-13.
[58] CR/PR at Table III-1.
[59] CR/PR at Table III-1.
[60] CR/PR at Table III-1.
[61] CR/PR at Table III-13.
[62] CR/PR at Table III-13.
[63] CR/PR at Table III-13.
[64] Its operating income margin was *** percent in 2017, *** percent in 2018, and *** percent in 2019; it *** the industry average in each year of the period of investigation. CR/PR at Table VI-7.
[65] CR/PR at Table III-1.
[66] CR/PR at Table III-1.
[67] CR/PR at Table III-1.
[68] CR/PR at Table III-13.
[69] CR/PR at Table III-13.
[70] CR/PR at Table III-13.
[71] CR/PR at Table VI-10.

Accordingly, we find that appropriate circumstances do not exist to exclude any firm as a related and define the domestic industry to include all U.S. producers of QSP, including stand-alone fabricators.

IV. Cumulation[72]

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[73]

[72] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall generally be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B). The exceptions to this general provision are not pertinent here.

During May 2018 – April 2019, the 12-month period preceding the filing of the petitions, subject imports from India, as measured by questionnaire responses, accounted for *** percent of total U.S. imports of QSP by quantity, and subject imports from Turkey, as measured by questionnaire responses, accounted for *** percent of total U.S. imports of QSP by quantity in the countervailing duty investigation and *** percent in the antidumping duty investigation. CR/PR at Revised Table IV-6. During this period, subject imports from India, as measured by official import statistics, accounted for *** percent of total U.S. imports of QSP by quantity, and subject imports from Turkey, as measured by official import statistics, accounted for *** percent of total U.S. imports of QSP by quantity in the countervailing duty investigation and *** percent in the antidumping duty investigation. *Id*. As imports in each investigation are clearly above negligible levels regardless of whether questionnaire data or official import statistics are used, we find that subject imports from India and Turkey are not negligible.

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[74] Only a "reasonable overlap" of competition is required.[75]

A. Arguments of the Parties

Petitioner. Petitioner argues that the Commission should cumulatively assess subject imports from India and Turkey.[76] It contends that the petitions for both subject countries were filed on the same day and therefore the threshold requirement for cumulation is satisfied.[77] It maintains that MSI Respondents overlook the plain language of the statute, which establishes that petitions may allege present material injury or threat, and that any such petitions are, by definition, "petitions" under 19 U.S.C. § 1677(7)(G)(i).[78] Therefore, according to Petitioner, the filing of petitions that allege material injury or threat with regard to multiple countries meet the threshold for cumulation for present injury with respect to "all countries" that are the subject of the petitions, regardless of the specific type of injury or injuries alleged.[79]

Petitioner argues that the record demonstrates a reasonable overlap in competition between and among subject imports from India and Turkey and the domestic like product.[80]

Respondents. MSI Respondents argue that subject imports from India and Turkey cannot be cumulated for present material injury analysis on the basis that the petitions were not filed on the same day, thereby not satisfying the threshold requirement for cumulation.[81] They rely on the fact that the petitions on QSP from India alleged both present material injury

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[73] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[74] *See*, *e.g*., *Wieland Werke, AG v. United State*s, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[75] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[76] Petitioner's Prehearing Br. at 31-35.

[77] Petitioner's Prehearing Br. at 32.

[78] Petitioner's Posthearing Br., Responses to Commissioners Second Set of Hearing Questions at 9-10.

[79] Petitioner's Posthearing Br., Responses to Commissioners Second Set of Hearing Questions at 10.

[80] Petitioner's Prehearing Br. at 32-34.

[81] MSI Respondents' Prehearing Br. at 9-11; MSI Respondents' Posthearing Br., Answers to Commissioners Second Set of Hearing Questions at 1-4; MSI Respondents' Answers to Commissioners First Set of Hearing Questions at 1-5. No other respondents joined this argument.

and threat while petitions on QSP from Turkey alleged only threat of material injury.[82] MSI Respondents maintain that cumulating subject imports for present injury when the petitions did not originally allege it with respect to imports from all subject countries would be counter to Congressional intent.[83] MSI Respondents state that, if the Commission were to find the threshold same-day requirement is satisfied, they do not contest that there is a reasonable overlap of competition between and among subject imports from India and Turkey and the domestic like product.[84]

B. Analysis

We consider subject imports from India and Turkey on a cumulated basis because the statutory criteria for cumulation are satisfied. As discussed below, Petitioner filed antidumping and countervailing petitions on imports from both subject countries on the same day (May 8, 2019). The record also demonstrates a reasonable overlap of competition between subject imports from India and Turkey, and between subject imports from each source and the domestic like product.

Simultaneous Filing Requirement. In the current investigations, Petitioner filed antidumping and countervailing duty petitions with respect to subject imports from both India and Turkey on May 8, 2019. The petitions filed that day made both present injury and threat allegations for subject imports from India but only threat allegations for subject imports from Turkey.[85] On May 15, 2019, Petitioner amended its petitions to allege both present injury and threat for subject imports from Turkey.[86]

The statutory requirement for cumulation requires that "petitions were filed . . . on the same day."[87] Here, as reflected in both Commerce notices of initiation and the Commission's

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[82] MSI Respondents' Prehearing Br. at 9.

[83] MSI Respondents' Answers to Commission's First Set of Hearing Questions at 3; MSI Respondents' Posthearing Br., Answers to Commission's First Set of Hearing Questions at 1-2.

[84] MSI Respondents Posthearing Br., Answers to Commissioners' Second Set of Questions at 4.

[85] The petition as filed makes clear that the only reason that it did not assert current material injury allegations on subject imports from Turkey was because they constituted 2.995 percent of total imports for the most recent 12-month period for which data were then available and thus would not meet the negligibility threshold. See Petition, EDIS Doc. 675301, Volume I at 17.

[86] MSI Respondents' Prehearing Br., Exh. 7E (Amended Petitions) at 10-12.

[87] 19 U.S.C. § 1677(7)(G)(i), provides as follows:

(G) Cumulation for determining material injury

(i) In General

For purposes of clauses (i) and (ii) of subparagraph (C), and subject to clause (ii), the Commission shall cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which—

(i) petitions were filed under section 1671a(b) or 1673a(b) of this title on the same day, or

notice of institution, each petition was filed on May 8, 2019.[88] Respondents would have the Commission read into this provision requirements not in the statute. We decline to do so. On its face, section 1677(7)(i)(I) does not require the Commission to consider the substance of the petitions, but rather to ascertain whether the "petitions were filed under section 1671a(b) or 1673a(b) of this title on the same day."[89] Both of these referenced sections define a "petition" as "alleg{ing} the elements necessary for the imposition of *** duty."[90] The statute further provides that among the elements necessary for the imposition of an antidumping or countervailing duty is a determination that "an industry in the United States is materially injured, or threatened with material injury" by reason of subject imports.[91] Use of the disjunctive "or" indicates that either finding – that is, present or threatened material injury – satisfies this element. A petition is not defined by the specific theory of injury; the statute by its terms does not provide any indication that a petitioner is bound to a specific theory of injury at the time of filing as a prerequisite to cumulation under section 1677(7)(i)(I).[92] To the contrary, the statutory provisions on petition requirements explicitly contemplate amendments and provide no indication that amendments change the filing date of the petition.[93]

Accordingly, we find that the threshold requirement for cumulation is met since the petitions were filed on the same day, May 8, 2019.[94] We thus examine whether there is a

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(ii) petitions were filed under section 1671a(b) or 1673a(b) of this title on the same day and investigations were initiated on the same day under section 1671a(a) or 1673a(a) of this title on the same day,

if such imports compete with each other and with domestic like products in the United States market.

[88] *See* 84 Fed. Reg. 25529, 25529-30 (June 3, 2019) (Commerce AD initiation); 84 Fed. Reg. 25524 (June 3, 2019) (Commerce CVD initiation); 84 Fed. Reg. 21361 (May 14, 2019) (Commission institution). That the petitions were filed on the same day is also reflected in Commission having reached its preliminary determinations in the investigations on the two countries under the same schedule, noting in its preliminary determinations that the petitions on QSP from India and Turkey were filed on the same day: May 8, 2019. *See* USITC Pub. 4919 at 1 (determination), 15 (cumulation discussion).

[89] 19 U.S.C. § 1677(7)(G)(i)(I).

[90] 19 U.S.C. §§ 1671(a)(1), 1673(a)(10).

[91] 19 U.S.C. §§ 1671(a)(2), 1673(a)(2) (emphasis added).

[92] We also note that the pertinent legislative history does not appear to support MSI Respondents' arguments on this issue. The SAA states that the simultaneous filing requirement in section 1677(7) "will promote certainty in antidumping and countervailing duty investigations by defining, at the time of filing, the countries potentially subject to cumulative analysis." SAA at 848. Thus, according to the legislative history, the focus of the provision is providing notice of *the countries* potentially subject to cumulative analysis. The legislative history makes no reference to notice of the injury theory or theories underlying the petitions.

[93] See 19 U.S.C §§ 1671a(b) ("The petition may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit."); *id*. at 1673a(b) (same).

[94] CR/PR at I-1. None of the statutory exceptions to cumulation applies. We observe that Commerce has made subsidy findings with respect to all imports from India and Turkey, dumping findings with respect to all imports from India, but dumping findings with respect to only certain imports

reasonable overlap of competition between subject imports from India and Turkey and between subject imports from each source and the domestic like product.

Fungibility. The large majority of responding U.S. producers and purchasers reported that product from all sources was always or frequently interchangeable.[95] Importers were more divided on this question, but at least half of importers for all comparisons among the domestic like product and subject imports also reported that product from all sources was always or frequently used interchangeably.[96] In comparisons between products from different sources concerning 20 purchasing factors, pluralities or majorities of purchasers found that that the domestic product and subject imports from India were comparable with respect to 18 factors, and that the domestic product and subject imports from Turkey and subject imports from India and Turkey were comparable with respect to all 20 factors.[97] Majorities of

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from Turkey. Consequently, any decision to cumulate imports in these investigations will involve "cross-cumulating" imports that are both subsidized and dumped with imports that are subsidized. No party has addressed the issue of cross-cumulation in these investigations. We have previously explained why we are continuing our longstanding practice of cross-cumulating. *See Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman*, Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (April 2016). *See also Circular Welded Carbon Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 (Final), USITC Pub. 4362 at 12 n.59 (Dec. 2012); *Softwood Lumber from Canada*, Inv. Nos 701-TA-414 and 731-TA- 928 (Final), USITC Pub. 3059 at 29-31 (May 2009); *Bingham & Taylor v. United States*, 815 F.2d 982 (Fed. Cir. 1987).

[95] CR/PR at Table II-10. With respect to comparisons between the domestic like product and subject imports from India, six of eight responding U.S. producers and 17 of 24 purchases reported that subject imports from India were always or frequently interchangeable, while two of eight producers and seven of 24 purchasers reported that they were sometimes or never interchangeable. *Id*. With respect to comparisons between the domestic like product and subject imports from Turkey, *** of eight responding U.S. producers and 17 of 20 purchases reported that subject imports from India were always or frequently interchangeable, while two of eight producers and three of 20 purchasers reported that they were sometimes or never interchangeable. *Id*. For comparisons between subject imports from India and Turkey, four of six responding producers and 14 of 17 purchasers reported that product from both subject countries was always or frequently interchangeable, while two of six responding producers and three of 17 purchasers reported that product from both countries were sometimes or never interchangeable. *Id*.

[96] CR/PR at Table II-10. With respect to comparisons between the domestic like product and subject imports from India, 22 of 42 responding importers reported that subject imports from India were either always or frequently interchangeable, while 18 of 42 importers reported that they were sometimes interchangeable and 2 reported that they were never interchangeable. *Id*. With respect to comparisons between the domestic like product and subject imports from Turkey, 12 of 24 responding importers reported that subject imports from Turkey were either always or frequently interchangeable, while 11 of 24 importers reported that they were sometimes interchangeable and 1 reported that they were never interchangeable. *Id*. For comparisons between subject imports from India and Turkey, 13 of 24 responding importers reported that product from both subject countries was always or frequently interchangeable, while 10 of 24 responding importers reported that product from both countries were sometimes interchangeable and 1 reported that they were never interchangeable. *Id*.

[97] CR/PR at Table II-8.

purchasers found that that subject imports from India and Turkey were comparable with respect to all 20 factors.[98]

Channels of Distribution. During the POI, the domestic like product was sold predominantly to fabricators/retailers with appreciable quantities also sold to distributors and contractors/builders and very small quantities sold to end users.[99] Subject imports from both India and Turkey were sold predominantly to fabricators/retailers, with appreciable quantities also sold to distributors, contractors/builders, and end users.[100]

Geographic Overlap. U.S. producers and importers of subject merchandise from India and Turkey reported selling QSP in all regions of the contiguous United States.[101]

Simultaneous Presence in Market. The domestic like product and subject imports from India and Turkey and were present in the U.S. market in every month from January 2017 to December 2019.[102]

Conclusion. As discussed above, the petitions were filed on the same day, thereby satisfying the threshold requirement for cumulation. The record also indicates that subject imports from each subject country are fungible with the domestic like product and each other, that subject imports from each subject country and the domestic like product are sold in similar channels of distribution and in similar geographic markets, and that subject imports from each subject country and the domestic like product have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country as well as between imports from each subject country. Accordingly, we analyze subject imports from India and Turkey on a cumulated basis for our analysis of whether the domestic industry is materially injured by reason of subject imports.

V. Material Injury by Reason of Subject Imports

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or

[98] CR/PR at Table II-8.

[99] CR/PR at Table II-1. In each year during the POI, *** of U.S. producers' U.S. commercial shipments were sold to fabricators/retailers, *** were sold to distributors, *** were sold to contractors/builders, and *** were sold to end users. *Id*.

[100] CR/PR at Table II-1. In each year during the POI, *** of U.S. importers' U.S. commercial shipments of subject merchandise from India were sold to fabricators/retailers, *** were sold to distributors, *** were sold to contractors/builders, and *** were sold to end users. *Id*. In each year during the POI, *** of U.S. importers' U.S. commercial shipments of subject merchandise from Turkey were sold to fabricators/retailers, *** were sold to distributors, *** were sold to contractors/builders, and *** were sold to end users. *Id*.

[101] CR/PR at Tables II-2 & IV-9.

[102] CR/PR at Tables IV-10 & V-3-8.

threatened with material injury by reason of the imports under investigation.[103] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[104] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[105] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[106] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[107]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[108] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[109] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[110]

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[103] 19 U.S.C. §§ 1671d(b), 1673d(b). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provision of the Tariff Act pertaining to Commission determinations of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments in this investigation.

[104] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[105] 19 U.S.C. § 1677(7)(A).

[106] 19 U.S.C. § 1677(7)(C)(iii).

[107] 19 U.S.C. § 1677(7)(C)(iii).

[108] 19 U.S.C. §§ 1671d(a), 1673d(a).

[109] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[110] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement*." Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[111] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[112] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[113] It is clear that the existence of injury caused by other factors does not compel a negative determination.[114]

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[111] SAA at 851-52) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[112] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[113] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[114] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[115] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports."[116] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[117]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[118] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[119]

B. Conditions of Competition

The following conditions of competition inform our analysis of whether there is material injury by reason of subject imports.

1. Demand Conditions

Demand for QSP in slab form depends on demand for fabs, which have a variety of end uses.[120] These include kitchen, bathroom, and commercial countertops, vanities, flooring, tiles, shower walls and pans, windowsills, fireplaces, wall cladding, and cabinets.[121] Demand for fabs

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[115] *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") (citing *United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.). In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[116] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[117] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[118] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[119] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[120] CR/PR at II-10.

[121] CR/PR at II-10.

is driven by remodeling and construction activity.[122] Although almost half of U.S. producers, more than half of U.S. importers, and most US. purchasers reported that the U.S. market for QSP is not subject to business cycles,[123] some market participants indicated that the market is affected by construction or renovation cycles or consumer preferences for alternative products, including porcelain, marble, granite, and stone.[124]

There are multiple types of end users of fabs. They include builders and contractors for new construction and remodeling of homes and commercial properties, as well as homeowners for remodeling projects.[125]

The vast majority of market participants reported an increase in U.S. demand for QSP since January 1, 2017.[126] Apparent U.S. consumption for QSP rose from *** square feet in 2017 to *** square feet in 2018, an increase of *** percent, but then declined by *** percent to *** square feet in 2019, for an overall increase of *** percent from 2017 to 2019.[127]

2. Supply Conditions

The domestic industry, subject imports, and nonsubject imports all supplied the U.S. market over the period of investigation. The domestic industry was the second largest source of supply to the U.S. market in 2017 and 2018 and the smallest source of supply in 2019.[128] The domestic industry's market share declined from *** percent in 2017 to *** percent in 2018, but then increased to *** percent in 2019.[129]

During the period of investigation, Cambria was by far the largest domestic producer of quartz slabs.[130] Although the parties agree that there are thousands of fabricators,[131] only two independent fabricators provided questionnaire responses in these final phase investigations, as discussed above.[132]

The domestic industry's capacity was less than apparent U.S. consumption throughout the period of investigation.[133] U.S. slab producers' capacity increased during the period due to expansions by ***, as well as the entrance of *** and ***, which began U.S. slab production

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[122] *See* CR/PR at II-8.

[123] CR/PR at II-10.

[124] CR/PR at II-10-11.

[125] CR/PR at II-2 & Table II-1.

[126] CR/PR at Table II-4.

[127] CR/PR at Tables IV-12 & C-1.

[128] CR/PR at Table IV-12.

[129] CR/PR at Table IV-12.

[130] CR/PR at Table III-1. In 2019, Cambria accounted for *** percent of 2019 U.S. production of quartz slabs; by comparison, LG Hausys accounted for *** percent), Caesarstone accounted for *** percent, Dal-Tile accounted for *** percent, Estone accounted for *** percent, and USA Quartz accounted for *** percent. *Id*.

[131] *See, e.g.,* Petitioner's Prehearing Br., Exhibit 10 at 7 (affidavit of Martin Davis, CEO of Cambria); CR/PR at I-17.

[132] CR/PR at III-1 & Table III-1.

[133] *Compare* CR/PR at Tables III-7 *with* CR/PR at Table IV-12.

operations in *** and ***, respectively.[134] U.S. slab producers' capacity increased by 19.7 percent from 2017 to 2019.[135]

Cumulated subject imports were the smallest source of supply during the period of investigation until 2019, when they became the second largest source of supply to the U.S. market.[136] The market share of cumulated subject imports increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[137]

Nonsubject imports were the largest source of supply to the U.S. market throughout the period of investigation. The market share of nonsubject imports declined from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[138] In 2017 and 2018, China was the largest source of nonsubject imports.[139] Commerce initiated antidumping and countervailing duty investigations on QSP from China on May 16, 2018,[140] and issued antidumping and countervailing duty orders on these imports in July 2019.[141] Imports of QSP from China became subject to cash deposits on September 14, 2018,[142] and these imports rapidly declined in 2019.[143] Other leading sources of nonsubject imports of QSP include Spain, Israel, and Vietnam.[144] Imports from Spain, Vietnam, and other nonsubject sources increased in 2019 with the exit of nonsubject imports from China.[145]

3. Substitutability and Other Conditions

Both the domestic like product and subject imports are sold in a range of designs and styles, including uniform designs (such as white, neutral, and dark colors), marble, and granite

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[134] CR/PR at Tables III-7.

[135] CR/PR at Table C-1. Slab producers' capacity increased from 52.1 million square feet in 2017 to 57.8 million square feet in 2018 and 62.4 million square feet in 2019. CR/PR at Table III-7 & C-1. Independent fabricators' capacity increased by *** percent from 2017 to 2019, from *** square feet in 2017 to *** square feet in 2018 and 2019. *Id*.

[136] CR/PR at Table IV-12.

[137] CR/PR at Table IV-12.

[138] CR/PR at Table IV-12

[139] CR/PR at Table IV-3.

[140] Certain Quartz Surface Products From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation, 83 Fed. Reg. 22613, 22618 (May 16, 2018); Certain Quartz Surface Products From the People's Republic of China: Initiation of Countervailing Duty Investigation, 83 Fed. Reg. 22618, 22622 (May 16, 2018).

[141] Certain Quartz Surface Products from China: Antidumping and Countervailing Duty Orders, 84 Fed. Reg. 33053 (July 11, 2019).

[142] 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 Fed. Reg. 47881 (Sept. 21, 2018); *See also* Final Staff Report in *QSP from China* at I-2 (INV-RR-048) (May 31, 2019) (EDIS Doc. No. 678202).

[143] CR/PR at Table IV-3. Imports from China declined from 84,695,000 square feet in 2018 to 8,239,000 square feet in 2019. CR/PR at Table IV-3.

[144] CR/PR at II-7.

[145] CR/PR at Table IV-3.

designs.[146] As discussed in section IV.B. above, large majorities of responding U.S. producers and purchasers, and smaller majorities of importers, reported that product was always or frequently interchangeable in comparisons between product from domestic and subject sources.[147] Moreover, in comparisons between products from different sources concerning 20 purchasing factors, pluralities or majorities of purchasers found that that the domestic like product and subject imports from India were comparable with respect to 18 factors, and that the domestic product and subject imports from Turkey and subject imports from India and Turkey were comparable with respect to all 20 factors.[148] Accordingly, we find that there is a moderate-to-high degree of substitutability between subject imports from India and Turkey and the domestic like product.[149] Based on the current record, we also find there is general substitutability between the domestic like product and imports of QSP from all sources, including nonsubject imports.[150]

Purchasers reported that a number of factors are important when they purchase QSP.[151] Purchasers cited price, as well as quality and color/design, as three of the most important factors they consider in their purchasing decisions.[152] The large majority of responding purchasers reported that price was very important in their purchasing decisions for QSP, although slightly more purchasers rated availability, color/design/aesthetics, and reliability of supply as very important in their purchasing decisions.[153] The same number of purchasers reported "quality meets industry standards" as price for being very important in their purchasing decisions, while almost as many reported product consistency as price for being very important in their purchasing decisions.[154] When asked about the significance of differences other than price between domestically produced QSP and subject imports, most responding purchasers reported that differences other than price were sometimes or never

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[146] *See* CR/PR at Table IV-7. While subject imports are more concentrated in uniform designs, there is substantial overlap in the different styles. *See Id.*

[147] CR/PR at Table II-10.

[148] CR/PR at Table II-9.

[149] CR/PR at II-12.

[150] CR/PR at Tables II-9-10. With respect to comparisons between the domestic like product and nonsubject imports, six of eight responding producers, 19 of 23 responding purchasers, and 23 of 44 responding importers reported that nonsubject imports were either always or frequently interchangeable with domestically-produced QSP. CR/PR at Table II-10. Majorities of purchasers found that nonsubject imports were comparable with the domestic like product, subject imports from India, and subject imports from Turkey in nearly all comparisons involving discrete purchasing factors. CR/PR at Table II-9.

[151] CR/PR at Tables II-6 & II-7.

[152] CR/PR at Table II-6. The most often cited top three factors purchasers cited in their purchasing decisions for QSP were quality (19 purchasers), color/design (16 purchasers), and price/cost (15 purchasers). *Id*. Quality and contract/exclusivity were the most frequently cited first-most important factor, followed by color/design, and price/cost was the most frequently reported second-most and third-most important factors. *Id*.

[153] CR/PR at Table II-7.

[154] CR/PR at Table II-7.

important in purchasing decisions for QSP; a substantial minority of purchasers reported that non-price differences were at least "frequently" important in purchasing decisions for QSP.[155] In light of the information in the record from purchasers, we find that price is important in purchasing decisions for QSP, although we recognize that non-price factors are also important.

The vast majority of U.S. producers' and importers' reported sales of QSP were made on the spot market.[156]

Ground quartz is the main raw material used to produce slabs.[157] Raw material costs, as a share of U.S. slab producers' total cost of goods sold ("COGS"), increased from *** percent in 2017 to *** percent in 2019.[158] Fabricators' raw material costs for slabs as a share of U.S. slab producers' total COGS, decreased from *** percent in 2017 to *** percent in 2019.[159]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[160]

The volume of cumulated subject imports increased over the POI, from *** square feet in 2017 to *** square feet in 2018, and then to *** square feet in 2019.[161]

Because the volume of cumulated subject imports rose at a much faster rate than apparent U.S. consumption,[162] cumulated subject imports gained market share rapidly. As a share of apparent U.S. consumption, cumulated subject imports' market share increased from *** percent in 2017 to *** percent in 2018 and then to *** percent in 2019.[163] The ratio of

[155] CR/PR at Table II-12.

[156] CR/PR at Table V-2.

[157] CR/PR at V-1.

[158] CR/PR at VI-1.

[159] CR/PR at Table VI-3.

[160] 19 U.S.C. § 1677(7)(C)(i).

[161] CR/PR at Tables IV-2 & C-1. Claiming that cumulated subject imports declined after preliminary countervailing duties were imposed in October 2019 and that cumulated subject imports' prices increased after the petitions were filed, Petitioner argues that the Commission should find post-petition effects and give less weight to 2019 data. *See, e.g.*, Petitioner's Answers to First Set of Hearing Questions at 47-49. Respondents disagree. *See, e.g.*, MSI Respondents' Responses to First Set of Hearing Questions at 41; GS Respondents' Response to First Set of Hearing Questions at 23; Belenco Response to First Set of Hearing Questions at 16.

We are not according diminished weight to full year 2019 data. The information in the record indicates that the volume of cumulated subject imports kept increasing on a monthly basis for several months after the petitions were filed and did not decline appreciably until the last three months of 2019. CR/PR at Table IV-10. Consequently, we find that any post-petition effects that existed were too limited temporally to warrant giving diminished weight to data for the full year.

[162] Apparent U.S. consumption increased by *** percent from 2017 to 2019. CR/PR at Table C-1.

[163] CR/PR at Tables IV-12 & C-1.

cumulated subject imports to U.S. production increased from *** percent in 2017 to *** percent in 2018 and then to *** percent in 2019.[164]

Based on the foregoing, we find that the volume of cumulated subject imports, and the increase in that volume, are significant in absolute terms and relative to production and consumption in the United States.[165]

D. Price Effects of Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[166]

As addressed in section IV.B.3. above, the record indicates there is a moderate-to-high degree of substitutability between domestically produced QSP and QSP imported from India and Turkey and that price is an important factor in purchasing decisions.

In the final phase of these investigations, five domestic producers and 35 importers of subject merchandise provided usable pricing data for six products,[167] although not all firms

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[164] CR/PR at Table IV-2.

[165] Respondents have argued that the volume of cumulated subject imports was not significant because the domestic industry was unable to supply sufficient product or product that satisfied consumers' preferences. We address these arguments in section VI.E. below.

[166] 19 U.S.C. § 1677(7)(C)(ii).

[167] CR/PR at V-6. The pricing products are: **Product 1**— Plain white quartz surface products, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors; **Product 2**— Plain white quartz surface products, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors; **Product 3**— White quartz surface products with a "marble look", a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors; **Product 4**— White quartz surface products with a "marble look", a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors; **Product 5**— Neutral colored quartz surface products with a "natural stone look", a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors; and **Product 6**— Neutral colored quartz surface products with a "natural stone look", a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors. CR/PR at V-5-6.

We observe that only two respondents provided comments on the draft questionnaires in the final phase of these investigations and that neither objected to the pricing products. GS Respondents'

reported pricing data for all products for all quarters.[168] Price data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. commercial shipments of QSP in 2019, *** percent of U.S. commercial shipments of subject merchandise from India in 2019, and *** percent of U.S. commercial shipments of subject merchandise from Turkey in 2019.[169]

The pricing data indicate that cumulated subject imports pervasively undersold the domestic like product throughout the POI. Specifically, cumulated subject imports undersold the domestic like product in all 129 quarterly price comparisons involving 18.2 million square feet of cumulated subject imports at underselling margins that ranged from 11.4 percent to 53.9 percent and averaged 28.9 percent.[170] The data also indicate that the underselling margins were in many instances higher in 2018 and 2019 than 2017. For product 4, the domestic industry's *** pricing product, underselling margins peaked in 2018 for comparisons with subject imports from Turkey, and were higher in each quarter in 2018 and 2019 than in any quarter in 2017 for comparisons with subject imports from India.[171] For product 6, the domestic industry's *** pricing product, underselling margins for comparisons with imports from each subject country peaked in 2019.[172]

In light of the importance of price in purchasing decisions for QSP, the fact that the domestic like product and cumulated subject imports are moderately to highly substitutable, and the pervasive underselling by cumulated subject imports at high and often increasing margins, we find that underselling by cumulated subject imports was significant.[173] Further,

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Comments on Draft Questionnaires (Sept. 24, 2019) (EDIS Doc. 689091); MSI Respondents' Comments on Draft Questionnaires (Sept. 24, 2019) (EDIS Doc. 689075).

[168] CR/PR at V-6.

[169] CR/PR at V-6.

[170] CR/PR at Table V-10.

[171] CR/PR at Table V-6.

[172] CR/PR at Table V-8. Respondents argue that the large underselling margins by cumulated subject imports largely reflect perceptions of the domestic product as a premium product because Cambria, the principal domestic producer, markets itself as a premium brand. *See, e.g.*, MSI Respondents' Prehearing Br. at 59-60; Belenco Prehearing Br. at 10-11; GS Respondents' Prehearing Br. at 42-43. We observe that, in many instances, underselling margins were higher in the latter portions of the period of investigation. If the domestic product were entitled to a pricing premium, one would expect that it would be fairly constant over time, or that it would diminish later in the POI with the entry of new domestic producers whose average unit sales values, in contrast to Cambria's, were *** the industry average. *See* CR/PR at Table VI-7. This did not happen. Moreover, Cambria accounts for *** percent – of domestic slab production. CR/PR at III-2. Cambria's product may garner a price premium – we observe from the pricing data that other domestic producers' prices are generally significantly lower than Cambria's prices. The record, however, shows that cumulated subject imports also undersold other domestic producers, albeit at lower margins than for comparisons to prices for the domestic industry including Cambria. *Derived from* U.S. Producers' Questionnaires of *** & CR/PR at Tables V-3-8.

[173] Six of 36 purchasers indicated they had purchased subject merchandise instead of domestic product during the POI. CR/PR at V-24 & Tables V-12-13. Three of these purchasers reported that the

this significant underselling fueled cumulated subject imports' significant increase in market share over the period of investigation, particularly in 2019 as nonsubject imports from China exited the market after imposition of cash deposits late in the third quarter of 2018 and antidumping and countervailing duty orders in 2019.[174] As cumulated subject imports gained market share, the domestic industry lost *** percentage points of market share overall (declining from *** percent in 2017 to *** percent 2019),[175] having entered the period of investigation with an already reduced share due to Chinese imports previously determined to be injurious by the Commission.[176] Given the retreat of imports from China, we find that the domestic industry would reasonably have been expected to gain greater market share in 2019 absent significant underselling by subject imports.

We do not find that subject imports depressed U.S. producers' prices to a significant degree. During the period of investigation, prices for four of the six domestically produced pricing products were higher in the fourth quarter of 2019 than in the first quarter of 2017.[177] [178]

We also do not find evidence in the record to support that subject imports prevented price increases that otherwise would have occurred to a significant degree. The domestic industry's COGS to net sales ratio increased from *** percent in 2017 to *** percent in 2018, but then declined to *** percent in 2019, for an overall decline of *** percentage points from 2017 to 2019.[179] Furthermore, prices for four of six domestic pricing products increased during the POI as did demand.[180] These price increases were sufficient to cover the domestic industry's rising costs on a per-unit basis: overall, domestic net sales AUVs went up ***,

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lower prices of the subject imports accounted for their purchasing subject imports rather than the domestic product. *Id*.

[174] From 2018 to 2019, the market share of nonsubject imports from China fell from *** percent to *** percent, while the market share of cumulated subject imports increased from *** percent to *** percent and the market share of domestic producers increased from *** to ***. *Derived from* CR/PR Tables IV-3 and C-1.

[175] CR/PR at Tables IV-12 & C-1.

[176] *See* USITC Pub. 4913 at 29-33.

[177] CR/PR at Tables V-3-9. Prices increased irregularly for all domestically produced pricing products except for Products 1 and 2. *Id*. Prices for subject imports from Turkey generally increased for all pricing products, whereas prices of subject imports from India generally declined for all pricing products. *Id*. Only one of 36 responding purchasers reported that U.S. producers had reduced prices to compete with lower-priced imports from India and Turkey. CR/PR at V-24.

[178] For analyzing price depression, Respondents maintain that the Commission should not include the pricing data for domestic producers Dal-Tile and USA Quartz since those two producers only sold QSP in 2019 rather than the entire period of investigation like other domestic producers. *See, e.g.*, GS Respondents' Prehearing Br. at 35-36. However, we analyze the pricing data for the domestic industry as a whole and these two firms are part of the industry. Moreover, we typically exclude pricing data only when they appear to be inaccurate, anomalous, or unresponsive. Respondents do not contest the accuracy of the data furnished by Dal-Tile or USA Quartz.

[179] CR/PR at Tables VI-5 & C-1.

[180] CR/PR at Tables V-3-9 & C-1

surpassing the overall *** increase in the domestic industry's unit COGS.[181] Therefore, the evidence on the record does not indicate, as Petitioner argued, that the industry was experiencing a cost-price squeeze.

In sum, the record indicates significant underselling by cumulated subject imports that enabled cumulated subject imports to gain substantial market share, *** percentage points in 2018 and *** percentage points in 2019.[182] This substantial market share gain by cumulated subject imports occurred at a time when nonsubject imports from China rapidly exited the U.S. market, after imposition of cash deposits and antidumping and countervailing duty orders, when the domestic industry would reasonably have been expected to gain greater market share. We find that cumulated subject imports' pervasive underselling allowed them to capture significant market share and held domestic producers to a market share that was less than at the beginning of the period of investigation, which led to the domestic industry's performance being worse than it should have been, particularly in 2019, as discussed below. We therefore find that cumulated subject imports had significant adverse price effects on the domestic industry.

E. Impact of Subject Imports[183]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[184] These factors include output, sales, inventories, capacity

[181] CR/PR at Table C-1. Domestic net sales AUVs increased overall from *** in 2017 to *** in 2019; the domestic industry's unit COGS increased from *** in 2017 and 2018 to *** in 2019. *Id.*

[182] CR/PR at Table C-1.

[183] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of subject imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination with respect to subject imports from India, Commerce found dumping margins of 5.15 percent for Antique Marbonite Private Limited, India; Shivam Enterprises; and Prism Johnson Limited. *Certain Quartz Surface Products from India: Final Determination of Sales at Less Than Fair Value*, 85 Fed. Reg. 25391, 25392 (May 1, 2020). Commerce also found dumping margins of 2.67 percent for Pokarna Engineered Stone Limited, and 3.19 percent for all other Indian producers/exporters of QSP. *Certain Quartz Surface Products from India: Final Determination of Sales at Less Than Fair Value*, 85 Fed. Reg. 25391, 25392 (May 1, 2020). In its final determination with respect to subject imports from Turkey, Commerce found a *de minimis* dumping margin for Ermas, and dumping margins of 5.17 percent for Belenco dis Tikaret A.S., Peker Yuzey Tasar, and all other Turkish producers/exporters of QSP. *Certain Quartz Surface Products from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 85 Fed. Reg. 25389, 25390 (May 1, 2020). We take into account in our analysis the fact that Commerce has made final findings that subject producers in India and Turkey are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[184] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury.

utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[185]

Measures of the domestic industry's output generally increased from 2017 to 2019, but did so to a lesser degree than the growth in apparent U.S. consumption.[186] Increases in U.S. slab producers' production (9.5 percent),[187] shipments (*** percent),[188] and net sales quantities (*** percent)[189] were all lower than the *** percent increase in apparent U.S. consumption from 2017 to 2019.[190] U.S. slab producers' capacity increased by (19.7 percent) from 2017 to 2019,[191] and their capacity utilization declined irregularly, ending the POI at only 59.5 percent.[192] The domestic industry's end-of-period inventories and inventories relative to its total shipments increased steadily from 2017 to 2019.[193]

While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[185] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[186] For our impact analysis, we have examined the data for the domestic industry as a whole. Nonetheless, since the coverage for fabricators is low as discussed above, we have focused our analysis on the data for U.S. slab producers, which covers nearly all domestic production of in-scope slabs. *See, e.g.*, CR/PR at Tables III-7 & C-1.

[187] U.S. slab producers' production increased from 33.9 million square feet in 2017 to 38.2 million square feet in 2018, but then declined to 37.1 million square feet in 2019. CR/PR at Tables III-7 & C-1. Fabricators' production was flat overall from 2017 to 2019, increasing from *** square feet in 2017 to *** square feet in 2018, but then declining to *** square feet in 2019. *Id*.

[188] The quantity of U.S. slab producers' U.S. shipments increased from *** square feet in 2017 to *** square feet in 2018 and *** square feet in 2019. CR/PR at Tables III-10 & C-1. By quantity, fabricators' U.S. shipments increased by *** percent from 2017 to 2019, increasing from *** square feet in 2017 to *** square feet in 2018 and *** square feet in 2019. *Id*.

[189] The quantity of U.S. slab producers' net sales increased from *** square feet in 2017 to *** square feet in 2018, but then declined to *** square feet in 2019. CR/PR at Tables VI-7 & C-1.

[190] *See* CR/PR at Tables IV-12 & C-1.

[191] U.S. slab producers' capacity increased from 52.1 million square feet in 2017 to 57.8 million square feet in 2018 and 62.4 million square feet in 2019. CR/PR at Tables III-7 & C-1. Fabricators' capacity increased by *** percent from 2017 to 2019, increasing from *** square feet in 2017 to *** square feet in 2018 and 2019. *Id*.

[192] Slab producers' capacity utilization increased from 65.1 percent in 2017 to 66.1 percent in 2018. CR/PR at Tables III-7 and C-1. Fabricators' capacity utilization increased from *** percent in 2017 to *** percent in 2018, but then declined to *** percent in 2019. *Id.*

[193] The domestic industry's end-of-period inventories increased from 16.8 million square feet in 2017 to 19.3 million square feet in 2018 and 20.2 million square feet in 2019. CR/PR at Tables III-12 & C-

Virtually all of the domestic industry's employment indicators increased over the period of investigation. Production-related workers, productivity, wages paid, hourly wages, and productivity showed increases from 2017 to 2019, but total hours worked declined.[194]

The domestic industry's financial performance improved by most measures from 2017 to 2019, including net sales revenues,[195] gross profits,[196] operating income,[197] operating margin,[198] and net income.[199] By contrast, the industry's capital expenditures declined.[200] Seven of eight responding producers reported that the subject imports had negative effects on investment and five of eight reported that the subject imports had negative on growth and development.[201]

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1. As a ratio to total shipments, the domestic industry's end-of-period inventories increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. *Id*.

[194] The domestic industry's number of production-related workers declined from *** in 2017 to *** in 2018, but then increased to *** in 2019. CR/PR at Tables III-14 & C-1. Total wages paid increased from $*** in 2017 to $*** in 2018 and $*** in 2019. *Id*. Hourly wages increased from $*** in 2017 to $*** in 2018 and $*** in 2019. *Id*. Hours worked declined from *** in 2017 and 2018 to *** in 2019. *Id.* Slab producers' productivity measured in square feet per hour increased from 10.7 in 2017 to 11.9 in 2018 and 12.2 in 2019. *Id*. Fabricators' productivity measured in square feet per hour increased from *** in 2017 to *** in 2018, but then declined to *** in 2019. *Id.*

[195] The domestic industry's net sales revenues increased from $*** in 2017 to $*** in 2018 and $*** in 2019. CR/PR at Tables VI-5 & C-1.

[196] The domestic industry's gross profits increased from $*** in 2017 to $*** in 2018 and $*** in 2019. CR/PR at Tables VI-5 & C-1.

[197] The domestic industry's operating income increased from $*** in 2017 to $*** in 2018 and $*** in 2019. CR/PR at Tables VI-7 & C-1.

[198] As a ratio to net sales, the domestic industry's operating income increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. CR/PR at Tables VI-7 & C-1.

[199] The domestic industry's net income increased from $*** in 2017 to *** in 2018 and $*** in 2019. CR/PR at Tables VI-7 & C-1.

[200] The domestic industry's capital expenditures increased from $*** in 2017 to $*** in 2018, but then declined to $*** in 2019. CR/PR at Tables VI-10 & C-1. The domestic industry's research and development expenses, however, increased from $*** in 2017 to $*** in 2018 and 2019. *Id*.

[201] CR/PR at Table VI-12. These perceptions demonstrate that the record does not support respondents' contention that the domestic industry is not affected adversely by subject imports and does not support the petitions. *See, e.g.*, MSI Respondents' Prehearing Br. at 30-32; MSI Respondents' Posthearing Br. at 2-3 & 7-8. Moreover, Cambria and three other U.S. slab producers accounting for approximately *** percent of domestic production in 2019 indicated in their questionnaires that they support the petitions with respect to India while Cambria and two other U.S. slab producers accounting for approximately *** percent of domestic production of slabs in 2019 indicated in their questionnaires that they support the petitions with respect to Turkey; two slab producers accounting for approximately *** percent of domestic slab production in 2019 indicated that they take no position concerning the petitions with respect to Turkey while one slab producer accounting for approximately *** percent of domestic production in 2019 indicated that it takes no position concerning the petitions with respect to India; and two slab producers accounting for approximately *** percent of domestic slab production in 2019 indicated that they oppose the petitions. CR/PR at Table III-1.

Notwithstanding its profitability, the domestic industry would have had materially greater production, shipments, and revenues than it obtained, especially from 2018 to 2019, were it not for the increasing presence of low-priced subject imports.[202] As nonsubject imports from China rapidly withdrew from the U.S. market in 2019,[203] the domestic industry gained only *** percentage points of market share, while subject imports – which undersold the domestic like product in all quarterly comparisons in a market in which price is an important purchasing factor – gained *** percentage points in 2019.[204] The domestic industry, which had expanded capacity to satisfy a significantly greater share of the market,[205] would reasonably have been expected to have more substantial shipments in 2019 with apparent consumption near the POI high in that year and the exit of nonsubject imports from China. However, significant (and universal) underselling by cumulated subject imports instead led to a rapid rise in cumulated subject imports.[206] Thus, the domestic industry was unable to gain more than a limited amount of the market share in 2019 that was vacated by nonsubject imports from China.[207] Instead, cumulated subject imports surged in 2019, gaining nearly half of the market share lost by nonsubject imports from China and holding domestic producers at a market share that was less than the market share they held at the beginning of the POI, when they were experiencing the injurious effects of dumped and subsidized nonsubject imports from China.[208] Had domestic producers been able to gain market share over the POI as nonsubject imports from China exited the market, domestic producer shipments and revenue would have been higher, particularly in a market in which demand was high and domestic producers had expanded production capacity.

In addition to losing shipments and revenues to cumulated subject imports that it would have obtained in 2019 but for cumulated subject imports' significant underselling, the domestic industry's financial performance deteriorated in 2019 once Cambria's reported $***, which is

[202] We observe that the Trade Preferences Extension Act of 2015 added to the statute a provision stating that the existence of a profitable industry, or one whose performance has improved, does not foreclose an affirmative material injury determination. *See* 19 U.S.C. § 1677(7)(J); *see also Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom,* Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297 (Final), USITC Pub. 4638 at 44 n.219 (Sept. 2016); *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom,* Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Pub. 4637 at 35 n.182 (Sept. 2016).

[203] CR/PR at Tables IV-3, IV-12, and C-1.

[204] CR/PR at Table C-1.

[205] U.S. slab producers' capacity rose by 7.9 percent from 2018 to 2019, increasing from 57.8 million square feet in 2018 to 62.4 million square feet in 2019. CR/PR at Tables III-7 & C-1.

[206] CR/PR at Tables IV-12, C-1.

[207] The domestic industry gained only *** percentage points market share from 2018 to 2019 despite a *** percentage point market share loss for imports from China from 2018 to 2019. CR/PR Tables IV-3 and C-1.

[208] *Derived from* CR/PR at Tables IV-3, IV-11, and IV-12.

unrelated to competition from cumulated subject imports, is excluded from the data.[209] This further indicates the impact of the increasing volume of low-priced cumulated subject imports.

In sum, the record shows that cumulated subject imports' significant underselling of the domestic like product caused cumulated subject imports to rapidly rise in market share over the POI, holding domestic producers' market share to a level lower than the already diminished level at which it began the investigation period in 2017, when the domestic industry was experiencing the injurious effects of dumped and subsidized nonsubject imports from China. The domestic industry performed materially worse during the POI than it would have otherwise as a result of the increase in low-priced cumulated subject imports, as apparent U.S. consumption grew overall and nonsubject imports from China had already largely exited the U.S. market in 2019. Accordingly, for the above reasons, we find that cumulated subject imports had a significant adverse impact on the domestic industry.

Respondents argue that the domestic industry could not have materially increased its shipments during the period of investigation due to capacity limitations.[210] As discussed above, however, the domestic industry's capacity increased throughout the period of investigation, including the 7.9 percent increase in U.S. slab producers' capacity from 2017 to 2019.[211] There is also information in the record indicating that the domestic industry had ample unused capacity throughout the period of investigation as U.S. slab producers' reported capacity utilization ranged from 59.5 percent to 66.1 percent between 2017 and 2019.[212] Given these considerations, the record in the final phase of these investigations indicates that the domestic industry was able to supply materially greater shipments than it did, even if it could not supply 100 percent of apparent U.S. consumption for QSP during the POI.[213]

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[209] CR/PR at VI-18 n.16. Respondents argue that certain of Cambria's expenses are overstated and unrelated to subject imports, including Cambria's reported a $*** inventory write-down in 2018. *See, e.g.*, MSI Respondents' Prehearing Br. at 50-55. We consequently engaged in an analysis indicating that without Cambria's inventory adjustment, the domestic industry's operating income would have declined from $*** in 2018 to $*** in 2019; its net income would have declined from $*** in 2018 to $*** in 2019, and its operating income margin would have declined from *** percent in 2018 to *** percent in 2019. CR/PR at VI-18 n.16; *derived from* Cambria's U.S. Producer Questionnaire, Part III-9a & CR/PR at Table VI-7.

[210] GS Respondents' Prehearing Br. at 26-30; Wilsonart Respondents' Prehearing Br. at 6-10; Belenco Prehearing Br. at 12; MSI Respondents' Prehearing Br. at 58.

[211] U.S. slab producers' capacity increased from 52.1 million square feet in 2017 to 57.8 million square feet in 2018 and 62.4 million square feet in 2019. CR/PR at Tables III-7 & C-1. Fabricators' capacity increased by *** percent from 2017 to 2019, increasing from *** square feet in 2017 to *** square feet in 2018 and 2019. *Id*.

[212] CR/PR at Tables III-7 & C-1.

[213] Respondents have argued that the domestic industry's declining capacity utilization does not accurately reflect its ability to increase production because Cambria allegedly overstated its capacity and did not properly account for its production of different product designs. *See, e.g.*, GS Respondents' Posthearing Br. at 9. However, the record indicates that Cambria provided estimates of capacity that properly took into account both the time required to make different designs and the down time required to clean the line when switching designs. *See, e.g.*, CR/PR at III-12; Petitioner's Responses to First Set of Hearing Questions at 18-19.

We have considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. As discussed above, apparent U.S. consumption was robust throughout the period of investigation and remained at near-period highs in 2019.[214]

We have considered the role of nonsubject imports in the U.S. market. While nonsubject imports from China rapidly exited the U.S. market from 2018 to 2019, the volume and market share of cumulated subject imports increased sharply over the same period, thereby indicating that cumulated subject imports are a distinct cause of injury from nonsubject imports from China.[215] Moreover, although nonsubject imports from sources other than China also increased in 2019,[216] the record indicates that they were generally higher priced than cumulated subject imports.[217] In light of these considerations and the substantial volumes and substantial increase in volumes of cumulated subject imports and their pervasive underselling, nonsubject imports from sources other than China cannot explain the magnitude of the domestic industry's inability to achieve materially greater output, market share, and revenues in 2019.

We are not persuaded by Respondents' argument that competition between the cumulated subject imports and the domestic product is attenuated because they serve different parts of the QSP market and that the domestic like product is a luxury product not sold to the broader market.[218] As noted above, the domestic like product and cumulated subject imports are sold in the same patterns and product types and the record shows that domestic products were competing with cumulated subject imports for sales to a variety of end

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[214] Apparent U.S. consumption for QSP increased from *** square feet in 2017 to *** square feet in 2018, but then declined to *** square feet in 2019, for an overall increase of *** percent from 2017 to 2019. CR/PR at Tables IV-12 & C-1.

[215] CR/PR at Tables IV-12 & C-1. The volume of cumulated subject imports increased by *** percent from 2018 to 201 9, increasing from *** square feet in 2018 to *** square feet in 2019. *Id*. The market share of cumulated subject imports increased from *** percent in 2018 to *** percent in 2019. *Id*.

[216] *Derived from* CR/PR at Tables IV-3, IV-11, and IV-12. From 2017 to 2018, U.S. producers' market share decreased from *** percent to *** percent, as subject imports' market share increased from *** percent to *** percent and the market share of nonsubject imports from China increased from *** percent to *** percent. *Derived from* CR/PR Tables IV-3 and C-1. The market share of nonsubject imports from countries other than China also decreased from *** percent to *** percent from 2017-2018. *Derived from* CR/PR Tables IV-3 and C-1. From 2018 to 2019, as the market share of nonsubject imports from China fell from *** percent to *** percent, the market shares of subject imports and nonsubject imports from countries other than China increased from *** percent to *** percent and from *** percent to *** percent, respectively, whereas the market share of U.S. producers increased merely from *** percent to *** percent. *Derived from* CR/PR Tables IV-3 and C-1.

[217] CR/PR at Table D-7. Additionally, although we view average unit value data with caution because differences in unit values may reflect differences in product mix, average unit values from nonsubject sources other than China were considerably higher than average unit values for either subject imports or nonsubject imports from China throughout the POI. *Derived from* CR/PR at Tables IV-3, IV-11, and IV-12.

[218] *See* MSI Respondents' Prehearing Br. at 17-23 & 27-29; MSI Respondents' Posthearing Br. at 3-6; Belenco Prehearing Br. at 5-7; GS Respondents' Prehearing Br. at 17-23.

users.[219] With respect to Cambria, which was the focus of respondents' arguments, the record shows that it competes for sales to various types of end users and does not simply serve the high end of the residential U.S. market for QSP. It reports making sales to commercial projects, as well as to mass retailers such as Home Depot and Costco.[220] Contrary to Respondents' contentions, the record indicates that Cambria sells to builders' residential projects.[221] There is also information in the current record indicating that other U.S. slab producers (including USA Quartz, Estone, LG Hausys, Caesarstone, and Dal-Tile), which accounted for ***, compete in the mass market sector of the U.S. market for QSP and that subject producers from India and Turkey also market their QSP as luxury products.[222]

VI. Critical Circumstances

A. Legal Standards

In its final countervailing duty determinations concerning subject imports from India and Turkey, Commerce found that critical circumstances exist with respect to certain subject

[219] *See, e.g.*, CR/PR at Table IV-7, V-5-6, V-21, and Tables V-3-8; *see also* GS Respondents' Answers to First Set of Hearing Questions at 9-10 (stating that "Indian Respondents have never argued that there are quality differences in terms of physical characteristics or performance between QSP from India and QSP from Turkey"); GS Respondents' Answers to Second Set of Hearing Questions at 13 (noting that "there is a great degree of overlap within the pricing categories of U.S.-produced QSP, subject imports, and nonsubject imports.").

[220] *See, e.g.*, Petitioner's Answers to First Set of Hearing Questions at 13-14; Petitioner's Prehearing Br., Exhibit 10 (affidavit of Martin Davis, CEO of Cambria). Petitioner has provided extensive documentation that it has bid on and won many commercial projects and regularly attends trade shows to compete in the commercial portion of the market. *See* Petitioner's Prehearing Br., Exhibit 10 (affidavit of Martin Davis, CEO of Cambria); Petitioner's Answers to First Set of Hearing Questions Posthearing Br., Exhibit 1 (Dodge Report documenting bidding by sources offering subject imports and domestic product).

[221] *See, e.g.*, Petitioner's Answers to First Set of Hearing Questions at 8-10.

[222] *See, e.g.*, Petitioner's Answers to First Set of Hearing Questions at 13-15. Respondents also contend that the exit of nonsubject imports from China from the U.S. market in 2019 created a gap in supply that subject imports were needed to fill. GS Respondents' Prehearing Br. at 27-29; Wilsonart Respondents' Prehearing Br. at 8; Belenco Prehearing Br. at 13. Given the overlap in product coverage between the domestic industry and subject imports, and the domestic industry's available capacity, the record does not indicate that cumulated subject imports were needed to supply products unavailable from the domestic industry. Respondents further contend that the margins of underselling support their attenuated competition argument. *E.g.*, MSI Respondents' Prehearing Br. at 47; GS Respondents' Prehearing Br. at 42-43. As discussed above, we are not persuaded that the margins of underselling indicate attenuated competition. Moreover, as also discussed above, cumulated subject imports undersold domestic producers other than Cambria (which had ***), albeit at lower margins than for comparisons to prices for the domestic industry including Cambria. *Derived from* U.S. Producers' Questionnaires of *** & CR/PR at Tables V-3-8.

producers/exporters.[223] Because we have determined that the domestic industry is materially injured by reason of cumulated subject imports from India and Turkey, we must further determine "whether the imports subject to the affirmative {Commerce critical circumstances} determination{s} . . . are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued."[224]

The SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order" and specifically "whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order."[225] The legislative history for the critical circumstances provision indicates that the provision was designed "to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by {Commerce}."[226] An affirmative critical circumstances determination by the Commission, in conjunction with an affirmative determination of material injury by reason of subject imports, would normally result in the retroactive imposition of duties for those imports subject to Commerce's affirmative critical circumstances determination for a period 90 days prior to the suspension of liquidation.[227]

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant –

(I) the timing and the volume of the imports,

(II) a rapid increase in inventories of the imports, and

(III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.[228]

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[223] On May 1, 2020, Commerce made partial final affirmative critical circumstances findings in its countervailing duty investigations. Commerce determined that critical circumstances do not exist with respect to Antique Marbonite and Pokarna, but do exist with respect to all other producers/exporters of subject merchandise from India. *Certain Quartz Surface Products from India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*, 85 Fed. Reg. 25398 (May 1, 2020); *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Quartz Surface Products from India* at 4 (April 27, 2020). It found that critical circumstances do not exist with respect to Belenco, but do exist with respect to all other producers/exporters of subject merchandise from Turkey. *Certain Quartz Surface Products from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*, 85 Fed. Reg. 25400, 25401 (May 1, 2020);

[224] 19 U.S.C. §§ 1671d(b)(4)(A)(i), 1673d(b)(4)(A)(i); 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii); 19 U.S.C. §§ 1671d(e)(2), 1673d(e)(2).

[225] SAA at 877.

[226] *ICC Industries, Inc. v. United States*, 812 F.2d 694, 700 (Fed. Cir. 1987), quoting H.R. Rep. No. 317, 96th Cong., 1st Sess. 63 (1979), *aff'g* 632 F. Supp. 36 (Ct. Int'l Trade 1986).

[227] *See* 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

[228] 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstance determination.[229]

Petitioner did not address the issue of critical circumstances. Respondents argue that the record does not warrant a finding that critical circumstances exist.[230]

B. Analysis[231]

We first consider the appropriate period for comparison of pre-petition and post-petition levels of the imports subject to the affirmative critical circumstances findings. While the Commission typically considers six-month periods, it has relied on a shorter comparison period when Commerce's preliminary determination fell within the six months after a petition was filed.[232] Commerce's initial preliminary determination here came during the sixth month of the post-petition period. We have consequently used the six-month comparison periods: a November 2018-April 2019 pre-petition period and a May-October 2019 post-petition period.[233]

Imports of QSP from India subject to Commerce's affirmative critical circumstances finding increased from *** square feet to *** square feet between the two six-month periods

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[229] *See Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442- 443, 731-TA-1095- 1097 (Final), USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India*, Inv. Nos. 701-TA-437 & 731-TA-1060- 1061 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

[230] MSI Respondents' Posthearing Br. at 12-13.

[231] Commissioner Kearns and Karpel observe that the statute directs the Commission to consider the following factors in making this determination: "the timing and volume of the imports, a rapid increase in the inventories of the imports, and any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined." 19 U.S.C. § 1673d(b)(4)(A)(ii). In their analysis, they would therefore take into account a number of factors as appropriate to a given investigation (as directed by the statute) and do not necessarily give precedence to the pre- and post-petition subject import volumes. Among the factors they may consider, depending on the facts of the investigation and the parties' arguments, are subject import volumes relative to consumption or production, monthly changes in subject import volume, subject import inventories (both absolute and relative to imports or shipments of imports), purchaser inventories, pricing, and the domestic industry's performance.

[232] In particular, the Commission has used five-month periods in recent investigations where the timing of the first preliminary Commerce determination authorizing the imposition of provisional duties would have served to reduce subject import volume in the sixth month of the post-petition period. *See, e.g., Cold-Rolled Steel Flat Products from China and Japan,* Inv. Nos. 701-TA-541 and 731-TA-1284 and 1286 (Final), USITC Pub. 4619 (July 2016); *Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman,* Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 31-32 (Apr. 2016); *Carbon and Certain Steel Wire Rod from China*, Inv. Nos. 701-TA-512, 731-TA-1248 (Final), USITC Pub. 4509 at 25-26 (Jan. 2015) (using five-month periods because preliminary Commerce countervailing duty determination caused reduction of subject import volume in sixth month).

[233] CR/PR at Tables IV-4 & IV-5.

(November 2018-April 2019 and May-October 2019), an increase of *** percent.[234] Although the volume of subject imports from India subject to the affirmative critical circumstances finding is higher in the post-petition period, we note that these imports also increased during every month of the pre-petition period.[235] Petitioner concedes that prices for domestically produced QSP increased in the months after the petitions were filed.[236] The record does not contain data allowing comparison of end-of-period inventories between the pre- and post-petition six-month periods. The available inventory data indicate that U.S. importers' end-of-period inventories of subject imports from India increased from *** square feet in 2018 to *** square feet 2019, although the ratio of inventories to imports of QSP from India declined from *** percent in 2018 to *** percent in 2019.[237]

In light of these considerations and taking the record as a whole, we find that the increase in the volume of subject imports from India subject to Commerce's critical circumstances finding in the post-petition period is not of such a magnitude that would undermine seriously the remedial effect of the countervailing duty order.[238] [239] Consequently, we determine that critical circumstances do not exist with respect to subject imports from India that are covered by Commerce's affirmative critical circumstances finding in the countervailing duty investigation.

Imports of QSP from Turkey subject to Commerce's affirmative critical circumstances finding increased from *** square feet to *** square feet between the two six-month periods (November 2018-April 2019 and May-October 2019), an increase of *** percent.[240] Although the volume of subject imports from Turkey subject to the affirmative critical circumstances finding is higher in the post-petition period, we note these imports also increased, at times sharply, during most months of the pre-petition period.[241] Petitioner also concedes that prices

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[234] CR/PR at Table IV-4. Use of five-month pre- and post-petition periods would not have changed our analysis or conclusions.

[235] CR/PR at Table IV-4.

[236] *See, e.g.*, Petitioner's Responses to First Set of Hearing Questions at 47-49.

[237] CR/PR at Table VII-11. Available inventory data concern all subject imports from India.

[238] Commissioner Kearns notes that, in his analysis, an increase of such a magnitude in imports between the pre- and post-petition periods would provide strong support for an affirmative critical circumstances finding. However, a consideration of all the relevant factors, as well as the fact that month-to-month changes in subject imports were generally not significantly higher post-petition as compared to pre-petition, leads him to reach a negative critical circumstances determination here.

[239] Commissioners Karpel shares Commissioner Kearns' view that an increase of such a magnitude in imports between the pre- and post-petition periods provides strong support for an affirmative finding. However, petitioners did not address this subject in their briefing to the Commission, and the record lacks information regarding, for example, monthly inventories that would enable to Commission to consider any rapid increase in inventories of the imports, as the statute directs. Commissioner Karpel therefore joins the Commission in finding that the record in this investigation does not support a finding that the imports subject to Commerce's critical circumstances finding are likely to undermine seriously the remedial effect of the order.

[240] CR/PR at Table IV-5.

[241] CR/PR at Table IV-5.

for domestically produced QSP increased in the months after the petitions were filed.[242] The record does not contain data allowing comparison of end-of-period inventories between the pre- and post-petition six-month periods. The available inventory data indicate that U.S. importers' end-of-period inventories of subject imports from Turkey increased from *** square feet in 2018 to *** square feet 2019, and the ratio of inventories to imports of QSP from India also increased from *** percent in 2018 to *** percent in 2019.[243]

In light of these considerations and taking the record as a whole, we find that the increase in the volume of subject imports from Turkey subject to Commerce's critical circumstances finding in the post-petition period is not of such a magnitude that would undermine seriously the remedial effect of the countervailing duty order.[244] [245] Consequently, we determine that critical circumstances do not exist with respect to subject imports from Turkey that are covered by Commerce's affirmative critical circumstances finding in the countervailing duty investigation.

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of cumulated subject imports of QSP from India and Turkey that are sold in the United States at less than fair value and subsidized by the governments of India and Turkey. We also find that critical circumstances do not exist with respect to imports of QSP from India and Turkey subject to Commerce's affirmative critical circumstances determinations.

[242] Petitioner's Responses to First Set of Hearing Questions at 47-49.

[243] CR/PR at Table VII-11. Available inventory data concern all subject imports from Turkey.

[244] Commissioner Kearns notes that, in his analysis, an increase of such a magnitude in imports between the pre- and post-petition periods would provide strong support for an affirmative critical circumstances finding. However, a consideration of all the relevant factors, as well as the fact that month-to-month changes in subject imports were generally not significantly higher post-petition as compared to pre-petition, leads him to reach a negative critical circumstances determination here.

[245] Commissioners Karpel shares Commissioner Kearns' view that an increase of such a magnitude in imports between the pre- and post-petition periods provides strong support for an affirmative finding. However, petitioners did not address this subject in their briefing to the Commission, and the record lacks information regarding, for example, monthly inventories that would enable to Commission to consider any rapid increase in inventories of the imports, as the statute directs. Commissioner Karpel therefore joins the Commission in finding that the record in this investigation does not support a finding that the imports subject to Commerce's critical circumstances finding are likely to undermine seriously the remedial effect of the order.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Cambria Company LLC ("Cambria" or "Petitioner"), Le Sueur, Minnesota, on May 8, 2019, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of certain quartz surface products ("quartz surface products")[1] from India and Turkey. The following tabulation provides information relating to the background of these investigations.[2] [3]

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[2] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses that appeared at the Commission's closing remarks is presented in appendix B of this report.

Effective date	Action
May 8, 2019	Petitions filed with Commerce and the Commission; institution of the Commission's investigations (84 FR 21361, May 14, 2019)
May 28, 2019	Commerce's notice of initiation of LTFV investigations (84 FR 25529, June 3, 2019) and Commerce's notice of initiation of countervailing duty investigations (84 FR 25524 June 3, 2019)
June 24, 2019	Commission's preliminary determinations (84 FR 31100, June 28, 2019)
October 11, 2019	Commerce's preliminary determination, preliminary affirmative critical circumstances determination, in part, and alignment of final determination with final antidumping duty determination (84 FR 54838, October 11, 2019)
October 11, 2019	Commerce's preliminary affirmative countervailing duty determination, preliminary affirmative critical circumstances determination, and alignment of final determination with final antidumping duty determination (84 FR 54841, October 11, 2019)
December 13, 2019	Preliminary affirmative determination of sales at less than fair value, preliminary negative determination of critical circumstances, postponement of final determination, and extension of provisional measures (84 FR 68123, December 13, 2019)
December 13, 2019	Preliminary affirmative determination of sales at less than fair value, preliminary negative determination of critical circumstances, postponement of final determination, and extension of provisional measures (84 FR 68111, December 13, 2019).
April 29, 2020	Commission's hearing
May 1, 2020	Certain Quartz Surface Products From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances (85 FR 25389)
May 1, 2020	Certain Quartz Surface Products From India: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances (85 FR 25391)
May 1, 2020	Certain Quartz Surface Products From India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part (85 FR 25398)

Effective date	Action
May 1, 2020	Certain Quartz Surface Products From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part (85 FR 25400)
May 7, 2020	Commission's closing remarks
May 28, 2020	Commission's vote
June 15, 2020	Commission's views

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including,*

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, subsidy, dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Quartz surface products are a compacted stone composite building material used for countertop surfaces (and various applications) as an alternative to queried stone surfaces. Quartz surface products are used in a variety of applications such as counters, tiles, walls, floors, shower and tub surrounds, fireplace surrounds, and bathroom vanities. The leading U.S. producer of quartz surface products is Cambria, while leading producers of quartz surface

[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

products outside the United States include *** of India and *** of Turkey. The leading U.S. importers of quartz surface products from India are ***, while the leading importer of quartz surface products from Turkey is ***. Leading importers of quartz surface products from nonsubject countries (primarily Spain, Vietnam, Israel, and China) include ***. U.S purchasers of quartz surface products are primarily composed of retailers, distributors, fabricators, and/or installers and typically vary in size from small retail installers to large commercial development contractors and regional distributors. Leading U.S. purchasers include ***.

Apparent U.S. consumption of quartz surface products totaled approximately *** square feet ($***) in 2019. Currently, seven firms are known to produce quartz surface products slabs ("U.S. producers") in the United States.[6] U.S. producers' U.S. shipments of quartz surface products totaled *** square feet ($***) in 2019, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** square feet ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** square feet ($*** in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of nine[7] firms that accounted for the vast majority of U.S. production of quartz surface products slabs during 2019.[8] Useable responses to the Commission's U.S. importer questionnaire were received from

[6] ***.

[7] ***.

[8] The Commission received a U.S. producer questionnaire from a firm which indicated fabrication, this questionnaire was excluded from the dataset due to reconciliation and consistency issues: ***.

73 companies representing over *** percent of U.S. imports from India and nearly all U.S. imports from Turkey in 2019 under HTS subheading 6810.99.0010.[9] U.S. imports data are based on official import statistics (statistical reporting number 6810.99.0010) for quartz surface products, and are adjusted to include questionnaire responses from seven importers who exclusively reported in-scope quartz surface products imported under other statistical reporting numbers.

Previous and related investigations

Quartz slabs and portions thereof have been the subject of two Section 337 investigations. On April 14, 2016, Cambria filed a Section 337 complaint alleging patent infringement (U.S. Patent Nos. D737, 058; D712, 670; D713, 154; D737, 576; D737, 577; and D738, 630) against two respondent parties: Wilsonart' and Dorado Soapstone LLC (''Dorado'').[10] On September 14, 2016, the presiding administrative law judge (''ALJ'') issued an initial determination terminating the investigation as to U.S. Patent No. D737, 058. On October 13, 2016, the Commission determined not to review that initial determination. On September 28, 2016, Cambria and Wilsonart jointly moved to terminate the investigation as to Wilsonart based on a settlement agreement. On October 12, 2016, the ALJ issued Order 20, an initial determination granting the motion. On October 6, 2016, Cambria moved to terminate the investigation as to Dorado based on Cambria's withdrawal of certain allegations in the complaint. On October 13, 2016, the ALJ issued Order 21, an initial determination granting the motion. On November 3, 2016, the Commission determined not to review Orders 20 or 21 and the investigation was terminated.[11]

On July 11, 2016, Cambria filed a Section 337 complaint alleging patent infringement (U.S. Patent Nos. D712, 666, D712, 670, D751, 298, D712, 161, and D737, 058) against eight respondent parties.[12] On August 23, 2016, Cambria moved to terminate the investigation in its entirety based upon withdrawal of the complaint. On August 25, 2016, the ALJ granted the motion as the subject ID. On September 7, 2016, the Commission determined not to review the ID and the investigation was terminated.[13]

[9] The Commission received importer questionnaires from two firms which indicated imports, these questionnaires were excluded from the dataset due to reconciliation and consistency issues: ***.

[10] 81 FR 30342, May 16, 2016.

[11] 81 FR 78634, November 8, 2016.

[12] 81 FR 54600, August 16, 2016.

[13] 81 FR 62919, September 13, 2016.

Quartz surface products from China are currently under antidumping and countervailing duty orders in the United States. These investigations resulted from petitions filed with Commerce and the Commission by Cambria on April 17, 2018 alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and LTFV imports of quartz surface products from China. On June 1, 2018 the Commission issued its preliminary determinations that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of quartz surface products from China that are alleged to be sold in the United States at LTFV and to be subsidized by the government of China.[14] On September 21, 2018, Commerce issued its affirmative preliminary determination that countervailable subsides are being provided to producers and exporters of quartz surface products from China.[15] On November 20, 2018, Commerce issued its affirmative preliminary determination that quartz surface products from China are being or are likely to be, sold in the United States at LTFV.[16] On June 11, 2019 the Commission determined that the U.S. industry is materially injured by reason of imports of quartz surface products from China that Commerce, on May 23, 2019, determined are subsidized by the government of China and sold in the United States at LTFV.[17] The subsidy rates range from 45.32 percent to 190.99 percent.[18] The estimated weighted average dumping margin ranges from 265.81 percent to 336.69 percent (255.27 percent to 326.15 percent cash deposit rate adjusted for subsidy offset).[19]

In regards to the Commission's investigations concerning Quartz Surface Products from China, on February 14, 2019, the Petitioner filed a request for scope clarification with Commerce. In its request, the Petitioner requested Commerce clarify the scope to include "quartz glass"[20] products.[21] On February 26, 2019 Commerce accepted the petitioner's request for new factual information. Further, Commerce accepted comments from interested parties on March 6, 2019. After reviewing rebuttal briefs received from interested parties, on May 15,

[14] 83 FR 26307, June 6, 2018.
[15] 83 FR 47881, September 21, 2018.
[16] 83 FR 58540, November 20, 2018.
[17] 84 FR 23760, May 23, 2019; and 84 FR 23767, May 23, 2019.
[18] 84 FR 23760, May 23, 2019.
[19] 84 FR 23767, May 23, 2019.
[20] The scope of these current investigations on quartz surface products from India and Turkey, includes ''quartz glass", HTS subheading 7016.90.10.
[21] *Certain Quartz Surface Products from the People's Republic of China: Request for Scope Clarification, Enforcement and Compliance, Office of AD/CVD Operations*, February 14, 2019.

2019, Commerce issued its recommendation to modify the scope to include quartz glass products with the addition of HTS subheading 7016.90.10.[22]

Nature and extent of subsidies and sales at LTFV

Subsidies

On October 11, 2019, Commerce published notices in the *Federal Register* of its Preliminary determinations of countervailable subsidies for producers and exporters of quartz surface products from India[23] and Turkey[24]. On May 1, 2020, Commerce published notice in the *Federal Register* of its final determinations of sales at LTFV with respect to imports from India and Turkey. Tables I-1 and I-2 present Commerce's findings of subsidization of quartz surface products in India[25] and Turkey[26], respectively.

Table I-1
Quartz surface products: Commerce's final subsidy determination with respect to imports from India

Entity	final countervailable subsidy margin (percent)
Antique Marbonite Private Limited, India[1]	1.57
Pokarna Engineered Stone Limited[2]	2.34
All others	2.17

[1] As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Antique Marbonite Private Limited, India: Antique Granito Shareholders Trust, Prism Johnson Limited, and Shivam Enterprises.

[2] Commerce has found the following company to be cross-owned with Pokarna: Pokarna Limited.

Note: Unlike at the Preliminary Determination, Antique Marbonite's subsidy rate is not de minimis for this final determination. On February 10, 2020, the United States Trade Representative published in the *Federal Register* revised designations of developing and least-developed countries under the CVD law. Effective as of February 10, 2020, India is no longer designated as a developing country and now has a de minimis rate of 1.0 percent.

Source: 85 FR 25398, May 1, 2020.

[22] *Certain Quartz Surface Products from the People's Republic of China: Final Scope Comments Decision Memorandum,* Melissa G. Skinner Director, Office II Antidumping and Countervailing Duty Operations, May 10, 2019.

[23] 84 FR 54838, October 11, 2019.

[24] 84 FR 54842, October 11, 2019.

[25] 85 FR 25398, May 1, 2020.

[26] 85 FR 25400, May 1, 2020.

Table I-2
Quartz surface products: Commerce's final subsidy determination with respect to imports from Turkey

Entity	Final countervailable subsidy margin (percent)
Belenco Dis Ticaret A.S. and Peker Yuzey Tasar. A.S.[1]	2.43
All others	2.43

[1] Commerce has found the following company to be cross-owned with Belenco Dis Ticaret A.S.: Peker Tasar Iar Sanayi Ve Tic. A.S.

Source: 85 FR 25400, May 1, 2020.

Sales at LTFV

On December 13, 2019, Commerce published notices in the *Federal Register* of its Preliminary determinations of sales at LTFV with respect to imports from India[27] and Turkey.[28] On May 1, 2020, Commerce published notice in the Federal Register of its final determinations of sales at LTFV with respect to imports from India[29] and Turkey[30]. Tables I-3 and I-4 present Commerce's final dumping margins with respect to imports of quartz surface products from India and Turkey, respectively.

[27] 84 FR 68123, December 13, 2019.
[28] 84 FR 68111, December 13, 2019.
[29] 85 FR 25389, May 1, 2020.
[30] 85 FR 25391, May 1, 2020.

Table I-3
Quartz surface products: Commerce's final weighted-average LTFV margins with respect to imports from India

Exporter/producer	Estimated weighted-average dumping margin (percent)	Cash deposit rate (adjusted for subsidy offset(s)) (percent)
Antique Marbonite Private Limited, India; Shivam Enterprises; and Prism Johnson Limited	5.15	3.58
Pokarna Engineered Stone Limited	2.67	0.33
All others	3.19	1.02

Source: 85 FR 25391, May 1, 2020.

Table I-4
Quartz surface products: Commerce's final weighted-average LTFV margins with respect to imports from Turkey

Exporter/producer	Estimated weighted-average dumping margin (percent)	Cash deposit rate (adjusted for subsidy offset(s)) (percent)
Belenco dis Tikaret A.S.and Peker Yuzey Tasar	5.17	5.13
Ermas Madencilik Turizm	0.00	Not Applicable
All others	5.17	5.13

Source: 85 FR 25389, May 1, 2020.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[31]

> *The merchandise covered by the investigation is certain quartz surface products. 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 the investigation includes surface products of all other sizes, thicknesses, and shapes. In addition to slabs, the scope of the 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*

[31] 84 FR 68111, December 13, 2019; and 84 FR 68123, December 13, 2019.

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 investigation 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.[32]

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported under the following provisions of the Harmonized Tariff Schedule of the United States ("HTS"): 2506.10.00, 2506.20.00, 6810.11.00, 6810.19.12, 6810.19.14, 6810.19.50, 6810.91.00, 6810.99.00, 6815.99.40, and 7016.90.10. The first two subheadings cover quartz that is in the form of a basic material; the provisions in chapter 68 cover building and flooring materials and other made-up articles in which quartz predominates by weight; and the provision in chapter 70 covers glass block products. The 2020 general rate of duty is free for HTS subheadings 2506.10.00, 2506.20.00, 6810.91.00, 6810.99.00, and 6815.99.40; 3.2 percent ad valorem for HTS subheading 6810.11.00; 3.9 percent for HTS subheading 6810.19.50; 4.9 percent for HTS subheading 6810.19.12; 8 percent for HTS subheading 7016.90.10; and 9 percent for HTS subheading 6810.19.14. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[32] 84 FR 68111, December 13, 2019; and 84 FR 68123, December 13, 2019.

The product

Description and applications[33]

Quartz surface products are a compacted stone composite building material used for countertop surfaces or aesthetic accents in residential, commercial, and industrial properties. Quartz surface products compete with quarried natural stone products, such as granite or marble. Demand for quartz surface products has grown due to its improved aesthetic appeal, durability, stain and scratch resistance, heat tolerance, and anti-microbial properties compared to granite and marble surface products. The visual appearance of quartz surface products has improved from a monochromatic surface to a surface that imitates natural stone patterns. The scope of these investigations covers both raw-material slabs and finished products.

Finished products include fabricated countertop surfaces, cut-to-size slabs used in the hospitality industry, and various other decorative products. Quartz surface products are utilized in commercial, residential, or industrial properties as countertops, tiles, bar surfaces, shower and tub surrounds, fireplace surrounds, walls, floors, bathroom vanities, and furniture surfaces. Quartz surface products may be further worked to meet customer specifications.

Unadulterated quartz surface products are white with fine particulates. Manufacturing advances improved the appearance of quartz surface products and enabled producers to make quartz surface products that mimic natural stone or have unique patterns.

Producers of quartz surface products invest in the development of new collections and designs to attract customers. These patterns require specialized machinery and design by teams of engineers whose end products are copyrighted as intellectual property. Figure I-1 shows several designed aesthetic and color options available to consumers of quartz surface products. Certain design patterns can be created by hand.

The scope of the petition includes surfaces products made from recycled glass, which are referred to as glass slabs. Glass slabs are composed of 75 percent recycled glass and the remainder is some mixture of Portland cement and non-toxic pigment.[34] Glass and quartz are

[33] Unless otherwise noted, information in this section is based on *Quartz Surface Products from India and Turkey, Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Prelim)*, USITC Publication 4919, July 2019, pp. I-11-12.

[34] IceStone USA, "IceStone," https://icestoneusa.com/products/icestone/ (retrieved March 9, 2020).

both composed of silicon oxide. Glass slabs share similar physical characteristics and properties as quartz slabs, but glass slabs are more susceptible to breakage and staining.[35]

Figure I-1
Quartz surface products: Samples of quartz surface products surface patterns

Source: *Quartz Surface Products from India and Turkey, Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Prelim)*, USITC Publication 4919, July 2019, p. I-12.

[35] Countertop Guides, "Pros and Cons of Glass Countertops," https://countertopguides.com/guides/pros-and-cons-of-crushed-glass-countertops.html (retrieved March 9, 2020).

Manufacturing processes[36]

Most domestically produced quartz surface products are made by using a patented production process and machinery developed by Breton S.p.A. of Italy ("Breton").[37] There is mixed usage of Breton and Chinese quartz slab production technology in Turkey and India.[38] Chinese manufacturing processes have a greater reliance upon manual labor to produce quartz slabs with "marble-like" appearances. In contrast, Breton manufacturing uses robotic arms with attached sprays to create the intended aesthetic effects.

Quartz surface products are composed of three input ingredients: aggregates, binding agents, and additives. Aggregates account for 93 percent of the mass in a quartz surface.[39] The aggregate materials are quartz and silica minerals. The quartz and silica come from siliceous natural stone materials or man-made materials, such as glass or ceramic materials.[40] The binding agent used in quartz surface products is a polymer resin. Additives are other stone materials for pigmentation or larger particles of glass or metal flecks for visual effect. Additives make surfaces more aesthetically appealing by allowing quartz surface products to exhibit various colors or patterns.

As shown in figure I-2, non-fabricated slabs of quartz surface products are manufactured in a nine-step process. Slabs are then transformed into fabricated quartz surface products through the fabrication process.

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[36] Unless otherwise noted, information in this section is based on *Quartz Surface Products from India and Turkey, Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Prelim)*, USITC Publication 4919, July 2019, pp. I-13-16.

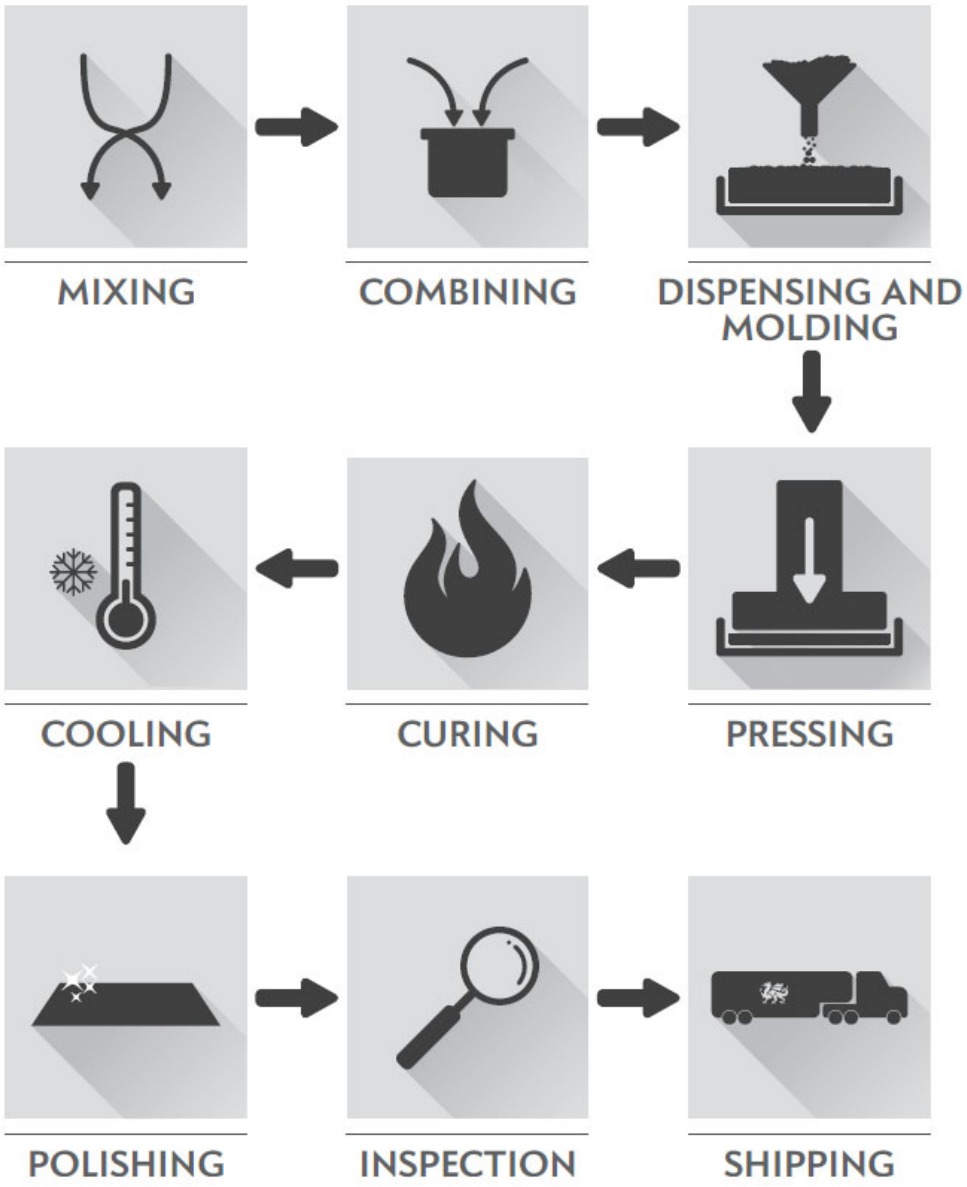
[37] Several U.S. quartz slab producers do not use Breton technology. Some whom have imported quartz manufacturing machinery from China. ***.

[38] ***.

[39] CaesarStone, "CaesarStone Quartz Surfaces: Fastest Growing Choice For Stylish, Durable, Kitchen & Bathroom Countertops," Newsroom, March 27, 2006, http://www.caesarstoneus.com/newsroom/press-releases/caesarstone-quartz-surfaces-fastest-growing-choice-for-stylish-durable-kitchen-bathroom-countertops/ (retrieved March 9, 2020).

[40] Quartz and silica materials are plentiful, constituting 12 percent of the Earth's crust. Mottana, Annibale, Rodolfo Crespi, and Giuseppe Liborio, *Simon & Schuster's Guide to Rocks and Minerals*, edited by Martin Prinz, George Harlow, and Joseph Peters. New York, NY: Simon and Schuster, 1978, pp. 244-246.

Figure I-2
Quartz surface products: Not fabricated slab manufacturing process schematic



Source: *Quartz Surface Products from India and Turkey, Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Prelim)*, USITC Publication 4919, July 2019, p. I-14.

Mixing and combining

Before use, the aggregate materials are crushed down to various particle sizes. Particle size impacts the aesthetic texture of the end-product. Fine particles create a smooth quartz surface; whereas, large particles create a surface with visible crystal structures.

Each end-product has a unique formula that is pre-programmed into the production line. The automated system then extracts the raw materials from storage and transports them

to the mixing system. The mixing system blends all the ingredients into a consistent mixture, resembling damp sand.[41]

Dispensing, molding, and pressing

Next, the blended mixture is dispensed into a rubber mold. The rubber mold is passed through a distributing mechanism that shapes and forms the mixture into the desired dimensions. The distributing mechanism utilizes continuous weight control to ensure an even distribution. Robotic arms are used to create designed patters onto molds.[42] A spray creates a top layer visual effect. A pressurized spray creates the veining effects.

The shaped mixture is then transported to the pressing operations. The material is placed into a vacuum-sealed chamber with a vibration system. Shaking the mixture removes gases from the slab that would otherwise weaken the structural integrity of the finished slab. The material is simultaneously compacted and shaken to the desired density to form a slab.

Curing and cooling

After compression, the slab is then baked at 90 degrees Celsius for 45 minutes.[43] The baking process hardens the slab to form the solid quartz surface. After being baked, the slab is inserted into a damper system to control the rate of cooling. Once cooled to a stable temperature, the slab is air cooled in a storage area for 24 hours.

Polishing and inspection

After cooling, the slabs are measured, calibrated, and further worked to ensure they meet the desired dimensions. Disk and milling drills sand-off excess material. The company's logo and other identifying information are then stamped onto the bottom of the slab. After the slab is machine polished, the final product is examined for quality-control purposes. The final inspection checks for condition, shine, tone, color, aspect, and size. After final inspection, the finished slabs are sent either to a warehouse for storage or to a workshop to be cut to customer specifications.

Fabrication process

The fabrication process transforms slabs of quartz surface products into products ready for installation. According to respondents, there are at least 10,000 fabricators operating in the

[41] Granite Countertops Seattle, "Manufacturing Process of Quartz," July 5, 2015, https://www.granitemarblewa.com/the-manufacturing-process-of-quartz/ (retrieved March 9, 2020).

[42] ***

[43] Aggranite Quartz Countertops, "About," https://www.aggranitequartz.com/about (retrieved March 9, 2020).

United States. Independent fabricators contend that, taken together, the independent fabrication industry has substantial equipment, labor, and expertise.

The following information details the transformation process from slab into fabricated products:

A field technician gathers the dimensional measurements to create the design. Design technicians adjust the design to meet customer specifications regarding features like the type of edge, desired configuration, various cutouts and openings, and the backsplash of the surface. The file is then sent to the production facility. The design is imposed onto a quartz slab to fabricate pieces that match the desired end products.

Next, machines are programmed so that the tools are assigned paths for diamond-edged saw and water jet cutting. Computer networked control ("CNC") routers are programmed to cut edges and cutouts for sinks and faucets.

Quartz slabs are pulled from inventory and moved to the cutting operation. The diamond blade saw cuts straight lines and waterjets cut arcs and circles into the slab. Cut parts are removed. After the saw and waterjet cutting, the CNC router machining begins by utilizing a crane, lasers, and vacuum cups to position the section for grinding and finishing operations on the edges and cutouts. The finished product is polished and detailed to ensure readiness for installation. The fabricated product is then ready for transportation.

Domestic like product issues

In the Commission's preliminary phase investigations concerning Quartz Surface Products from China, the Commission examined whether quartz surface products slabs and fabricated quartz surface products should be defined to be separate domestic like products under its semi-finished product test.[44] The Commission found quartz surface products slabs and fabricated quartz surface products to be a single domestic like product. In the Commission's final phase investigations concerning Quartz Surface Products from China, the Commission gathered additional information concerning slabs and fabricated quartz surface products.[45] The Commission found a single domestic like product consisting of all quartz surface products.[46]

In the final phase of these investigations, the Petitioner argues that the Commission should define a single domestic like product coextensive with the scope of these investigations.[47] Emphasizing that the Commission previously addressed this issue in its preliminary determinations in these proceedings and in the preliminary and final determinations in its investigations concerning Quartz Surface Products from China, the Petitioner contends that the Commission again should find that quartz surface products in slab form and fabricated quartz surface products are part of a single domestic like product.[48] According to the Petitioner, under the semi-finished like product analysis, each of the pertinent factors continue to support a single domestic like product definition, which includes both quartz surface product slabs and fabricated quartz surface products.[49]

In these final phase investigations, Joint Respondents agree with the Petitioner that the Commission should define a single domestic like product.[50] Joint Respondents argue that the record in these final phase investigations does not warrant reexamining the domestic like product finding from the preliminary phase of these investigations when the Commission found a single domestic like product coextensive with the scope of these investigations.[51]

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[44] Quartz Surface Products from China, Inv. Nos. 701-TA-606 and 731-TA-1416 (Preliminary), USITC Publication 4794, June 2018, p. 10.

[45] Quartz Surface Products from China, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Publication 4913, June 2019, p. 6.

[46] Ibid.

[47] Petitioner's prehearing brief, pp. 4-10.

[48] Petitioner's prehearing brief, p. 5.

[49] Petitioner's prehearing brief, pp. 6-7.

[50] Joint Respondents prehearing brief, p. 5.

[51] Ibid.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Quartz surface products are used in various interior hard surface applications including countertops, vanities, flooring, tiles, and other applications.[1] Quartz surface products are a high performing, durable, and low maintenance interior surface product.[2] The U.S. market for quartz surface products has expanded as the products have developed a reputation for being durable and low maintenance indoor surfaces, offered in a variety of patterns and colors. There are nine responding U.S. producers (seven firms produce slabs and two are independent fabricators,) and a large number of importers of quartz surface products.

Apparent U.S. consumption of quartz surface products increased overall during 2017-19 with a small decrease from 2018 to 2019. Overall, apparent U.S. consumption in 2019 was *** percent higher than in 2017. U.S. demand for quartz surface products has increased as producers of quartz surface products continue to make products with more diverse colors and aesthetic designs, which allow for unique appearances or realistic natural appearances that closely resemble, and better compete with, natural granite or natural marble. Dynamic design properties of quartz surface products also allow producers to match consumer preferences.

The joint respondents MS International and Arizona Tile argued there is market segmentation in the quartz surface products market, to where subject country imports serve a mass market and domestic producers such as Cambria serve a luxury market.[3] Cambria noted they also serve a mass market via big box retail stores, noted potential vendors opting for subject products over their own, and provided examples of subject companies marketing their products as luxury products as well. [4]

[1] Petition, vol. 1, p. 7.

[2] Petition, vol. 1, pp. 6-7.

[3] Joint respondents MS International and Arizona Tile's responses to the first round of Commissioners' questions, pp. 25-31.

[4] Petitioner's responses to the first round of Commissioners' questions, pp. 10-16.

U.S. purchasers

The Commission received 36 usable questionnaire responses from firms that had purchased quartz surface products during 2017-19.[5] Twenty-two responding purchasers are distributors, 13 are fabricators/retailers, 3 are builders/contractors, 1 is a hospitality furniture product supplier, and 1 sources product for retail clients. Large purchasers of quartz surface products include retailers *** and distributors ***. Purchasers reported that their major types of customers included fabricators, retailers, distributors, and construction/contractors/remodelers. Distributor *** indicated that it sells to home improvement retailers and kitchen cabinet dealers.

Exclusivity Agreements

Twenty-eight of 32 responding purchasers reported that they were a Cambria retailer or part of a Cambria exclusivity agreement since January 1, 2017. *** stated that they have exclusive arrangements with Cambria. *** stated that it had an exclusivity arrangement until October 2017, and now it sells to customers directly.[6]

[5] Of the 36 responding purchasers, 17 purchased the domestic quartz surface products, 11 purchased imports of the subject merchandise from India, 5 purchased imports of the subject merchandise from Turkey, and 23 purchased imports of quartz surface products from other sources.

[6] No other details were provided regarding these arrangements.

Channels of distribution

U.S. producers and importers sold mainly to fabricators and retailers, with more than 70 percent of shipments going to this channel (table II-1).

Table II-1
Quartz surface products: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of U.S. shipments (percent)		
U.S. producers: to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***
U.S. importers: India to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***
U.S. importers: Turkey to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***
U.S. importers: Subject sources to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***
U.S. importers: Nonsubject to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***
U.S. importers: All sources: to Distributors	***	***	***
to Fabricators and retailers	***	***	***
to Contractors and builders	***	***	***
to End users	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Parties discussed market segmentation for quartz surface products, however, parties did not uniformly define these segments. While parties and some importer firm responses indicated that there is a builder grade and a high-end grade, Joint Respondents contend that the U.S. quartz market is segmented with minimal overlap between the high-end and the mass market, and that Cambria has chosen to exclusively serve the high-end market.[7] The mass market includes neutral colors that are marketed to higher volume, institutional customers, while the high-end segment focuses on specialty colors and designs.[8] Cambria argues that it has a significant presence in the commercial market.[9]

Geographic distribution

U.S. producers reported selling quartz surface products to all regions in the contiguous United (table II-2). Importers reported selling to all U.S. regions, with more than half selling to the Midwest, Southeast, and Central Southwest. For U.S. producers, 6.8 percent of sales were within 100 miles of their production facility, 41.4 percent were between 101 and 1,000 miles, and 51.8 percent were over 1,000 miles. Importers sold 74.1 percent within 100 miles of their U.S. point of shipment, 21.2 percent between 101 and 1,000 miles, and 4.7 percent over 1,000 miles.

Table II-2
Quartz surface products: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	India	Turkey
Northeast	5	11	6
Midwest	4	18	7
Southeast	6	18	7
Central Southwest	5	16	7
Mountain	4	12	7
Pacific Coast	4	11	7
Other	3	5	5
All regions (except Other)	4	6	5
Reporting firms	6	33	10

Note: All other U.S. markets, including AK, HI, PR, and VI.

Source: Compiled from data submitted in response to Commission questionnaires.

[7] Joint Respondents' postconference brief, pp. 15-18.
[8] Joint Respondents' postconference brief, p. 15.
[9] Petitioner's postconference brief, p. 18.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding quartz surface products from U.S. producers and from subject countries. Both U.S. and foreign producers have increased capacity in response to growing demand for quartz surface products.

Table II-3
Quartz surface products: Supply factors that affect the ability to increase shipments to the U.S. market

Item	2017	2019	2017	2019	2017	2019	Shipments by market in 2019 (percent)		Able to shift to alternate products
	Capacity (1,000 square feet)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	4 of 6
India	***	***	***	***	***	***	***	***	0 of 22
Turkey	***	***	***	***	***	***	***	***	0 of 3

Note: Responding U.S. producers accounted for virtually all of U.S. production of quartz surface products in 2019. Responding foreign producer/exporter firms accounted for virtually all of U.S. imports of quartz surface products from India and Turkey during 2019. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

Source: Compiled from data submitted in response to Commission questionnaires.

Domestic production

Based on available information, U.S. producers of quartz surface products have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced quartz surface products to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the increased availability of unused capacity, available inventories, and some ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include U.S. slab producers' limited ability to shift shipments from alternate products.

U.S. slab producers' capacity and production of quartz slabs has increased since 2017, and capacity utilization decreased during 2017-19 as a result of capacity increases outpacing production increases. The moderate level of capacity utilization suggests that U.S. slab

producers may have the ability to increase production of quartz surface products in response to an increase in prices. Two of seven slab producers indicated an ability to produce other products on the same equipment as quartz surface products. The responding fabricators reported they can fabricate other products, such as granite, stone, and marble, using the same equipment.[10]

Subject imports from India

Based on available information, producers of quartz surface products from India have the ability to respond to changes in demand with large changes in the quantity of shipments of quartz surface products to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the demonstrated ability to rapidly increase capacity, as well as the ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include moderate inventory levels and a limited ability to shift production to or from alternate products.

Indian producers' capacity and production of quartz surface products has increased since 2017, with production nearly tripling from 2017-19. A relatively moderate level of capital utilization suggests that Indian producers may have some ability to increase production of quartz surface products in response to an increase in price. Most of Indian producers' shipments are to export markets with the United States being the primary export market. The share of shipments to the United States increased during 2017-19. Most Indian slab producers indicate an inability to shift production to alternate products. One of the slab producers and a majority of the fabricators indicated an ability to switch production from quartz surface products to other products such as marble, granite, and stone.

Subject imports from Turkey

Based on available information, producers of quartz surface products from Turkey have the ability to respond to changes in demand with moderate changes in the quantity of shipments of quartz surface products to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the demonstrated ability to increase capacity, increasing inventories, as well as some ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited ability to shift production to or from alternate products.

[10] *** indicated slab production and fabrication of quartz surface products.

Turkish producers' capacity and production of quartz surface products has increased since 2017, with capacity outpacing production. The decreasing level of capital utilization suggests that Turkish producers may have some ability to increase production of quartz surface products in response to an increase in price. Most Turkish producers' shipments are to export markets with the United States being the primary export market. The share of shipments to the United States increased during 2017-19. One of the slab producers and a majority of the fabricators indicated an ability to switch production from quartz surface products to other products such as marble, granite, and stone.

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports in 2019. The largest sources of nonsubject imports during 2017-19 were Spain, Vietnam, Israel, and China. Combined, these countries accounted for 69.5 percent of nonsubject imports in 2017-19.

Supply constraints

Two of seven responding U.S. producers reported supply constraints. *** cited capacity constraints due to increased supply and *** cited a shortage in inventory to supply customer demand on a few occasions.

Thirty-six of 66 importers indicated supply constraints, to which they cited the antidumping and countervailing duties (AD/CVD) on imports from China[11] and an inability to find alternative sources of supply as the main cause. Fifteen of 36 responding U.S. purchasers indicated they faced supply constraints, to which they cited an inability to find specific designs as the main cause. Many importers and purchasers noted an issue with availability of certain types of quartz surface products after the imposition of AD/CVD orders on imports from China.

New suppliers

Twelve of 35 purchasers indicated that new suppliers entered the U.S. market since January 1, 2017. Multiple purchasers noted Dal-Tile and Elite as new suppliers in their local markets, as well as citing unspecified domestic and foreign suppliers.

[11] As noted in part I, antidumping and countervailing duties were placed on quartz surface products from China on July 11, 2019.

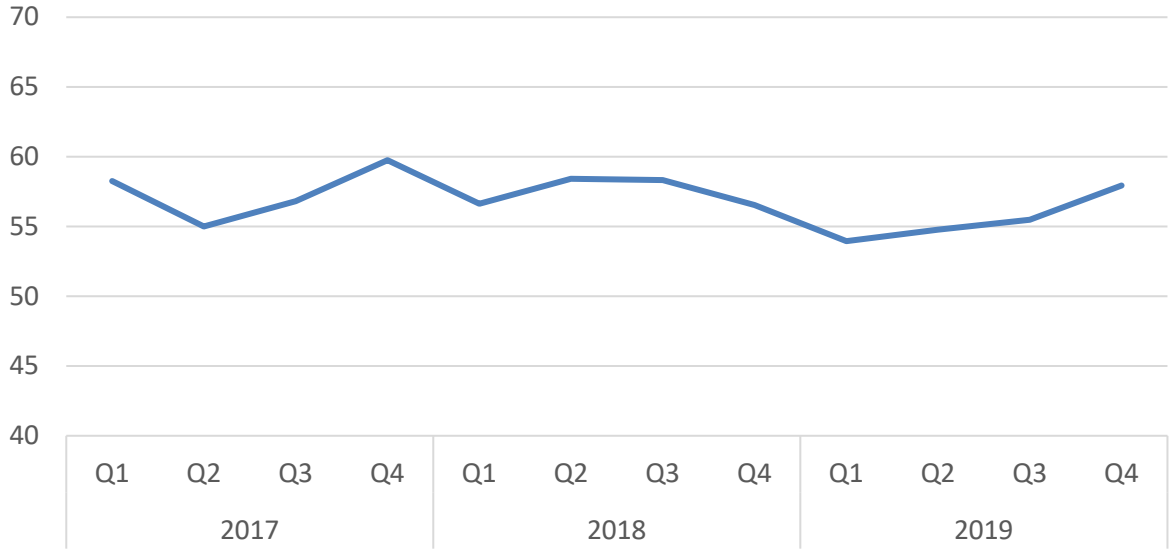
U.S. demand

Based on available information, the overall demand for quartz surface products is likely to experience moderate changes in response to changes in price. The main contributing factors are the availability of substitute products and the large cost share of quartz surface products in most of its end-use products.

U.S. demand for quartz surface products is driven by remodeling and construction. From 2017 to 2019, remodeling activity fluctuated while construction activity increased. As shown in figure II-1, the remodeling market index ("RMI") fluctuated during 2017-19, decreasing overall by 0.6 percent from the first quarter of 2017 to the fourth quarter of 2019. The RMI fluctuated in 2017, beginning at 58 in the first quarter and increasing slightly to 60 in the fourth quarter. In 2018, the RMI fluctuated, beginning and ending at 57. The RMI declined to 54 in the first quarter of 2019, then increased to reach 58 in the fourth quarter of 2019.

As shown in figure II-2, monthly new privately-owned housing starts increased by 31.1 percent overall from 1.21 million in January 2017 to 1.60 million in December 2019. New housing starts fluctuated slightly over this period, decreasing to 1.1 million new housing units in December 2018. Over 2019, new housing starts rose by 23.9 percent, with slight fluctuations, from 1.3 million in January 2019 to 1.6 million in 2019.

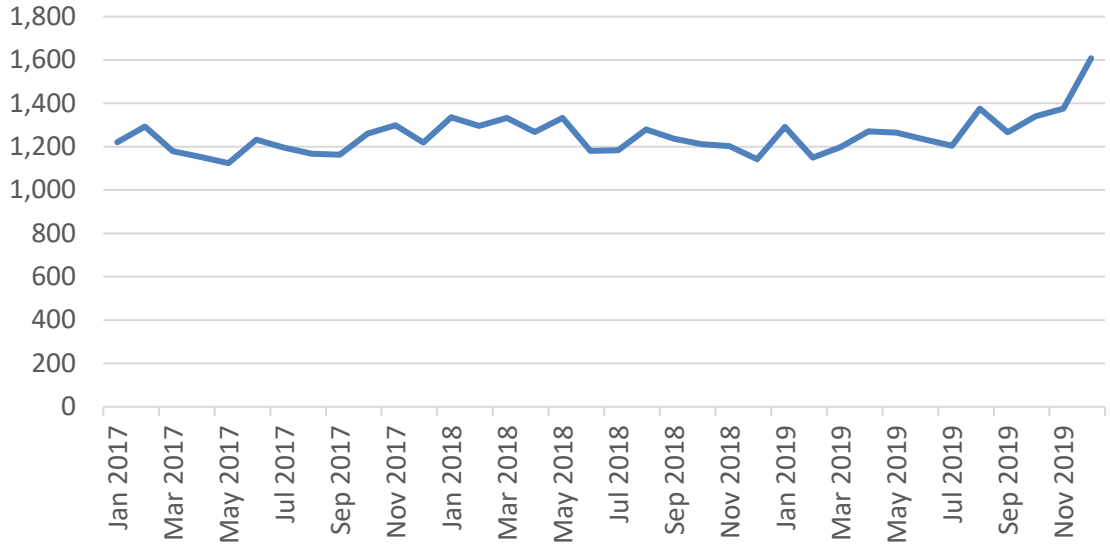
Figure II-1
Homeowner improvements: Remodeling market index, seasonally adjusted, January 2017-December 2019



Note.--An index of greater than 50 indicates an increase in remodeling activity. The largest numbers indicate the greatest rate of increase.

Source: National Association of Home Builders, Remodeling Market Index, Table 1, http://www.nahb.org/en/research/housing-economics/housing-indexes/remodeling-market-index.aspx, retrieved February 3, 2020.

Figure II-2
Housing: Seasonally adjusted new housing starts, monthly, January 2017- December 2019



Source: U.S. Census Bureau. https://www.census.gov/construction/nrc/historical_data/index.html, retrieved February 3, 2020.

End uses and cost share

U.S. demand for quartz surface products depends on the demand for U.S.-produced downstream products including countertops and vanities in kitchens, bathrooms, and commercial applications. Reported end uses include fireplaces, flooring, tiles, shower walls and pans, windowsills, fireplaces, wall cladding, and cabinets.

Quartz surface products account for a large share of the cost of the end-use products in which it is used. Reported cost shares for quartz surface products averaged 53 percent, with the costs of other inputs made up by labor for installation and other material costs.

Business cycles

A slight majority of U.S. producers (5 of 9), a minority of importers (21 of 64), and about half of purchasers (17 of 35) reported that the U.S. quartz surface products market was subject to business cycles or unique conditions of competition. Specifically, U.S. producers, importers, and purchasers reported that the market is dependent on construction and renovation cycles. Regarding unique conditions of competition, U.S. producers, importers, and purchasers noted that consumer preference drives trends for alternative products made from porcelain, marble, granite, and stone. Eight U.S. importers noted changing dynamics in competition because of the imposition of AD/CVD duties on imports from China. U.S. purchasers noted that shortages resulting from tariffs on quartz surface products have led to the use of alternative materials. Some purchasers reported that Cambria is their only supplier of quartz surface products besides

imports from subject countries, imports from China, and using quartz surface product substitutes. Purchasers also noted the higher price luxury quartz surface products Cambria sells isn't an appropriate option for all U.S. purchasers. Purchaser *** noted "Cambria has never established a presence in multifamily due to their position as a luxury brand that is double (or more) what a developer or general contractor is able to afford."

Demand trends

Most firms reported an increase in U.S. demand for quartz surface products since January 1, 2017 (table II-4). Firms noted that more colors and designs were now available, and that quartz surface products were displacing natural stone types. Firms also reported that consumer awareness of quartz surface products and market acceptance have accelerated demand for the product, and that consumers perceive quartz surface products as a better product than other solid surfaces. Quartz was reported to be the top countertop option in the mass market, overtaking granite.[12]

Table II-4
Quartz surface products: Firms' responses regarding U.S. demand and demand outside the United States

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	8	---	---	---
Importers	45	6	5	8
Purchasers	25	5	2	1
Demand outside the United States:				
U.S. producers	5	---	---	2
Importers	17	5	---	4
Purchasers	6	3	---	1
Demand for end use product(s):				
Purchasers	7	2	1	5

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

Substitutes for quartz surface products include marble, granite, quartzite, porcelain, solid surface, cement, laminate, and various types of stone. Seven of nine U.S. producers, 48 of 64 importers, and 29 of 36 purchasers reported that there were substitutes for quartz surface products. The majority of responding firms reported that changes in the prices of substitute products had not affected the price of quartz surface products. Firms indicated that porcelain is

[12] Conference transcript, p. 18 (Traxler).

a new emerging substitute that competes with quartz surface products in the higher end market for countertops, flooring, shower walls, fireplaces, and facades.[13]

Joint respondents MS International and Arizona Tile argued that substitutes, such as other natural stone products like granite and marble, act as a limit on producers' ability to raise prices, with the exception of Cambria because "it does not compete in the unbranded, mass market."[14]

Substitutability issues

The degree of substitution between domestic and imported quartz surface products depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced quartz surface products and quartz surface products imported from subject sources.[15]

Lead times

Quartz surface products are primarily sold from inventory. U.S. producers reported that 94.2 percent of their commercial shipments came from inventory, with lead times averaging 6 days. The remaining 5.8 percent of their commercial shipments were produced-to-order, with lead times averaging 84 days. U.S. importers reported that 95.8 percent of their commercial shipments came from U.S. inventory, with lead times averaging 5 days.

Knowledge of country sources

Twenty-three purchasers indicated they had marketing/pricing knowledge of domestic product, 9 of Indian product, 6 of Turkish product, and 22 of nonsubject countries.

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[13] U.S. producers *** reported porcelain as one of the main substitutes for quartz surface products.

[14] Joint respondents MS International and Arizona Tile's responses to the first round of Commissioners' questions, p. 15.

[15] Many importers reported that domestic and subject quartz surface products were not interchangeable due to differences in color offerings, quality, and market segment which each source targeted. According to importers' responses regarding interchangeability and factors other than price, domestic quartz surface products are considered luxury or high-end, while subject imported quartz surface products are more commonly used in mass market applications. Importers reported that domestic producers offered different color varieties. However, U.S. producers and importers reported that the type of sale, end uses, and lead times between domestic and subject quartz surface products were similar and purchasers reported that price was fourth in top factors affecting purchasing decisions.

As shown in table II-5, most purchasers never make purchasing decisions based on the producer or country of origin. Reasons cited for making decisions based on the manufacture include it being their customers' decision, price, delivery times, exclusivity arrangement with one supplier (specifically Caesarstone and Silestone), preference for domestic product specifically from Cambria, and buying "from the best supplier."

Table II-5
Quartz surface products: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	6	5	7	19
Purchaser's customer's decision	---	3	16	12
Purchases based on country of origin:				
Purchaser's decision	6	---	4	25
Purchaser's customer's decision	---	---	18	12

Source: Compiled from data submitted in response to Commission questionnaires.

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for quartz surface products were quality (19 firms), color/design (16 firms), and price/cost (15 firms) as shown in table II-6. Quality and contract/exclusivity were the most frequently cited first-most important factors (cited by 8 firms each), followed by color/design (7 firms); and price/cost was the most frequently reported second-most and third-most important factor (7 firms and 6 firms, respectively).

Table II-6
Quartz surface products: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
	Number of firms			
Quality	8	6	5	19
Contract / Exclusivity	8	1	---	9
Color / Design	7	6	3	16
Price / Cost	2	7	6	15
Availability / Supply	---	3	2	5
All other factors	10	5	12	NA

Note: Other factors include customer service, lead time, and other terms.

Source: Compiled from data submitted in response to Commission questionnaires.

A plurality of purchasers (17 of 36) reported that they never purchase the lowest-priced product, while the remaining firms reported either always (4), usually (6), or sometimes (9) purchasing the lowest-priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 19 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were availability and color/design/aesthetics (27 firms each); reliability of supply (26 firms); price and quality meets industry standards (25 firms each); product consistency (24 firms); and delivery time (22 firms).

Table II-7
Quartz surface products: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	27	2	2
Breton manufacturing equipment	4	11	15
Color/design/aesthetics	27	3	1
Delivery terms	15	11	5
Delivery time	22	8	1
Discounts offered	10	17	4
Distribution and installation services	9	7	15
Extension of credit	6	10	15
Minimum quantity requirements	9	9	13
Packaging	9	11	11
Price	25	5	1
Product consistency	24	6	1
Product range	17	11	3
Quality meets industry standards	25	3	2
Quality exceeds industry standards	16	9	5
Reliability of supply	26	4	1
Technical support/service	12	14	5
U.S. transportation costs	11	13	7
Warranty	14	13	4

Source: Compiled from data submitted in response to Commission questionnaires.

Supplier certification

Most responding purchasers reported they do not require supplier certification. However, 8 of 36 responding purchasers require suppliers to become certified or qualified to sell quartz surface products to their firm. Purchasers reported that the time to qualify a new supplier ranged from 10 to 180 days. One purchaser, ***, reported that foreign suppliers (from China, India, Portugal, and Turkey) had failed due to lack of infrastructure and product not meeting its quality standards.

Changes in purchasing patterns

Most purchasers reported increasing their purchases of quartz surface products from different sources since January 1, 2017, citing increased customer preference for quartz (table II-8). Reasons reported for changes in sourcing included customer preference, tariffs, prices, additional colors, improved quality, and availability. Twenty-one of 34 responding purchasers reported that they've changed suppliers since January 1, 2017. Specifically, firms dropped or reduced purchases from Chinese producers because of tariffs. *** reported switching its purchases from China to India. Other firms noted dropping suppliers because of pricing and assortment availability. *** reported that it added *** for unspecified reasons.

Table II-8
Quartz surface products: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	7	---	10	6	1
India	15	1	5	1	---
Turkey	15	---	5	1	---
All other sources	4	5	8	4	4
Sources unknown	6	---	5	9	2

Source: Compiled from data submitted in response to Commission questionnaires.

Importance of purchasing domestic product

Thirty-two of 34 purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. Three reported that domestic product was required by law (for 0.1 to 24.9 percent of their purchases), 6 reported it was required by their customers (1 firm for all purchases, 1 firm for 75.0 to 99.9 percent of purchases, 1 firm for 50.0 to 74.9 percent of purchases, and 3 firms for less than 25 percent of purchases), and 5 reported other preferences for domestic product relating to less than half of purchases. Reasons cited for preferring domestic product included: *** preferred a U.S.-produced color, ***, and *** cited more availability domestically.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing quartz surface products produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 19 factors (table II-9) for which they were asked to rate the importance.

Most purchasers reported that domestic quartz surface products, subject imports from India and Turkey, and nonsubject imports were comparable on most factors. A small majority of purchasers reported that domestic quartz surface products were inferior to India quartz surface products in discounts offered (rated somewhat important, see table II-7) and price (very important). Firms were split between U.S. and Turkey quartz surface products being superior and comparable with respect to delivery time (very important) and distribution and installation services (not important).

Table II-9
Quartz surface products: Purchasers' comparisons between U.S.-produced and imported product

	Number of firms reporting								
	United States vs. India			United States vs. Turkey			India vs. Turkey		
Factor	S	C	I	S	C	I	S	C	I
Availability	3	10	3	3	5	3	---	8	---
Breton manufacturing equipment	3	11	---	2	7	1	---	6	1
Color/design/aesthetics	4	10	2	2	8	1	---	8	---
Breton manufacturing equipment	3	11	---	2	7	1	---	6	1
Delivery terms	4	8	1	2	6	1	---	8	---
Delivery time	6	6	1	4	4	1	---	8	---
Discounts offered	1	5	6	1	6	2	2	6	---
Distribution and installation services	5	7	1	4	4	1	---	7	---
Extension of credit	2	10	1	---	8	1	---	7	1
Minimum quantity requirements	3	9	1	1	7	1	---	7	1
Packaging	3	12	---	2	8	---	---	7	---
Price	1	6	7	1	6	3	1	7	---
Product consistency	4	11	---	3	7	---	---	7	1
Product range	3	9	1	1	8	1	---	7	---
Quality meets industry standards	4	10	1	2	7	1	---	7	1
Quality exceeds industry standards	6	7	---	4	6	---	---	7	1
Reliability of supply	4	8	1	3	4	1	---	7	---
Technical support/service	4	9	---	3	5	---	---	7	1
U.S. transportation costs	5	8	---	2	7	---	---	7	1
Warranty	5	10	---	1	8	---	---	7	1

Table continued on next page.

Table II-9--Continued
Quartz surface products: Purchasers' comparisons between U.S.-produced and imported product

	United States vs. Nonsubject			India vs. Nonsubject			Turkey vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	3	16	4	1	11	1	---	9	1
Breton manufacturing equipment	2	18	---	---	10	1	1	7	---
Color/design/aesthetics	4	17	2	---	11	2	---	8	2
Delivery terms	4	15	1	1	8	1	---	7	2
Delivery time	6	12	1	1	8	1	1	5	3
Discounts offered	1	12	6	2	9	---	1	6	1
Distribution and installation services	4	14	1	---	8	2	---	4	4
Extension of credit	2	15	2	1	9	---	---	8	1
Minimum quantity requirements	2	16	2	---	10	---	---	8	1
Packaging	2	20	---	1	11	1	1	9	---
Price	---	12	11	2	10	---	1	7	1
Product consistency	2	20	---	---	12	1	---	9	1
Product range	2	18	2	---	11	1	---	8	1
Quality meets industry standards	2	20	---	---	12	1	---	9	1
Quality exceeds industry standards	3	18	---	---	11	2	---	8	2
Reliability of supply	2	17	1	---	8	3	---	6	3
Technical support/service	4	16	---	---	9	2	---	7	2
U.S. transportation costs	6	14	---	---	8	3	---	7	3
Warranty	5	17	---	---	12	1	---	9	1

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.
Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

Comparison of U.S.-produced and imported quartz surface products

In order to determine whether U.S.-produced quartz surface products can generally be used in the same applications as imports from India and Turkey, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-10, most U.S. producers reported that domestic quartz surface products are always interchangeable with imports. ***, however, indicated that interchangeability decreases with increased price and quality, and *** stated that since their products are of a higher standard, they are rarely interchangeable with imported products. *** indicated a patent allows them to produce products not interchangeable with imported products.

Most U.S. importers indicated quartz surface products produced in the United States are sometimes interchangeable with imported product. Many firms noted that colors, design, and proprietary features like patents, copyrights, and trademarks are different in U.S. quartz surface products relative to those sold abroad.[16] *** stated that "Cambria markets their quartz for use on floor, wall, and countertop applications. Quartz from Turkey, India, and other countries *** only intended for use on interior countertops." *** noted an inability to find domestically or abroad specific colors and "looks" that it had previously purchased from China. *** indicated Canada, China, Korea, and Vietnam produce unique complex products aesthetically. *** stated that new companies were set up to manufacture products in other countries (including Vietnam, Philippines, Malaysia, Taiwan, Mexico, Canada, Spain) since the AD/CVD orders were placed on quartz surface products imported from China, and that those products are interchangeable.

Purchasers indicated quartz surface products produced in the United States are frequently interchangeable with those produced elsewhere. *** stated that the quality of products from Turkey are better than the quality of products produced India and the United States. *** indicated that solid colors are always interchangeable and long veins are sometimes or never interchangeable due to manual or semi-automated production. *** reported that quality differences limited interchangeability between the U.S.-product and that from other countries.

Table II-10
Quartz surface products: Interchangeability between quartz surface products produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. India	5	1	1	1	12	10	18	2	6	11	7	---
United States vs. Turkey	5	1	1	1	7	5	11	1	6	11	3	---
India vs. Turkey	4	---	1	1	7	6	10	1	4	10	3	---
United States vs. Other	5	1	1	1	10	13	20	1	7	12	4	---
India vs. Other	4	1	1	1	9	8	15	1	5	11	4	---
Turkey vs. Other	4	1	1	1	6	6	11	1	5	10	2	---

Note: A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

As can be seen from table II-11, the majority of responding purchasers reported that domestically produced product and imported product from Turkey always met minimum quality specifications, and that imports from India usually met minimum quality specifications.

[16] *** are also importers and their responses are included in table II-10.

Table II-11
Quartz surface products: Ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never
United States	15	10	2	---
India	3	5	1	1
Turkey	5	1	1	---
Sources unknown	9	8	---	---

Note: Purchasers were asked how often domestically produced or imported quartz surface products meets minimum quality specifications for their own or their customers' uses.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of quartz surface products from the United States, subject, or nonsubject countries. As seen in table II-12, most U.S. producers and purchasers reported that differences other than price between domestic products and subject imports were sometimes or never significant factors in their sales. A majority of importers reported that such differences were sometimes significant in comparing U.S. product to imported product from India but were split on the significance of differences in comparing U.S. and India products to imports from Turkey.

Table II-12
Quartz surface products: Significance of differences other than price between quartz surface products produced in the United States and in other countries, by country pair

	U.S. producers				U.S. importers				U.S. purchasers			
Country pair	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. India	2	1	2	3	9	9	13	8	7	2	8	3
United States vs. Turkey	2	1	2	3	6	5	4	5	4	2	6	3
India vs. Turkey	1	---	1	3	5	2	6	6	4	2	4	4
United States vs. Other	2	---	3	3	11	9	18	9	7	3	6	5
India vs. Other	1	---	2	2	7	2	14	8	4	4	4	4
Turkey vs. Other	1	---	2	2	6	3	7	5	2	4	4	4

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

Source: Compiled from data submitted in response to Commission questionnaires.

Elasticity estimates

This section discusses elasticity estimates. No parties provided comments on these estimates in their prehearing or posthearing briefs.

U.S. supply elasticity

The domestic supply elasticity for quartz surface products measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of quartz surface products. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced quartz surface products. Analysis of these factors above indicates that the U.S. industry has the ability to increase shipments to the U.S. market; an estimate in the range of 4 to 6 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for quartz surface products measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of quartz surface products. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the quartz surface products in the production of any downstream products. Based on the available information, the aggregate demand for quartz surface products is likely to be moderately inelastic to moderately elastic; a range of -0.75 to -1.25 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[17] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced quartz surface products and imported quartz surface products is likely to be in the range 3 to 5.

[17] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of nine firms that accounted for the vast majority of U.S. production of quartz surface products during 2019.[1]

U.S. producers

The Commission issued a U.S. producer questionnaire to 77 firms[2] based on information contained in the petition, information provided by the petitioner and respondents in the Commission's recent investigations regarding Quartz Surface Products from China, and staff research. Nine firms provided usable data on their operations.[3] Six firms are quartz slab producers, one firm *** is an integrated producer which produces slabs and fabricates, and two firms (***) are independent fabricators[4]. Staff believes that these responses represent the vast majority of U.S. production of quartz surface products slabs. Staff calculates that the three fabricators (one integrated and two independent) included in the Commission's dataset account for over *** percent of total fabrication of domestically manufactured quartz surface products slabs and less than *** percent of total fabrication of foreign manufactured quartz surface products slabs imported into the United States.

Table III-1 lists U.S. producers and independent fabricators of quartz surface products, their production locations, positions on the petition, and shares of total production.

[1] ***. *** U.S. producer questionnaire response, section II-2a.

[2] Of the questionnaires issued to U.S. producers, *** are believed to be independent fabricators.

[3] The Commission received a U.S. producer questionnaire from a firm which indicated fabrication, this questionnaire was excluded from the dataset due to reconciliation and consistency issues: ***.

[4] Respondent Counsel, Hogan Lovells submitted ***. Respondent submission, Fabricators declarations.

Table III-1
Quartz surface products: U.S. producers of quartz surface products, their positions on the petition, production locations, and shares of reported production, 2019

Firm	Position	Location of production	Share of production (percent)
Cambria	Petitioner	Le Sueur, MN Belle Plaine, MN Greenfield, IN Thousand Palms, CA Kent, OH	***
Caesarstone	***	Richmond Hill, GA	***
Dal-Tile	***	Dickson, TN	***
Elite Quartz	***	Latta, SC	***
Estone	***	Sebring, FL	***
LG Hausys	***	Adairsville, GA	***
USA Quartz	***	Jacksonville, FL	***
Producers			**100.0**
Firm	**Position**	**Location of independent fabrication**	**Share of independent fabrication (percent)**
Granite and Marble	***	Chantilly,VA	***
Stone Suppliers	***	Mundelein, IL Lake Dallas, TX Phoenix, AZ Atlanta, GA Austin, TX Houston, TX North Smithfield, RI Fairfield, NJ Albuquerque, NM Raleigh, NC Lauderhill, FL Mendora Heights, MN	***
Independent fabricators			**100.0**

Note: ***. *** U.S. producer questionnaire response, section II-8.

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2
Quartz surface products: U.S. producers' ownership, related and/or affiliated firms, 2017-19

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Related importers/exporters:		
***	***	***
***	***	***
Related producers:		
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table III-2, Elite Quartz[5], ***.[6] *** is related to an *** producer of the quartz surface products and *** is related to a U.S. importer of quartz surface products. In addition, as discussed in greater detail below, *** directly import quartz surface products and *** also purchases quartz surface products from U.S. importers. ***.[7]

[5] MS International has invested over $20 million in Elite Quartz. Hearing transcript, p. 18 (Stoel).
[6] *** U.S. producer questionnaire response, section I-6.
[7] *** U.S. producer questionnaire response, section I-7.

Table III-3 presents important industry events for quartz surface products since January 1, 2017.

Table III-3
Quartz surface products: important industry events, since January 1, 2017

Date		Company / Item	Action
Year	Month		
2017	May	Cambria	Reduced the weekly amount production days from seven to five. Cambria laid off 115 production employees.[2]
2017	June	Dal-Tile	Announced plans to open a second factory in Dickson, Tennessee.[3]
2017	July	Wilsonart/ Hanwha	Hanwha L&C Corporation and Wilsonart Engineered Surfaces announced a joint-venture agreement to build a manufacturing facility in Temple, Texas.[4]
2018	January	USA Quartz	USA Quartz LLC purchased land in Jacksonville, Florida to produce commercial and residential quartz slabs.[5]
2018	September	Dal-Tile	Dal-Tile announced it was hiring to fill 100 new jobs at the Dickson, Tennessee Dal-Tile facility.[6]
2018	September	LG Hausys	LG Hausys announced plans to install a third production line at its Adairsville, Georgia, facility. This third line will be operational in December 2019 and will increase the facility's annual capacity from 700,000 to 1,050,000 square meters.[7]
2019	N/A	***	***
2019	N/A	***	***
2019	January	USA Quartz	USA Quartz began production operations at its new slab facility in Jacksonville, Florida.[8]
2019	January	American Quartz Worker Coalition	The American Quartz Worker Coalition was organized and launched in opposition to Cambria's case and the imposition of trade restrictions on imported quartz.[9]
2019	February	Dal-Tile	Dal-Tile began production operations at its new slab facility in Dickson, TN. Production is expected to reach peak volume by 2020.[10]
2019	May	Elite Quartz	Elite Quartz (part of the Hirsch Glass Corporation), previously known as Spectrum Quartz, announced plans to open a new production facility in Latta, South Carolina in late 2019.[12]
2019	November	American Quartz Group Inc.	American Quartz Group Inc. began construction of a QSP manufacturing plant in Barstow, California.[13]
2019	November	Guidoni Group	Brazilian group Guidoni announced plans to open a new QSP manufacturing facility in McRae-Helena, Georgia. Production operations are expected to begin in Q3 2020.[14]
2019	December	Elite Quartz	In December, MSI announced had reached an agreement to pursue a joint venture with Elite Quartz. The company will create a manufacturing facility in Latta, South Carolina, with four production lines. The first two lines are expected to begin operations in Q1 2020.[15]
2020	January	***	***

Notes continued on next page.

Table III-3—Continued
Quartz surface products: important industry events, since January 1, 2017

[1] CaesarStone Opens US Plant." CaesarStone. May 27, 2015. Retrieved March 12, 2020. http://www.CaesarStoneus.com/newsroom/interior-design-events/events/CaesarStone-opens-us-plant/.

[2] Conference Transcript p. 35 (Ward).

[3] Gadd, Chriss. "Dal-Tile Doubles down on Dickson: Product Revealed for Second Plant." Tennessean. October 24, 2017. Retrieved March 12, 2020. https://www.tennessean.com/story/news/local/dickson/2017/10/24/dal-tile-doubles-down-dickson-product-revealed-second-plant/791137001/.

[4] Esler, Bill. "Wilsonart joint venture with Hanwha Solid Surfaces on 125,000 sq. ft. plant." Woodworking Network. July 11, 2017. Retrieved March 12, 2020. https://www.woodworkingnetwork.com/news/woodworking-industry-news/wilsonart-joint-venture-hanwha-solid-surfaces-125000-sqft-plant.

[5] Mathis, Karen Brune. "USA Quartz buys Imeson warehouse; Burlock and Barrel building out in Brooklyn." Jacksonville Daily Record. January 11, 2018. Retrieved March 12, 2020. https://www.jaxdailyrecord.com/article/usa-quartz-buys-imeson-warehouse-burlock-and-barrel-building-out-in-brooklyn.

[6] Gadd, Chris. "100 jobs at new Dickson Dal-Tile facility, company reps at Dickson Co. fair." Tennessean. September 4, 2018. Retrieved March 12, 2020. https://www.tennessean.com/story/news/local/dickson/2018/09/04/100-jobs-new-dickson-dal-tile-facility-company-reps-dickson-co-fair/1162202002/.

[7] Song-hoon, Lee. "LG Hausys to Expand Engineered Stone Production Line in the U.S." Business Korea. September 11, 2018. Retrieved March 12, 2020. http://www.businesskorea.co.kr/news/articleView.html?idxno=24969.

[8] Email from USA Quartz LLC, April 8, 2019.

[9] Nathanson, Paul. "U.S. Quartz Countertop Fabricators Launch Coalition to Fight Trade Case." Associated Press. January 23, 2019. Retrieved March 12, 2020. https://www.apnews.com/8587934c23ec4b109aeb209b00156a8b.

[10] "Mohawk Industries Reports Q4 Results." Mohawk Industries. February 7, 2019. Retrieved March 12, 2020. http://ir.mohawkind.com/index.php/news-releases/news-release-details/mohawk-industries-reports-q4-results-0

[11] *Quartz Surface Products From India and Turkey; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations;* 84 FR 21361, May 8, 2019.

[12] Area Development News Desk. "Spectrum Quartz Plans Production Complex in Latta, South Carolina." Area Development. May 25, 2019. Retrieved March 12, 2020. https://www.areadevelopment.com/newsItems/5-25-2019/spectrum-quartz-latta-south-carolina.shtml

[13] "Quartz-Surfaces Plant Set for California." Stone Update. November 16, 2019. Retrieved March 12, 2020. https://www.stoneupdate.com/news-info/people-n-places/1782-quartz-surfaces-plant-set-for-california.

[14] "Guidoni Group to Locate New Facility, Create 455 Jobs in Telfair Co." Georgia Office of the Governor Brian P. Kemp. November 26, 2020. Retrieved March 12, 2020. https://www.georgia.org/newsroom/press-releases/guidoni-group-locate-new-facility-create-455-jobs-telfair-co.

[15] "MSI Announces Joint Venture with Spectrum Quartz to Build a Domestic State-Of-The-Art Quartz Manufacturing Facility." MSI, Inc. December 11, 2019. Retrieved March 12, 2020. https://www.msisurfaces.com/news/msi-announces-joint-venture-with-spectrum-quartz-to-build-a-domestic-state-of-the-art-quartz-manufacturing-facility/.

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-4 presents U.S. producers' and independent fabricators' reported changes in operations since January 1, 2017. Three firms reported plants openings, one firm reported a closing, two firms reported relocations, two firms reported expansions, one firm reported a consolidation, three firms reported shutdowns and/or curtailments, and three firms reported other changes. ***.[8] Joint respondents note in Caesarstone's public financial statements, imports from India and Turkey were not stated factors in the company's decision to ***.[9] Rather Caesarstone's public financial statements indicate the company decided to temporarily idle a production line to reduce inventory and improve cashflow.[10]

Table III-4
Quartz surface products: U.S. producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Plant openings:	
***	***
***	***
***	***
Plant closings:	
***	***
Relocations:	
***	***
***	***

Table continued on next page.

[8] *** U.S. producer questionnaire response, section II-2a.
[9] Joint respondents' prehearing brief, p. 55 and exh. 8-A.
[10] Ibid.

Table III-4—Continued
Quartz surface products: U.S. producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Expansions:	
***	***
***	***
Consolidations:	
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
Other:	
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-5 presents information on U.S. producers' and independent fabricators' responses to the complexity of fabrication operations. Of the six firms that responded to the complexity of operations question four firms *** indicated that fabrication operations were complex.[11] *** responded that fabrication operations were not complex.

[11] Two additional firms *** provided a narrative responses.

Table III-5
Quartz surface products: U.S. producers' responses to the complexity of fabrication operations, 2017-19

Item	Rating of complexity (1=least complex, 5=most complex)				
	1	2	3	4	5
	Count of firms				
Caesarstone	***	***	***	***	***
Cambria	***	***	***	***	***
Dal-Tile	***	***	***	***	***
Elite Quartz	***	***	***	***	***
Estone	***	***	***	***	***
Granite and Marble	***	***	***	***	***
LG Hausys	***	***	***	***	***
Stone Suppliers	***	***	***	***	***
USA Quartz	***	***	***	***	***
All producers	***	***	***	***	***
	Narrative				
Caesarstone	***				
Cambria	***				
Dal-Tile	***.				
Elite Quartz	***				
Estone	***				
Granite and Marble	***				
LG Hausys	***.				
Stone Suppliers	***				
USA Quartz	***				

Source: Compiled from data submitted in response to Commission questionnaires.

Information on Table III-6 presents information on the sufficient production-related activities and factors by type of domestic entity (producers and independent fabricators).

Table III-6
Quartz surface products: Summary of sufficient production-related activities factors by type of domestic entity

Item	U.S. producers	Independent fabricators
Capital investments	Reported capital expenditures of ***	Reported capital expenditures of ***
Technical expertise	***	***
Value added	***	***
Employment	***	***
Quantity, type, and source of U.S. parts	***	***
Costs and activities	***	***.

Note: ***.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Table III-7 and figure III-1 present U.S. producers' and independent fabricators' production, capacity, and capacity utilization during 2017-19. Overall during 2017-19, U.S. producers' capacity and production increased by 19.7 percent and 9.5 percent, respectively. *** capacity remained the same during 2017-19 while *** capacity increased. *** capacity fluctuated during the period but overall decreased. During 2017-19, *** production increased by *** percent. *** production increased by *** percent from 2017 to 2018 and then decreased by *** percent from 2018 to 2019. Overall, during 2017-19 *** production decreased by *** percent. *** production increased *** from 2017 to 2018 but was roughly the same throughout the period. *** production decreased by *** percent during 2017-19. 2019 was the first year of production for ***.

Quartz surface products producer capacity utilization fluctuated throughout the period. Overall, producer capacity utilization decreased by 5.6 percentage points driven by capacity utilization decreases by *** during 2017-19. During 2017-19,

*** capacity utilization decreased by *** percentage points, *** percentage points, and *** percentage points, respectively. *** capacity utilization rate increased *** percentage points during 2017-19.

Overall, during 2017-19, independent fabricators' capacity increased by *** percent but meanwhile production decreased by *** percent. Meanwhile, independent fabricators' capacity utilization fluctuated throughout the period but overall, decreased by *** percentage points during 2017-19.

Table III-7
Quartz surface products: U.S. producers' production, capacity, and capacity utilization, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capacity (1,000 square feet)		
Cambria	***	***	***
Caesarstone	***	***	***
Dal-Tile	***	***	***
Elite Quartz	***	***	***
Estone	***	***	***
LG Hausys	***	***	***
USA Quartz	***	***	***
Producers	52,093	57,816	62,375
Granite and Marble	***	***	***
Stone Suppliers	***	***	***
Independent fabricators	***	***	***
	Production (1,000 square feet)		
Cambria	***	***	***
Caesarstone	***	***	***
Dal-Tile	***	***	***
Elite Quartz	***	***	***
Estone	***	***	***
LG Hausys	***	***	***
USA Quartz	***	***	***
Producers	33,905	38,206	37,132
Granite and Marble	***	***	***
Stone Suppliers	***	***	***
Independent fabricators	***	***	***

Table continued on next page.

Table III-7
Quartz surface products: U.S. producers' production, capacity, and capacity utilization, 2017-19

Item	Calendar year		
	2017	2018	2019
	Capacity utilization (percent)		
Cambria	***	***	***
Caesarstone	***	***	***
Dal-Tile	***	***	***
Elite Quartz	***	***	***
Estone	***	***	***
LG Hausys	***	***	***
USA Quartz	***	***	***
Producers	65.1	66.1	59.5
Granite and Marble	***	***	***
Stone Suppliers	***	***	***
Independent fabricators	***	***	***
	Share of production (percent)		
Cambria	***	***	***
Caesarstone	***	***	***
Dal-Tile	***	***	***
Elite Quartz	***	***	***
Estone	***	***	***
LG Hausys	***	***	***
USA Quartz	***	***	***
Producers	100.0	100.0	100.0
	Share of independent fabrication (percent)		
Granite and Marble	***	***	***
Stone Suppliers	***	***	***
Independent fabricators	100.0	100.0	100.0

Note: Producers' data include ***.

Note: Cambria confirms its capacity calculation noting ***. The petitioner notes: ***. Petitioner's response to first set of Commissioners' hearing questions, pp. 18-19.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
Quartz surface products: U.S. producers' production, capacity, and capacity utilization, 2017-19

* * * * * * *

Table III-8 and figure II-2 presents data on U.S. producers' slab capacity, production, and capacity utilization during 2017-19 as well as U.S. producers' slab capacity, production, and capacity utilization projections for 2020-22. ***.[12] ***.[13] ***.[14] [15] ***.[16]

[12] *** U.S. producer questionnaire response, section II-2a.
[13] *** U.S. producer questionnaire response, section II-9.
[14] For 2020-22 ***. ***.
[15] *** U.S. producer questionnaire response, section II-2a and II-9.
[16] *** U.S. producer questionnaire response, section II-2a and II-9.

Table III-8
Quartz surface products: U.S. producers' projected slab capacity, production, and capacity utilization, 2017- 19 and projected 2020-2022

Item	Calendar year			Projected calendar year		
	2017	2018	2019	2020	2021	2022
Capacity (1,000 square feet)	52,093	57,816	62,375	***	***	***
Production (1,000 square feet)	33,905	38,206	37,132	***	***	***
Capacity utilization (percent)	65.1	66.1	59.5	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-2
Quartz surface products: U.S. producers' slab capacity, production, and capacity utilization, 2017-19

* * * * * * *

Alternative products

U.S. producers indicated that they are *** to produce products other than quartz surface products slabs on their production lines used to produce quartz surface products.[17] ***.[18]

Independent fabricators reported fabrication of ***.[19] Although *** reported the ability to *** during 2017-19.[20] As shown in table III-9, *** percent products fabricated in 2019 by U.S. fabricators were quartz surface products.

Table III-9
Quartz surface products: Quartz surface products: All fabricators overall capacity and fabrication on the same equipment as subject production, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Overall capacity	***	***	***
Production:			
Quartz surface products	***	***	***
Out-of-scope fabrication:			
Granite	***	***	***
Marble	***	***	***
Other	***	***	***
Total out-of-scope production	***	***	***
Total production on same machinery	***	***	***
	Ratios and shares (percent)		
Overall capacity utilization	***	***	***
Share of production:			
Quartz surface products	***	***	***
Out-of-scope fabrication:			
Granite	***	***	***
Marble	***	***	***
Other	***	***	***
Total out-of-scope production	***	***	***
Total production on same machinery	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[17] U.S. produce questionnaire response, section II-3.
[18] Email with ***.
[19] U.S. producer questionnaire response, section II-4a.
[20] *** U.S. producer questionnaire response, section II-4.

U.S. producers' U.S. shipments and exports

Table III-10 presents U.S. producers' U.S. shipments, export shipments, and total shipments for 2017-19 and table III-11 presents independent fabricators U.S. shipments, export shipments, and total shipments for 2017-19. During 2017-19, U.S. producers' U.S. shipments in terms of quantity and value increased by *** percent and by *** percent, respectively. During 2017-19, *** U.S. shipments increased by *** percent, meanwhile *** U.S. shipments decreased by *** percent.[21] During 2017-19, *** U.S. shipments remained relatively stable. The average unit value of U.S. producers' U.S. shipments increased by *** percent.

During 2017-19, *** U.S. shipments, in terms of quantity, increased by *** percent meanwhile, *** U.S. shipments, in terms of value, decreased by *** percent. The average unit value for *** U.S. shipments decreased by *** percent.

[21] U.S. producer questionnaire response, section II-7.

Table III-10
Quartz surface products: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Commercial U.S. shipments	24,044	25,273	28,273
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
Commercial U.S. shipments	508,170	549,591	618,781
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per square foot)		
Commercial U.S. shipments	21.14	21.75	21.89
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of value (percent)		
Commercial U.S. shipments	***	***	***
Internal consumption	***	***	***
Transfers to related firms	***	***	***
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***

Note: ***. Staff telephone interview with ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-11
Quartz surface products: Independent fabricators' U.S. shipments, export shipments, and total shipments, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Value (1,000 dollars)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Unit value (dollars per square foot)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of quantity (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***
	Share of value (percent)		
U.S. shipments	***	***	***
Export shipments	***	***	***
Total shipments	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' inventories

Table III-12 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** During 2017-19, U.S. producers' end-of-period inventories increased by 20.1 percent. U.S. producers' end-of-period inventories as a ratio to U.S. production, and total shipments increased during the period by 4.8 percentage points and by *** percentage points, respectively. U.S. producers' end-of-period inventories as a ratio to U.S. shipments increased by *** percentage points between 2017 and 2018 then decreased by *** percentage points between 2018 and 2019. Overall, during 2017-19, U.S. producers' end-of-period inventories as a ratio to U.S. shipments increased by *** percentage points.

Table III-12
Quartz surface products: U.S. producers' inventories, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
U.S. producers' end-of-period inventories	16,801	19,270	20,183
	Ratio (percent)		
Ratio of inventories to.--			
U.S. production	47.6	48.2	52.4
U.S. shipments	***	***	***
Total shipments	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' imports and purchases

U.S. producers' imports and purchases of quartz surface products are presented in table III-13. Three producers of quartz surface products (***) reported importing quartz surface products. *** reported importing quartz surface products from *** sources and *** reported importing from *** during 2017-19. In 2017 and 2019 *** imports of quartz surface products exceeded its production (by a ratio of *** in 2019). ***. In 2019, *** ratio of imports to U.S. production of quartz surface products was *** percent. *** imports of quartz surface products remained relatively stable throughout the period while its ratio of imports to U.S. production decreased to a ratio of *** percent in 2019.

Table III-13
Quartz surface products: U.S. producers' U.S. production, imports and purchases, 2017-19

* * * * * * *

Table III-13—Continued
Quartz surface products: U.S. producers' U.S. production, imports and purchases, 2017-19

* * * * * * *

U.S. employment, wages, and productivity

Table III-14 shows U.S. producers' and independent fabricators' employment-related data. U.S. producers' employment measured by production and related workers ("PRWs") fluctuated during the period but overall, PRWs increased by 2.5 percent (38 PRWs) during 2017-19. For U.S. producers, hours worked by PRWs increased by 1.6 percent between 2017 and 2018 then decreased 4.9 percent between 2018 and 2019 for an overall decrease of 3.4 percent during the period. U.S. producers' hourly wages increased throughout the period by 17.7 percent ($4.32) during 2017-19. Overall, during 2017-19 U.S. producers' productivity and unit labor costs increased by 13.4 percent and by 3.8 percent, respectively.

Independent fabricators' employment measured by PRWs increased by *** percent (*** PRWs) between 2017 and 2018 then decreased slightly between 2018 and 2019. Overall, PRWs increased by *** percent (*** PRWs) during 2017-19. For independent fabricators, hours worked by PRWs decreased by *** percent during the period. U.S. independent fabricators' hourly wages increased throughout the period by *** percent ($***) during 2017-19. U.S. independent fabricators' productivity increased by *** percent between 2017 and 2018 then decreased by *** percent between 2018 and 2019. Independent fabricators' unit labor costs fluctuated during the period but overall increased by *** percent during 2017-19.

Table III-14
Quartz surface products: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2017-19

Item	Calendar year		
	2017	2018	2019
U.S. producers.--			
Production and related workers (PRWs) (number)	1,521	1,490	1,559
Hours worked by PRW (1,000 hours)	3,155	3,207	3,048
Wages paid ($1,000)	77,114	80,884	87,660
Hourly wages (dollars per hour)	$24.44	$25.22	$28.76
Productivity (square feet per hour)	10.7	11.9	12.2
Unit labor costs (dollars per square feet)	$2.27	$2.12	$2.36
Independent fabricators.--			
Production and related workers (PRWs) (number)	***	***	***
Hours worked by PRW (1,000 hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	$***	$***	$***
Productivity (square feet per hour)	***	***	***
Unit labor costs (dollars per square feet)	$***	$***	$***
Combined producers and independent fabricators.--			
Production and related workers (PRWs) (number)	***	***	***
Hours worked by PRW (1,000 hours)	***	***	***
Wages paid ($1,000)	***	***	***
Hourly wages (dollars per hour)	$***	$***	$***

Source: Compiled from data submitted in response to Commission questionnaires.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 624 firms believed to be importers of subject quartz surface products, as well as to all U.S. producers of quartz surface products.[1] Usable questionnaire responses[2] were received from 73 companies, representing over 75.0 percent and nearly all U.S. imports from India and Turkey, respectively in 2019 under HTS subheading 6810.99.0010. Table IV-1 lists all responding U.S. importers of quartz surface products from India, Turkey, and other sources, their locations, and their shares of U.S. imports, in 2019.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS subheading 6810.99.0010 in 2019.

[2] The Commission received importer questionnaires from two firms which indicated imports, these questionnaires were excluded from the dataset due to reconciliation and consistency issues: ***.

Table IV-1
Quartz surface products: U.S. importers, their headquarters, and share of total imports by source, 2019

Firm	Headquarters	Share of imports by source (percent)				
		India	Turkey	Subject sources	Nonsubject sources	All import sources
Absolute	Cary, NC	***	***	***	***	***
American	Elk Grove Cillage, IL	***	***	***	***	***
American Marble	Vista, CA	***	***	***	***	***
Amsum & Ash	Minneapolis, MN	***	***	***	***	***
Aracruz	Phoenix, AZ	***	***	***	***	***
Architectural Surfaces	Austin, TX	***	***	***	***	***
Arizona	Tempe, AZ	***	***	***	***	***
Asia Building Supply	South El Monte, CA	***	***	***	***	***
Avani	Memphis, TN	***	***	***	***	***
Basix Surfaces	Cerritos, CA	***	***	***	***	***
Bedrosians	Fresno, CA	***	***	***	***	***
Best Kitchen	Tukwila, WA	***	***	***	***	***
Best Nationwide	Houston, TX	***	***	***	***	***
BMC	Houston, TX	***	***	***	***	***
C & C	Coral Gables, FL	***	***	***	***	***
Caesarstone	Charlotte, NC	***	***	***	***	***
Celadon	Alpharetta, GA	***	***	***	***	***
Century Marble and Granite	Addison, IL	***	***	***	***	***
Chung Hua	Flushing, NY	***	***	***	***	***
Crystal	Azusa, CA	***	***	***	***	***
Dal-Tile	Dallas, TX	***	***	***	***	***
Dell	Spartanburg, SC	***	***	***	***	***
Design and Direct	Portland, OR	***	***	***	***	***
DuPont	Wilmington, DE	***	***	***	***	***
East West Marble	Chantilly, VA	***	***	***	***	***
Edgebanding	San Dimas, CA	***	***	***	***	***
EGM	Jamesburg, NJ	***	***	***	***	***
Crate and Barrel	Northbrook, IL	***	***	***	***	***
EZI	Boylston, MA	***	***	***	***	***
Francini	Sun Valley, CA	***	***	***	***	***
Gemstone	Covina, CA	***	***	***	***	***
Global	Addison, IL	***	***	***	***	***
Granite and Cabinet	Dalton, GA	***	***	***	***	***
Granite, Marble & etc	Houston, TX	***	***	***	***	***
Gran Trade	Carlstadt, NJ	***	***	***	***	***
Hilltop Stones	Farmers Branch, TX	***	***	***	***	***

Table continued on next page.

Table IV-1—Continued
Quartz surface products: U.S. importers, their headquarters, and share of total imports by source, 2019

Firm	Headquarters	Share of imports by source (percent)				
		India	Turkey	Subject sources	Nonsubject sources	All import sources
Hirsch Glass	Cranbury, NJ	***	***	***	***	***
Hotel Vanities	Mooresville, IN	***	***	***	***	***
Ilkem	Cherry Hill, NJ	***	***	***	***	***
Indo American	Kearny, NJ	***	***	***	***	***
Indus Trade	East Brunswick, NJ	***	***	***	***	***
J.G. Edelen	Baltimore, MD	***	***	***	***	***
JAZ	High Point, NC	***	***	***	***	***
Jessie-Kan	Marietta, GA	***	***	***	***	***
LG Hausys	Atlanta, GA	***	***	***	***	***
Lithos	Seattle, WA	***	***	***	***	***
Lotte	La Palma, CA	***	***	***	***	***
M S International	Orange, CA	***	***	***	***	***
Marble Palace	Stockton, CA	***	***	***	***	***
Mont Granite	Solon, OH	***	***	***	***	***
Mstone	Lagrange, GA	***	***	***	***	***
MultiSurface	Carrollton, TX	***	***	***	***	***
OHM	Monroe Twp, NJ	***	***	***	***	***
Piedrafina	Riverside, CA	***	***	***	***	***
Primus	Romeoville, IL	***	***	***	***	***
Quality	Beaverton, OR	***	***	***	***	***
Shine Surfaces	Darien, IL	***	***	***	***	***
Stone Gallery	Tampa, FL	***	***	***	***	***
Stone Pros	Everett, WA	***	***	***	***	***
StoneVic-Kedin	Atlanta, GA	***	***	***	***	***
Terra	Houston, TX	***	***	***	***	***
Terrazzo	Wheeling, IL	***	***	***	***	***
Tile Traditions	Centerville, UT	***	***	***	***	***
Topcu	Stone Mountain, GA	***	***	***	***	***
United Materials	Naples, FL	***	***	***	***	***
Universal Stone	Boulder, CO	***	***	***	***	***
Veneziano	Houston, TX	***	***	***	***	***
Venture	Union, NJ	***	***	***	***	***
Verona	Dallas, TX	***	***	***	***	***
Wells	El Paso, TX	***	***	***	***	***
Wilsonart	Austin, TX	***	***	***	***	***
Wisenbaker	Houston, TX	***	***	***	***	***
World Rocks	Orange, CA	***	***	***	***	***
Total		100.0	100.0	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Table IV-2 and figure IV-1 presents data for U.S. imports of quartz surface products from India, Turkey, and all other sources. During 2017-19, U.S. imports of quartz surface products from India increased, in terms of quantity, by *** percent (*** percent by value) and U.S. imports of quartz surface products from Turkey increased, in terms of quantity, by *** percent (*** percent by value). U.S. imports of quartz surface products from nonsubject sources decreased, in terms of quantity, by 13.7 percent (7.8 percent by value). In 2019, imports from India and Turkey accounted for *** percent and *** percent of total imports, respectively. In 2019, the largest sources for U.S. imports of quartz surface products were India followed Spain, Vietnam, Turkey, Israel, Canada, and China.

The average unit value of U.S. imports of quartz surface products from India fell by $*** a square foot over the period to $*** a square foot in 2019. The average unit value of U.S. imports of quartz surface products from Turkey fell by $*** a square foot over the period to $*** in 2019. The average unit value of U.S. imports of quartz surface products from nonsubject countries fell by $0.67 a square foot from 2017 to 2018 then increased $1.31 a square foot from 2018 to 2019 ending at $9.99 a square foot in 2019. Overall, during 2017-19, the average unit value of U.S. imports of quartz surface products from nonsubject countries increased by $0.64 a square foot.

During 2017-19, as a ratio to U.S. production, imports from India and Turkey, increased by *** percentage points and *** percentage points, respectively. Imports from nonsubejct sources, as a ratio to U.S. production increased by *** percentage points from 2017 to 2018 then decreased by *** percentage points from 2018 to 2019. Overall, during 2017-19, U.S. imports of quartz surface products from nonsubject countries, as a ratio to U.S. production, increased by *** percentage points.

Table IV-2
Quartz surface products: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	106,198	132,779	91,639
All import sources	***	***	***
	Value (1,000 dollars)		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	993,137	1,153,072	915,812
All import sources	***	***	***
	Unit value (dollars per square foot)		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	9.35	8.68	9.99
All import sources	***	***	***

Table continued on next page.

Table IV-2—Continued
Quartz surface products: U.S. imports by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of quantity (percent)		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Share of value (percent)		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	100.0	100.0	100.0
	Ratio to U.S. production		
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Note: Quantity converted from square meters to 1,000 square feet (conversion factor: 1 m sq = 10.7639104 ft sq).

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

Figure IV-1
Quartz surface products: U.S. import volumes and prices, 2017-19

* * * * * * *

Table IV-3 presents data on U.S. import of quartz surface products (shown in descending order, by quantity, for 2019) from nonsubject sources including Spain, Vietnam, Israel, and China. During 2017-18, China was the largest source of U.S. imports from nonsubject sources. Meanwhile, in 2019 Spain became the largest source of nonsubject imports accounting for 21.1 percent of total imports.

Table IV-3
Quartz surface products: Nonsubject U.S. imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Nonsubject U.S. imports from.--			
Spain	18,346	20,106	30,036
Vietnam	4,701	3,998	11,569
Israel	9,702	8,590	8,457
China	61,319	84,695	8,239
Other nonsubject source	12,130	15,390	33,338
Nonsubject sources	106,198	132,779	91,639
	Value (1,000 dollars)		
Nonsubject U.S. imports from.--			
Spain	191,065	210,623	313,168
Vietnam	57,210	49,031	126,337
Israel	110,300	92,716	92,227
China	506,621	646,003	66,411
Other nonsubject source	127,942	154,699	317,669
Nonsubject sources	993,137	1,153,072	915,812
	Unit value (dollars per square foot)		
Nonsubject U.S. imports from.--			
Spain	10.41	10.48	10.43
Vietnam	12.17	12.26	10.92
Israel	11.37	10.79	10.91
China	8.26	7.63	8.06
Other nonsubject source	10.55	10.05	9.53
Nonsubject sources	9.35	8.68	9.99

Table continued on next page.

Table IV-3—Continued
Quartz surface products: Nonsubject U.S. imports, by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Share of total import quantity (percent)		
Nonsubject U.S. imports from.--			
Spain	16.2	13.6	21.1
Vietnam	4.1	2.7	8.1
Israel	8.6	5.8	6.0
China	54.1	57.3	5.8
Other nonsubject source	10.7	10.4	23.5
Nonsubject sources	93.7	89.9	64.5
	Share of total import value (percent)		
Nonsubject U.S. imports from.--			
Spain	18.1	16.7	24.7
Vietnam	5.4	3.9	10.0
Israel	10.5	7.4	7.3
China	48.0	51.2	5.2
Other nonsubject source	12.1	12.3	25.0
Nonsubject sources	94.1	91.4	72.2

Note: Quantity converted from square meters to 1,000 square feet (conversion factor: 1 m sq = 10.7639104 ft sq).

Note: U.S. imports of quartz surface products from China are currently under antidumping and countervailing duty orders. 84 FR 23760, May 23, 2019; and 84 FR 23767, May 23, 2019.

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

Critical Circumstances

In these investigations, Commerce has made partial final affirmative critical circumstance findings in relation to imports of quartz surface products as detailed below. If the Commission in turn determines that imports subject to Commerce's affirmative critical circumstances finding are also likely to undermine seriously the remedial effect of the orders, Commerce shall instruct Customs to retroactively apply the antidumping and/or countervailing duties 90 days prior to the effective date of Commerce's final affirmative determination(s).

Effective May 1, 2020, Commerce issued its final negative determinations in the antidumping duty investigations finding that imports of quartz surface products from all Indian and Turkish suppliers were not subject to its critical circumstance findings.[3] Effective May 1, 2020, Commerce issued its final partial affirmative determinations in the countervailing duty

[3] 85 FR 25389, May 1, 2020; and 85 FR 25391, May 1, 2020.

investigations finding that imports of quartz surface products from all Indian suppliers expect Antique Marbonite and Pokarna Engineered Stone were subject to its critical circumstance findings.[4] Also, effective May 1, 2020 Commerce issued its partial affirmative determinations in the countervailing duty investigations finding that imports of quartz surface products from all Turkish suppliers, with the exception of Turkish supplier Belenco were subject to its affirmative critical circumstance findings.[5] Table IV-4 and table IV-5 and figure IV-2 and figure IV-3 present data concerning timing and volume of imports subject to Commerce's affirmative critical circumstance findings in the countervailing duty investigations cornering India and Turkey, respectively.

Table IV-4
Quartz surface products: U.S. imports subject to Commerce's final CVD critical circumstance determinations in India, November 2018 to October 2019

Period	Actual monthly quantity (1,000 square feet)	Outwardly cumulative subtotals (1,000 square feet)	Percentage change from comparable period (percent)[1]
2018.-- November	***	***	
December	***	***	
2019.-- January	***	***	
February	***	***	
March	***	***	
April	***	***	
Petition file date: May 8, 2019			
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***

[1] The percentage increase or (decrease) over the comparable pre-petition period.

Note: Imports from India subject to Commerce's final CVD critical circumstances findings are imports for all suppliers except Antique Marbonite and Pokarna Engineered Stone Limited. Data are slab form only.

Source: Compiled from data from *** Customs records statistical reporting number 6810.99.0010, accessed March 10, 2020.

[4] 85 FR 25398, May 1, 2020.
[5] 85 FR 25400, May 1, 2020.

Figure IV-2
Quartz surface products: U.S. imports subject to Commerce's final CVD critical circumstance determinations in India, November 2018 to October 2019

* * * * * * *

Table IV-5
Quartz surface products: U.S. imports subject to Commerce's final CVD critical circumstance determinations in Turkey, November 2018 to October 2019

Period	Actual monthly quantity (1,000 square feet)	Outwardly cumulative subtotals (1,000 square feet)	Percentage change from comparable period (percent)[1]
2018.-- November	***	***	
December	***	***	
2019.-- January	***	***	
February	***	***	
March	***	***	
April	***	***	
Petition file date: May 8, 2019			
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***

[1] The percentage increase or (decrease) over the comparable pre-petition period.

Note: Imports from Turkey subject to Commerce's final CVD critical circumstances findings are imports for all suppliers except Belenco. Data are slab form only.

Source: Compiled from data from official U.S. import statistics using statistical reporting number 6810.99.0010, accessed March 10, 2020.

Figure IV-3
Quartz surface products: U.S. imports subject to Commerce's final CVD critical circumstance determinations in Turkey, November 2018 to October 2019

* * * * * * *

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[6] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[7] Imports from India accounted for *** percent of total imports of quartz surface products by quantity during May 2018 through April 2019 and imports from Turkey accounted for *** percent of total imports of quartz surface products by quantity during May 2018 through April 2019.

Table IV-6
Quartz surface products: U.S. imports in the twelve month period preceding the filing of the petition, May 2018 through April 2019

Item	May 2018 - April 2019			
	Adjusted official statistics		Questionnaire data	
	Quantity (1,000 square feet)	Share quantity (percent)	Quantity (1,000 square feet)	Share quantity (percent)
U.S. imports from.--				
India	***	***	***	***
Turkey	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	100.0	***	100.0

Note: In its final determination, Commerce found Ermas Madencilik Turizm's ("Ermas") weighted dumping margin to be 0.00. U.S. imports from Turkey excluding Ermas during May 2018 through April 2019 were *** (1,000 square feet) (*** percent of all imports) using questionnaire data and *** (1,000 square feet) (*** percent of all imports) using adjusted official import statistics.

Note: Quantity converted from square meters to 1,000 square feet (conversion factor: 1 m sq = 10.7639104 ft sq).

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

[6] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[7] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-7 and figure IV-4 present data for U.S. producers' and U.S. importers' U.S. shipments by design for 2019. U.S. shipments by design range, are categorized by colors: granite design, marble short veining design, marble long veining design, uniform white design, uniform neutral design, uniform dark design, crushed glass design[8], and other designs[9]. For U.S. shipments of domestically produced quartz surface products, the marble short veining design accounted for the largest share of shipments by type (*** percent) followed by granite design (*** percent) and then marble long veining design (*** percent).

For U.S. imports from India, the uniform white design accounted for the largest share of shipments by type (*** percent) followed by marble short veining design (*** percent) and then uniform neutral/light design (*** percent). In contrast, for U.S. imports from Turkey, the marble short veining design was the largest share of U.S. shipments by design (*** percent followed by uniform white design (*** percent) and then marble long veining design (*** percent). For U.S. imports from nonsubject sources, the marble short veining design accounted for the largest share of shipments by type (*** percent) followed by marble long veining design (*** percent) and then uniform white design (*** percent). In 2019, U.S. produced quartz surface products and quartz surface products imported from India were available in all design categories. Quartz surface products imported from Turkey were available in all design categories expect ***.

[8] Crushed glass design does not include crushed glass surface products expressly excluded from the scope of these investigations.

[9] Other products include ***. U. S. producer questionnaire response, section II-11c.

Table IV-7
Quartz surface products: U.S. producers' and U.S. importers' U.S. shipments by design, 2019

Item	U.S. producers	U.S. importers					U.S. producers and U.S. importers
		India	Turkey	Subject sources	Nonsubject sources	All import sources	
	Quantity (1,000 square feet)						
U.S. shipments.-- Granite design	***	***	***	***	***	***	***
Marble design--Short veining	***	***	***	***	***	***	***
Marble design--Long veining	***	***	***	***	***	***	***
Marble design	***	***	***	***	***	***	***
Uniform white design	***	***	***	***	***	***	***
Uniform neutral/light design	***	***	***	***	***	***	***
Uniform dark colors/black design	***	***	***	***	***	***	***
Uniform design	***	***	***	***	***	***	***
Crushed design	***	***	***	***	***	***	***
Other products	***	***	***	***	***	***	***
All items	***	***	***	***	***	***	***
	Share across (percent)						
U.S. shipments.-- Granite design	***	***	***	***	***	***	***
Marble design--Short veining	***	***	***	***	***	***	***
Marble design--Long veining	***	***	***	***	***	***	***
Marble design	***	***	***	***	***	***	***
Uniform white design	***	***	***	***	***	***	***
Uniform neutral/light design	***	***	***	***	***	***	***
Uniform dark colors/black design	***	***	***	***	***	***	***
Uniform design	***	***	***	***	***	***	***
Crushed design	***	***	***	***	***	***	***
Other products	***	***	***	***	***	***	***
All items	***	***	***	***	***	***	***
	Share down (percent)						
U.S. shipments.-- Granite design	***	***	***	***	***	***	***
Marble design--Short veining	***	***	***	***	***	***	***
Marble design--Long veining	***	***	***	***	***	***	***
Marble design	***	***	***	***	***	***	***
Uniform white design	***	***	***	***	***	***	***
Uniform neutral/light design	***	***	***	***	***	***	***
Uniform dark colors/black design	***	***	***	***	***	***	***
Uniform design	***	***	***	***	***	***	***
Crushed design	***	***	***	***	***	***	***
Other products	***	***	***	***	***	***	***
All items	***	***	***	***	***	***	***

Note: ***. U. S. producer questionnaire response, section II-11c.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure IV-4
Quartz surface products: U.S. producers' and U.S. importers' U.S. shipments by Item, 2019

* * * * * * *

Table IV-8 and figure IV-5 present data for U.S. producers' and U.S. importers' U.S. shipments by thickness for 2019. U.S. shipments by size range are categorized based on three standard thickness by centimeters: 1 CM, 2 CM, and 3 CM.[10] For U.S. producers' U.S. shipments and importers' U.S. shipments (both subject and nonsubject), the 3 CM quartz surface products category was the largest share of U.S. shipments by thickness followed by the 2 CM category. For U.S. producers' U.S. shipments, the 3 CM category accounted for (*** percent) followed by the 2 CM category (*** percent) and the 1 CM category (*** percent). For U.S. importers' U.S. shipments from India and Turkey, the 3 CM category accounted *** percent and *** percent, respectively. For U.S. importers U.S. shipments from India, the 1 CM category accounted for *** percent of shipments of quartz surface products from India. U.S. importers *** U.S. shipments of quartz surface products in the 1 CM category from Turkey. For U.S. importers' U.S. shipments from nonsubject countries the 1 CM category represented (*** percent) of shipments by thickness.

[10] The most common thickness sold in the United States is the 3 CM thickness. The majority of the costs are associated with the process to manufacture quartz surface products, not the thickness of the product. Conference transcript, p. 41, (Shult).

Table IV-8
Quartz surface products: U.S. producers' and U.S. importers' U.S. shipments by thickness, 2019

Item	U.S. producers	U.S. importers					U.S. producers and U.S. importers
		India	Turkey	Subject sources	Nonsubject sources	All import sources	
	Quantity (1,000 square feet)						
U.S. shipments.--							
1 cm	***	***	***	***	***	***	***
2 cm	***	***	***	***	***	***	***
3 cm	***	***	***	***	***	***	***
All thicknesses	***	***	***	***	***	***	***
	Share across (percent)						
U.S. shipments.--							
1 cm	***	***	***	***	***	***	***
2 cm	***	***	***	***	***	***	***
3 cm	***	***	***	***	***	***	***
All thicknesses	***	***	***	***	***	***	***
	Share down (percent)						
U.S. shipments.--							
1 cm	***	***	***	***	***	***	***
2 cm	***	***	***	***	***	***	***
3 cm	***	***	***	***	***	***	***
All thicknesses	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Figure IV-5
Quartz surface products: U.S. producers' and U.S. importers' U.S. shipments by Item, 2019

* * * * * * *

Geographical markets

Table IV-9 presents data on U.S. imports of quartz surface products by border of entry in 2019. In 2019, U.S. imports from both subject and nonsubject countries entered the United States at all U.S Custom districts. U.S. Customs districts located in the East[11] accounted for (by quantity) the largest share of imports of quartz surface products from India, Turkey, and nonsubject sources (41.2, 56.5, and 33.4 percent, respectively).

Table IV-9
Quartz surface products: U.S. imports by border of entry, 2019

Item	Border of entry				
	East	North	South	West	All borders
	Quantity (1,000 square feet)				
U.S. imports from.--					
India	16,190	1,887	9,593	11,649	39,320
Turkey	5,867	87	1,916	2,512	10,381
Subject sources	22,057	1,974	11,509	14,161	49,701
Nonsubject sources	30,144	10,935	23,363	25,904	90,346
All import sources	52,201	12,909	34,872	40,065	140,048
	Share across (percent)				
U.S. imports from.--					
India	41.2	4.8	24.4	29.6	100.0
Turkey	56.5	0.8	18.5	24.2	100.0
Subject sources	44.4	4.0	23.2	28.5	100.0
Nonsubject sources	33.4	12.1	25.9	28.7	100.0
All import sources	37.3	9.2	24.9	28.6	100.0
	Share down (percent)				
U.S. imports from.--					
India	31.0	14.6	27.5	29.1	28.1
Turkey	11.2	0.7	5.5	6.3	7.4
Subject sources	42.3	15.3	33.0	35.3	35.5
Nonsubject sources	57.7	84.7	67.0	64.7	64.5
All import sources	100.0	100.0	100.0	100.0	100.0

Note: Quantity converted from square meters to 1,000 square feet (conversion factor: 1 m sq = 10.7639104 ft sq).

Source: Compiled from official U.S. import statistics using HTS reporting number 6810.99.0010, accessed March 10, 2020.

[11] The "East" includes the following Customs entry districts: Baltimore, Maryland; Boston, Massachusetts; Buffalo, New York; Charleston, South Carolina; Charlotte, North Carolina; New York, New York; Norfolk, Virginia; Ogdensburg, New York; Philadelphia, Pennsylvania; Portland, Maine; San Juan, Puerto Rico; Savannah, Georgia; St. Albans, Vermont; and Washington, District of Columbia.

Presence in the market

Table IV-10 presents monthly import statistics for quartz surface products from January 2017 through March 2020. Figure IV-6 presents monthly imports statistics for quartz surface products from individual subject sources and figure IV-7 presents monthly import statistics for aggregated subject and nonsubject sources. Imports of quartz surface products from India, Turkey, and nonsubject sources entered the United States in every month during the period.

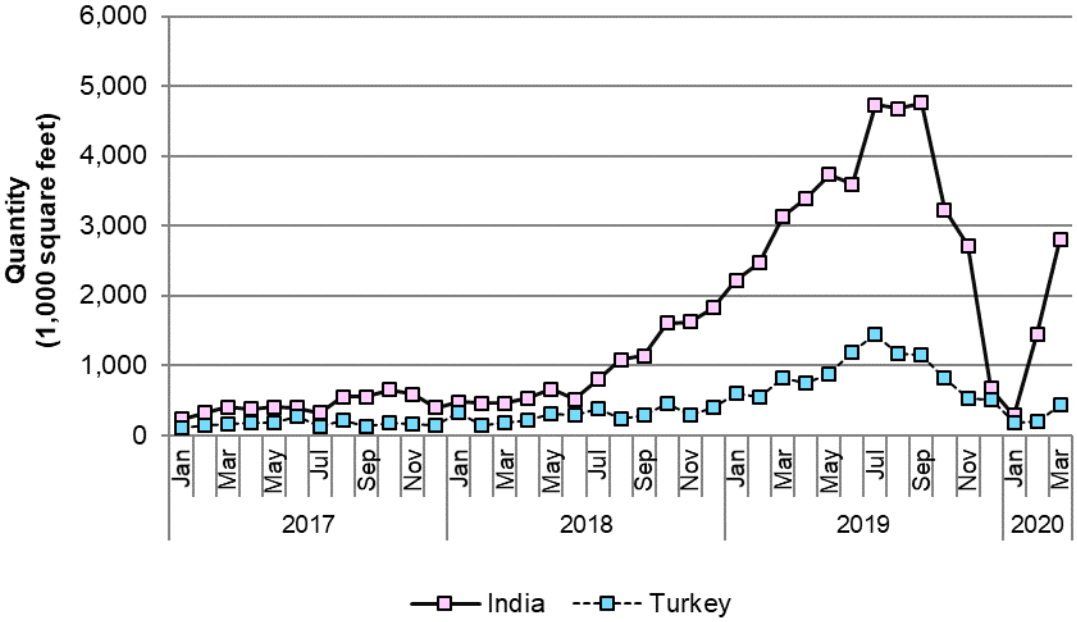
Table IV-10
Quartz surface products: U.S. imports by month, January 2017 through March 2020

U.S. imports	India	Turkey	Subject sources	Nonsubject sources	All import sources
	Quantity (1,000 square feet)				
2017.--					
January	227	112	340	7,936	8,276
February	317	135	452	6,758	7,210
March	407	153	560	6,839	7,399
April	377	171	548	7,349	7,897
May	400	176	576	8,855	9,432
June	399	274	673	9,296	9,968
July	323	133	456	8,893	9,349
August	546	213	759	10,145	10,904
September	551	120	671	10,405	11,076
October	650	176	826	9,796	10,622
November	592	168	759	9,603	10,363
December	393	136	528	9,725	10,253
2018.--					
January	479	321	800	10,683	11,482
February	455	142	597	9,411	10,008
March	462	176	638	9,374	10,012
April	528	220	748	8,982	9,731
May	664	314	978	12,253	13,230
June	515	284	799	14,209	15,007
July	798	377	1,175	16,031	17,206
August	1,086	239	1,326	16,991	18,317
September	1,135	292	1,427	13,045	14,473
October	1,607	452	2,059	9,660	11,720
November	1,619	289	1,908	7,072	8,980
December	1,822	396	2,218	4,486	6,704
2019.--					
January	2,219	598	2,818	4,828	7,646
February	2,463	545	3,008	3,655	6,663
March	3,141	813	3,953	5,845	9,798
April	3,392	740	4,132	5,014	9,146
May	3,734	873	4,607	9,605	14,212
June	3,590	1,179	4,769	10,638	15,407
July	4,727	1,446	6,172	7,865	14,038
August	4,679	1,169	5,849	7,705	13,554
September	4,762	1,158	5,920	8,290	14,210
October	3,228	829	4,057	8,356	12,413
November	2,713	520	3,233	8,699	11,932
December	672	512	1,184	9,847	11,031
2020.--					
January	281	176	457	9,101	9,558
February	1,453	192	1,645	7,866	9,510
March	2,806	437	3,243	8,292	11,535

Note: Quantity converted from square meters to 1,000 square feet (conversion factor: 1 m sq = 10.7639104 ft sq).

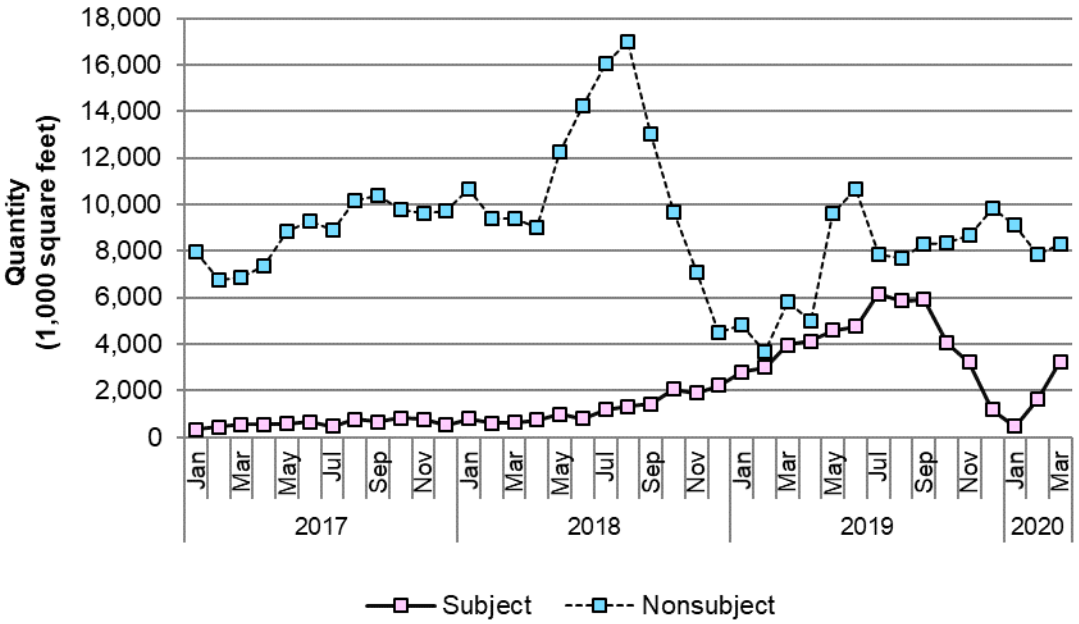
Source: Compiled from official U.S. import statistics using HTS reporting number 6810.99.0010, accessed May 18, 2020.

Figure IV-6
Quartz surface products: U.S. imports from individual subject sources, by month, January 2017 through March 2020



Source: Compiled from official U.S. import statistics using HTS reporting number 6810.99.0010, accessed May 18, 2020.

Figure IV-7
Quartz surface products: U.S. imports from aggregated subject and nonsubject sources, by month, January 2017 through March 2020



Source: Compiled from official U.S. import statistics using HTS reporting number 6810.99.0010, accessed May 18, 2020.

Apparent U.S. consumption

Table IV-11 presents data on apparent U.S. consumption for quartz surface products. Between 2017 and 2018 apparent U.S. consumption, in terms of quantity, increased by *** percent. During 2018-19, apparent U.S. consumption, in terms of quantity, decreased by *** percent. Overall, during 2017-19, apparent U.S. consumption increased, in terms of quantity, by *** percent. Apparent U.S. consumption, in terms of value, increased each year during the period. During 2017-19, apparent U.S. consumption increased, in terms of value by, increased by *** percent.

Table IV-11
Quartz surface products: Apparent U.S. consumption, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
U.S. producers' U.S. shipments	25,530	26,546	29,399
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	106,198	132,779	91,639
All import sources	***	***	***
Apparent U.S. consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	530,588	568,777	635,492
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	993,137	1,153,072	915,812
All import sources	***	***	***
Apparent U.S. consumption	***	***	***

Note: To ensure there is no double counting only U.S. producers (excludes independent fabricators) data are presented here. U.S. producers' U.S. shipment value does not include the value added by independent fabricators due to (1) the dearth of useable questionnaire data received from independent fabricators in this proceeding, (2) questions as to the correct source of the fabricated merchandise for one of the two useable independent fabricators, and (3) even assuming the technical issues for the two responding independent fabricators could be resolved, the volume of their fabrication activities relative to the size of the market would not result in (i) any material change in the reported overall value of consumption or U.S. producers' market shares based on value, nor (ii) accurately reflect the full additional value provided by fabrication activities writ large in the industry which would involve 2000+ firms and over the entirety of domestically sold slab since every quartz surface product undergoes fabrication prior to final usage.

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

U.S. market shares

U.S. market share data are presented in table IV-12 and figure IV-8. During 2017-18, U.S. producers' share of apparent U.S. consumption decreased both in terms of quantity and value and then increased slightly between 2018 and 2019. Overall, during 2017-19, U.S. producers' share of apparent U.S. consumption decreased both by quantity and value *** percentage points and *** percentage points, respectively. U.S. imports from India market share, based on quantity, increased by *** percentage points from 2017 to 2019 and U.S. imports from Turkey market share, based on quantity, increased by *** percentage points from 2017 to 2019. Combined, U.S. imports of quartz surface products from subject countries, based on quantity, accounted for *** percent of apparent U.S. consumption in 2019.

Table IV-12
Quartz surface products: Market shares, 2017-19

Item	Calendar year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Apparent U.S. consumption	***	***	***
	Share of quantity (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
	Value (1,000 dollars)		
Apparent U.S. consumption	***	***	***
	Share of value (percent)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from.--			
India	***	***	***
Turkey	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***

Note: To ensure there is no double counting only U.S. producers (excludes independent fabricators) data are presented here. U.S. producers' U.S. shipment value does not include the value added by independent fabricators due to (1) the dearth of useable questionnaire data received from independent fabricators in this proceeding, (2) questions as to the correct source of the fabricated merchandise for one of the two useable independent fabricators, and (3) even assuming the technical issues for the two responding independent fabricators could be resolved, the volume of their fabrication activities relative to the size of the market would not result in (i) any material change in the reported overall value of consumption or U.S. producers' market shares based on value, nor (ii) accurately reflect the full additional value provided by fabrication activities writ large in the industry which would involve 2000+ firms and over the entirety of domestically sold slab since every quartz surface product undergoes fabrication prior to final usage.

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

Figure IV-8
Quartz surface products: Apparent U.S. consumption, 2017-19

* * * * * * *

Part V: Pricing data

Factors affecting prices

Raw material costs

Quartz surface products usually consist of 93 to 94 percent ground quartz. Quartz is one of the most common minerals in the earth's crust, and it is also one of the hardest naturally occurring minerals. The remaining components of quartz slabs are a combination of resins, polymers, particulates, and pigments.[1] Raw material costs, as a share of all U.S. producers' total cost of goods sold (COGS), increased from *** percent to *** percent from 2017 to 2019.[2]

Transportation costs to the U.S. market

Transportation costs for quartz surface products shipped from subject countries to the United States averaged 8.5 percent for India and 7.4 percent for Turkey during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.[3]

U.S. inland transportation costs

Three of six responding U.S. producers and 41 of 47 importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 0.2 to 9.0 percent while 14 of 26 importers' reported costs ranged from 0.1 to 5.0 percent.[4]

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[1] *Quartz Surface Products from China, Investigation Nos. 701-TA-606 and 731-TA-1416 (Final)* Staff Report, INV-RR-048, May 31, 2019, p. V-1.

[2] U.S. producers' raw material costs includes the seven slab producers, three fabricators, and one integrated producer.

[3] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS subheading 6810.99.0010.

[4] Other reported transportation costs were 5.6 percent, 7 percent (2 importers), 8 percent (2 importers), 9 percent (1 importer), 10 percent (2 importers), 15 percent (1 importer), and 20 percent (1 importer).

Pricing practices

Pricing methods

U.S. producers and importers reported using a variety of methods to set prices, with transaction-by-transaction and set price lists the most commonly reported methods (table V-1) Multiple U.S. producers and importers reported using more than one price method to set prices.[5] [6]

Table V-1
Quartz surface products: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	Importers
Transaction-by-transaction	4	37
Contract	3	10
Set price list	6	29
Other	2	8
Responding firms	7	62

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers and importers reported selling the vast majority of their quartz surface products in the spot market (table V-2).

[5] Five of seven responding U.S. producers reported using more than one method to set prices. *** reported that it uses transaction by transaction negotiations only for commercial quotes and uses set price lists that are subject to standard discounts. *** reported that it uses standard price lists with volume discounts for residential channels and uses set contract prices for commercial construction projects and for large customers. *** did not respond to the question and indicated that it has *** use a set price list.

[6] Sixteen of 62 responding importers reported using more than one method to set prices. Importer *** reported that price lists vary whether the distributor has an *** or is sold from *** directly to fabricators.

Table V-2
Quartz surface products: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019

Type of sale	U.S. producers	Importers
Long-term contracts	0.4	0.6
Annual contracts	---	8.0
Short-term contracts	7.4	4.8
Spot sales	92.2	86.5
Total	100.0	100.0

Note: Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires.

Of the U.S. producers and importers that reported selling using contracts, U.S. producers *** reported using short-term contracts, and *** reported its short-term contracts averaged 30 days.[7] *** reported that price is not renegotiated, its contracts typically have a fixed price provision, and that prices are not indexed to raw material costs.

Twelve importers reported selling quartz surface products under short-term contracts, with average contracts ranging from 30 to 200 days. Three importers reported selling subject product under long-term contracts, with the average duration of the contract ranging from 500 to 1,095 days, and four importers reported they used annual contracts.[8] Of the responding importers, most (10 of 13 importers) reported that prices were not renegotiated under short-term contracts, while 2 of 4 responding importers reported that prices were renegotiated under annual contracts, and 1 of 2 firms reported renegotiated prices under long-term contracts.[9]

Most purchasers reported that they purchase product weekly (16 of 36 purchasers), 9 purchasers reported daily purchases, 8 purchasers reported monthly, and 2 purchasers

[7] *** also reported that it sold its product under long-term contracts, but it did not report the average length of its short-term or long-term contracts, nor did it respond to any of the questions regarding its contract provisions.

[8] Importer *** reported selling product under short, annual, and long-term contracts, *** reported using short and long-term contracts, and *** used short-term and annual contracts.

[9] Most importers reported fixed prices and quantities in their short-term contracts. Two importers reported fixed prices in annual contracts and one reported fixed quantity. One responding importer reported fixed prices in its long-term contracts. All responding importers indicated that prices are not indexed to raw materials in short-term, annual, and long-term contracts.

reported quarterly purchases.[10] [11] Twenty-two of 36 responding purchasers reported that their purchasing frequency had not changed since 2017. Of the fourteen that reported changing their purchasing frequency, most indicated that their purchasing frequency had increased due to increased demand. One purchaser, ***, indicated that it had decreased its purchases after Cambria cancelled its exclusivity agreement *** and it has not been able to find a supply source. A plurality of responding purchasers (13 of 33) contacted only one supplier before making a purchase, and 9 purchasers contacted up to three suppliers.[12]

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis[13] and importers typically quote prices on a delivered basis.[14] Five of six responding U.S. producers reported offering a quantity discount, four offered a total volume discount, and two offered discounts based on a rebate program and special price quotes for commercial jobs.[15] [16] U.S. producer *** did not offer any discounts. Most responding importers did not offer any discounts (34 of 61 firms), 23 importers reported offering quantity discounts, 11 importers offered discounts based on other policies, and 10 importers reported offering total volume discounts.[17]

[10] Four purchasers reported their frequency of purchases as "other", with *** reporting that it depends on customer orders and *** reporting that its purchases are project specific.

[11] Some purchasers indicated more than one response. Purchasers *** indicated both weekly and monthly purchases. *** reported that the frequency of purchases is driven by the timing and size of customer projects, and *** indicated that its purchases are "several times per month."

[12] Other responses included four firms reported contacting up to four suppliers, one firm contacted up to five suppliers, two firms contacted up to eight suppliers, and two firms contacted up to 20 suppliers. Purchaser *** reported that it contacts suppliers on an "as needed" basis.

[13] Five of eight U.S. producers reported quoting prices on an f.o.b. basis, and U.S. producer *** noted that it ***.

[14] Forty of 62 responding importers reported quoting prices on a delivered basis.

[15] U.S. producers *** reported using more than one discount policy.

[16] U.S. producer *** did not respond to the question, and reported that it ***.

[17] Other types of discounts included: discounts for wholesalers and contractors, an "auto discounting table" for distributors for larger projects, periodic promotions and clearance markdowns, program pricing to select fabricators and customers on a volume basis, rebate programs, discounts on defective materials, and reducing prices based on a competitor's price.

Price leadership

Many responding purchasers reported that Cambria is the high quality, high-price leader and that MS International is the low-price leader in the U.S. market. Twenty-four purchasers reported the following firms as price leaders:[18]

- Cambria (12 firms)
- MS International (9 firms)
- Silestone (5 firms)
- Caesarstone (3 firms)
- Cosentino (3 firms)
- Arizona Tile (2 firms)
- Ohm International (1 firm)

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following quartz surface products shipped to unrelated U.S. customers during 2017-19.

Product 1.-- Plain white quartz surface products in slab form, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Product 2.-- Plain white quartz surface products in slab form, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Product 3.-- White quartz surface products with a “marble look” in slab form, a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Product 4.-- White quartz surface products with a “marble look” in slab form, a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

[18] Some purchasers listed more than one firm as a price leader.

Product 5.-- Neutral colored quartz surface products with a "natural stone look" in slab form, a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Product 6.-- Neutral colored quartz surface products with a "natural stone look" in slab form, a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Five U.S. producers and 35 importers[19] provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[20] [21] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of quartz surface products, *** percent of U.S. shipments of subject imports from India, and *** percent of U.S. shipments of subject imports from Turkey in 2019.

Price data for products 1-6 are presented in tables V-3 to V-8 and figures V-1 to V-6. [22] Nonsubject country prices are presented in Appendix D.

[19] Twenty-five importers reported pricing data from subject countries; 24 importers reported data for India and 6 importers reported data for Turkey. Thirty-five importers reported pricing data from nonsubject countries; 34 importers reported data for China and 5 importers reported data for Spain.

[20] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[21] Importer *** reported that it sold quartz slabs at wholesale prices "to different companies that were charged differently." Staff has not included *** reported pricing data of product from Turkey. ***.

[22] The Commission collected pricing data separately for imports supplied by the following foreign producers from India: Antique Marbonite group (including Granito Shareholders Trust, Prism Johnson limited, and Shivam Enterprises); Pokarna Engineered; and all other firms; and the following foreign producers from Turkey: Belenco dis Tikarat A.S. ("Belenco) or Peker Yüzey Tasanlan Sanayi ve Tic. A.S. ("Peker"); Ermas Madencilik Turizm Sanayi Ve Ticaret Anonim Sirketi ("Ermas"); and all other firms. These listed firms are the mandatory respondents in Commerce's investigations. The tables presented below present the consolidated data for all suppliers from India and Turkey, respectively.

Table V-3
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	8.17	28,956	***	***	***	***
Oct.-Dec.	***	***	7.97	24,577	***	***	***	***
2018:								
Jan.-Mar.	***	***	8.00	25,444	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	7.28	27,934	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2019:								
Jan.-Mar.	13.11	219,813	7.23	109,497	44.8	***	***	***
Apr.-Jun.	***	***	7.48	206,011	***	***	***	***
Jul.-Sep.	13.22	416,551	7.54	289,119	42.9	***	***	***
Oct.-Dec.	***	***	7.33	268,375	***	***	***	***

Note: Product 1: Plain white quartz surface products in slab form, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-4
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
2018:								
Jan.-Mar.	***	***	9.98	59,350	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	***	***	9.11	103,022	***	***	***	***
2019:								
Jan.-Mar.	14.89	221,015	9.04	226,872	39.3	***	***	***
Apr.-Jun.	15.15	368,178	9.82	376,632	35.2	***	***	***
Jul.-Sep.	15.58	442,130	10.07	365,741	35.3	***	***	***
Oct.-Dec.	***	***	9.66	361,759	***	***	***	***

Note: Product 2: Plain white quartz surface products in slab form, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-5
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***	***	***	***
Oct.-Dec.	20.94	286,487	***	***	***	***	***	***
2018:								
Jan.-Mar.	21.61	341,107	14.80	30,709	31.5	***	***	***
Apr.-Jun.	21.21	444,205	14.16	38,644	33.2	***	***	***
Jul.-Sep.	21.24	461,353	14.77	38,810	30.4	***	***	***
Oct.-Dec.	21.35	524,307	14.79	39,876	30.7	***	***	***
2019:								
Jan.-Mar.	19.18	607,845	13.81	77,460	28.0	***	***	***
Apr.-Jun.	19.86	623,401	13.52	157,946	31.9	***	***	***
Jul.-Sep.	21.16	593,000	12.86	183,211	39.2	15.27	127,631	27.8
Oct.-Dec.	21.74	424,444	12.80	248,367	41.1	***	***	***

Note: Product 3: White quartz surface products with a “marble look” in slab form, a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-6
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***	***	***	***
Jul.-Sep.	***	***	18.50	36,582	***	***	***	***
Oct.-Dec.	***	***	16.77	41,770	***	***	***	***
2018:								
Jan.-Mar.	***	***	15.12	46,409	***	***	***	***
Apr.-Jun.	***	***	15.50	55,757	***	***	***	***
Jul.-Sep.	23.47	1,431,939	15.35	77,627	34.6	***	***	***
Oct.-Dec.	23.93	1,397,191	12.24	265,637	48.9	***	***	***
2019:								
Jan.-Mar.	22.95	1,462,882	14.24	461,898	37.9	***	***	***
Apr.-Jun.	23.62	1,734,368	15.08	709,632	36.2	***	***	***
Jul.-Sep.	24.37	1,635,926	15.46	800,498	36.6	***	***	***
Oct.-Dec.	24.48	1,638,192	16.24	823,028	33.7	***	***	***

Note: Product 4: White quartz surface products with a “marble look” in slab form, a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-7
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	16.40	217,385	13.41	39,013	18.2	***	***	***
Apr.-Jun.	***	***	12.97	52,203	***	***	***	***
Jul.-Sep.	***	***	12.98	56,468	***	***	***	***
Oct.-Dec.	***	***	12.54	53,280	***	***	***	***
2018:								
Jan.-Mar.	17.18	283,855	12.72	62,191	26.0	***	***	***
Apr.-Jun.	18.56	287,425	12.56	76,360	32.3	***	***	***
Jul.-Sep.	17.59	300,975	13.13	72,190	25.4	***	***	***
Oct.-Dec.	18.15	307,408	12.92	84,193	28.8	***	***	***
2019:								
Jan.-Mar.	***	***	12.86	101,232	***	***	***	***
Apr.-Jun.	***	***	12.01	134,576	***	***	***	***
Jul.-Sep.	18.03	316,346	12.55	143,749	30.4	***	***	***
Oct.-Dec.	18.74	228,914	12.75	137,577	32.0	***	***	***

Note: Product 5: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-8
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarter, January 2017 through December 2019

Period	United States		India			Turkey		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	20.07	687,057	16.69	47,990	16.8	***	***	***
Apr.-Jun.	19.28	862,103	14.95	73,482	22.4	***	***	***
Jul.-Sep.	18.96	799,354	15.33	72,916	19.2	***	***	***
Oct.-Dec.	19.59	761,271	15.81	80,885	19.3	***	***	***
2018:								
Jan.-Mar.	20.29	798,949	15.30	136,230	24.6	***	***	***
Apr.-Jun.	21.56	871,874	14.84	200,393	31.2	***	***	***
Jul.-Sep.	21.16	832,726	14.59	241,658	31.0	***	***	***
Oct.-Dec.	21.09	824,199	14.72	299,478	30.2	***	***	***
2019:								
Jan.-Mar.	20.87	807,389	14.61	386,715	30.0	***	***	***
Apr.-Jun.	21.60	898,333	13.94	550,381	35.5	***	***	***
Jul.-Sep.	22.79	859,008	14.48	667,131	36.4	***	***	***
Oct.-Dec.	22.88	801,824	15.46	505,191	32.4	***	***	***

Note: Product 6: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-1
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 1: Plain white quartz surface products in slab form, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-2
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 2: Plain white quartz surface products in slab form, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-3
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 3: White quartz surface products with a “marble look” in slab form, a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-4
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 4: White quartz surface products with a “marble look” in slab form, a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-5
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 5, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 5: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-6
Quartz surface products: Weighted-average prices and quantities of domestic and imported product 6, by quarter, January 2017 through December 2019

* * * * * * *

* * * * * * *

Product 6: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Price trends

In general, domestic prices for products 1 and 2 decreased during 2017-19, and domestic prices for products 3 to 6 increased during this period. Prices of product from India declined during 2017-19, with the largest declines in prices of product 1, while prices of all products from Turkey increased over the same time period.

Table V-9 summarizes the price trends, by country and by product. As shown in the table, domestic price decreases for products 1 and 2 ranged from *** to *** percent, and domestic price increases for products 3 to 6 ranged from *** to *** during 2017-19. The decreases in the price of Indian product ranged from *** percent to *** percent. Prices increases of Turkish-produced product ranged from *** to *** percent during 2017-19.[23]

Indexed U.S. producer and subject import prices show the change in price for each product since 2017 (figures V-7 and V-8). U.S. prices of products 3 to 6 were generally stable in 2017, while prices of products 1 and 2 decreased throughout 2017. Prices of U.S.-produced products increased through Q2 2018 before prices began to fall again, with the exception of product 4 which increased throughout 2018. In 2019, U.S. prices fluctuated, with most prices increasing over the year, with the exception of product 1. Subject import prices of product 1 declined throughout 2017-19, while the prices of products 2 to 6 remained stable through the second quarter of 2018. Subject import prices of products 2 to 6 fluctuated in the second half of 2018, with prices of product 4 decreasing until the fourth quarter of 2018 before rising throughout the rest of the period.

[23] The *** percent increase in the price of product 2 occurred over 5 quarters of data, product 1 prices increased by *** percent over 4 quarters, and the other ranges of price increases and decreases of product from Turkey occurred over 12 quarters of data.

Table V-9
Quartz surface products: Summary of weighted-average f.o.b. prices for products 1-6 from the United States, India, and Turkey

Item	Number of quarters	Low price (dollars per square foot)	High price (dollars per square foot)	Change in price over period[1] (percent)
Product 1:				
United States	12	***	***	***
India	12	***	***	***
Turkey	4	***	***	***
Product 2:				
United States	12	***	***	***
India	12	***	***	***
Turkey	5	***	***	***
Product 3:				
United States	12	***	***	***
India	12	***	***	***
Turkey	12	***	***	***
Product 4:				
United States	12	***	***	***
India	12	***	***	***
Turkey	12	***	***	***
Product 5:				
United States	12	***	***	***
India	12	***	***	***
Turkey	12	***	***	***
Product 6:				
United States	12	***	***	***
India	12	***	***	***
Turkey	12	***	***	***

Notes: Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-7
Quartz surface products: Indexed U.S. producer prices, January 2017 through December 2019

* * * * * * *

Source**:** Compiled from data submitted in response to Commission questionnaires.

Figure V-8
Quartz surface products: Indexed subject U.S. importer prices, January 2017 through December 2019

* * * * * * *

Source**:** Compiled from data submitted in response to Commission questionnaires.

In discussing price changes over the period, Indian respondents argued that the price levels of subject and nonsubject imports are *** to one another than subject prices are to domestic prices, indicating market segmentation.[24] Petitioner noted that prices for ***.[25] Petitioner also argued that the reason domestic prices did not ***.[26]

Price comparisons

As shown in table V-10, prices for product imported from India were below those for U.S.-produced product in all 72 instances (*** million square feet); margins of underselling ranged from *** to *** percent. Prices for product imported from Turkey were below those for U.S.-produced product in all 57 instances (*** million square feet); margins of underselling ranged from *** to *** percent.

Table V-10
Quartz surface products: Instances of underselling and the range and average of margins, by product and country, January 2017 through December 2019

Source	Underselling				
	Number of quarters	Quantity (square feet)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	16	***	***	***	***
Product 2	17	***	***	***	***
Product 3	24	***	***	***	***
Product 4	24	***	***	***	***
Product 5	24	***	***	***	***
Product 6	24	***	***	***	***
Total, underselling	129	18,194,963	28.9	11.4	53.9
India	72	***	***	***	***
Turkey	57	***	***	***	***
Total, underselling	129	18,194,963	28.9	11.4	53.9

Note: There were no instances of overselling. These data include only quarters in which there is a comparison between the U.S. and subject product. Subject import pricing data were present in each quarter.

Source: Compiled from data submitted in response to Commission questionnaires.

[24] Indian respondents' responses to the first round of Commissioners' questions, p. 22.
[25] Petitioner's responses to the second round of Commissioners' questions, pp. 29-30.
[26] Petitioner's responses to the second round of Commissioners' questions, pp. 29-30.

Parties disagreed over how the underselling data should be interpreted. Petitioner argued that the "pervasive" underselling does not reflect any different in the types of designs offered or the markets served and that any alleged "luxury premium" does not take into account that ***.[27] Respondents generally viewed the instances of underselling and the margins of underselling as indicative of market segmentation within the pricing products.[28] Joint respondents noted that there are "luxury" and "mass market" sales in every pricing product.[29] [30]

Lost sales and lost revenue

In the preliminary phase of these investigations, the Commission requested that U.S. producers of quartz surface products report purchasers with which they experienced lost sales or revenue due to competition from imports of quartz surface products from India or Turkey during 2017-19. *** U.S. producers submitted lost sales and lost revenue allegations.[31]

In the final phase of these investigations, of the eight responding U.S. producers, four reported that they had to either reduce prices or roll back announced price increases, and five firms reported that they had lost sales.

[27] Petitioner's responses to the first round of Commissioners' questions, p. 41.

[28] Indian respondents claimed that the "significant volumes" of domestic and subject product in each of the pricing products is evidence of a lack of head-to-head competition. Indian respondents' responses to first round of Commissioners' questions, p. 13.

[29] For example, long-veined and short-veined marble products are captured in products 3 and 4, and subject imports are *** in long-veined looks. Joint respondents also claimed that Cambria's marble designs have a different appearance compared to subject imports' "plainer and more natural looking" marble designs. Joint respondents MS International and Arizona Tile's responses to first round of Commissioners' questions, p. 33.

[30] In discussing the pricing product comparisons, joint respondents claimed that that subject imports undersold the domestic industry *** in the "basic products" *** but Cambria was able to ***, indicating that the "luxury consumer" is willing to pay Cambria's "extra-high prices." Joint respondents also argued that Cambria's sales of ***, despite the increasing sales of subject imports of the same products. Joint respondents MS International and Arizona Tile's responses to first round of Commissioners' questions, pp. 28 and 33.

[31] The petitioner stated that it sells to distributors and fabricators, which also sell subject product from India and Turkey, however, it was unable to identify specific purchasers to which it lost sales and lost revenues by reason of subject imports. Petition, vol. 1, p. 15.

Staff contacted 116 purchasers and received responses from 36 purchasers. Responding purchasers reported purchasing and importing 61.2 million square feet of quartz surface products during 2017-19 (table V-11). Of the 36 responding purchasers, 6 reported that, since 2017, they had purchased imported quartz surface products from subject countries instead of U.S.-produced product; four importers reported purchasing Indian product and four reported purchasing Turkish product instead of domestically-produced product.[32] Four of these purchasers reported that subject import prices were lower than U.S.-produced product, and three of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product.[33] All four purchasers that purchased Indian-produced product instead of domestically produced product reported that the Indian product was priced lower, and three indicated that price was the primary reason for purchasing Indian product.[34] Two of the four importers that purchased Turkish-produced product instead of domestically produced product reported that the Turkish product was priced lower, and one purchaser reported that the price was a primary reason for purchasing Turkish product.[35] Three purchasers estimated the quantity of quartz surface products from India purchased instead of domestic product; quantities ranged from *** square feet to *** square feet. One purchaser estimated it purchased *** square feet of product from Turkey instead of domestic product (table V-12). Purchasers identified price, product offerings, availability, and design aesthetic as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the 36 responding purchasers, one firm (***) reported that U.S. producers had reduced prices in order to compete with lower-priced imports from India and Turkey, 12 reported that U.S. producers had not reduced prices, and 23 reported that they did not know. The reported estimated price reduction was 7.0 percent for India and Turkey. In

[32] *** reported purchasing both Indian and Turkish product instead of U.S.-produced product.

[33] Joint respondents noted that two of the purchasers that reported price was a reason for purchasing imported product instead of domestic product, ***, and they argued that this "contention is suspect" as *** and that ***. Joint Respondents MS International and Arizona Tile's responses to the first round of Commissioners' questions, p. 19.

[34] *** indicated that price was not the primary reason for purchasing product from India.

[35] *** reported that price was not the primary reason for buying Turkish product.

describing the price reductions, *** indicated that the U.S. producer offered pricing rebates which allowed for lower prices.[36]

[36] *** reported purchasing U.S. produced product from ***, and purchasing product from unknown sources from suppliers MS International, Silestone, and AG & M.

Table V-11
Quartz surface products: Purchasers’ responses to purchasing patterns

Purchaser	Purchases and imports in 2017-19 (square feet)			Change in domestic share (pp, 2017-19)	Change in subject country share (pp, 2017-19)
	Domestic	Subject	All other		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	9,146,012	4,671,599	47,411,896	2.0	6.7

Notes: All other includes all other sources and unknown sources.
Percentage points (pp) change: Change in the share of the firm’s total purchases of domestic and/or subject country imports between first and last years.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-12
Quartz surface products: Purchasers’ responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (square feet)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued on next page.

Table V-12--Continued
Quartz surface products: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (square feet)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--6; No--30	Yes--4; No--3	Yes--3; No--3	263,549	

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-13
Quartz surface products: Purchasers' responses to purchasing subject instead of domestic, by country

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for shift	Quantity subject purchased (square feet)
India	4	4	3	***
Turkey	4	2	1	***
Any subject source	6	4	3	263,549

Source: Compiled from data submitted in response to Commission questionnaires.

Petitioner argued that purchasers' lost sales responses do not capture those sales that the domestic industry "should have had the opportunity to compete for" after Chinese product was placed under AD and CVD orders.[37] Joint respondents, however, stated that purchasers that switched from Chinese product to subject product is not a lost sale, as a lost sale occurs "when a customer switches to the imported product" from a domestic product.[38] Indian

[37] Petitioner's responses to the first round of Commissioners' questions, p. 32.

[38] Joint respondents MS International and Arizona Tile's responses to the second round of Commissioners' questions, p. 12.

respondents agreed with joint respondents, and added that there is no record evidence of purchasers switching from Chinese product to subject imports based on price.[39]

[39] Indian respondents' responses to the second round of Commissioners' questions, pp. 23-24.

Part VI: Financial experience of U.S. producers

Background

Eight firms provided usable financial data on their operations on quartz surface products. *** reported financial results on quartz production.[1] *** reported financial results on fabrication only.[2] *** accounted for the largest share of total combined sales quantity in 2019 (*** percent), followed by *** (*** percent), *** (*** percent), and the remaining firms ranged from *** percent (***) to *** percent (***) of total net sales quantity.[3] For U.S. producers, revenue primarily reflects commercial sales, but also includes transfers to related firms and internal consumption. Internal consumption and transfers accounted for approximately *** percent of total net sales quantity in 2019. Non-commercial sales for U.S. producers are included but not shown separately in this section of the report.[4] For independent U.S. fabricators, commercial sales accounted for *** reported quartz surface products revenue. All firms reported a fiscal year end of December 31 and five firms reported their financial results on the basis of generally accepted accounting principles ("GAAP").[5]

Staff conducted a verification of ***'s financial data in its U.S. producer questionnaire. The verification adjustments were incorporated into this report. ***.[6]

[1] ***. Emails from ***, February 24 and April 7, 2020. ***.

[2] *** did not provide any financial data for these investigations. ***. Email from ***, March 2, 2020.

[3] The term "combined" refers to the U.S. industry's combined quartz production and fabrication operations, as presented in tables VI-5, VI-6, and VI-7. Although this results in some degree of double counting for the industry's total sales, the effect is reflected in both revenue and costs and therefore results in a reasonable presentation of the industry's profitability during the period examined.

[4] *** reported transfers to related firms, while *** reported internal consumption.

[5] The companies with accounting bases other than GAAP are ***.

[6] Staff verification report, ***, May 7, 2020.

Operations on quartz surface products

Income-and-loss data for U.S. producers are presented in table VI-1. Table VI-2 presents corresponding changes in average per square foot values. Income-and-loss data for independent U.S. fabricators are presented in table VI-3. Table VI-4 presents corresponding changes in average per square foot values. Income-and-loss data for combined U.S. operations are presented in table VI-5. Table VI-6 presents corresponding changes in average per square foot values. Table VI-7 presents company-specific financial information.

Table VI-1
Quartz surface products: Results of operations of U.S. producers, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Total net sales	***	***	***
	Value (1,000 dollars)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Total COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Interest expense	***	***	***
All other expenses	***	***	***
All other income	***	***	***
Net income or (loss)	***	***	***
Depreciation/amortization	***	***	***
Cash flow	***	***	***
	Ratio to net sales (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Table continued on next page.

Table VI-1—Continued
Quartz surface products: Results of operations of U.S. producers, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Ratio to total COGS (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
	Unit value (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***
	Number of firms reporting		
Operating losses	***	***	***
Net losses	***	***	***
Data	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-2
Quartz surface products: Changes in AUVs for operations of U.S. producers, between fiscal years

Item	Between fiscal years		
	2017-19	2017-18	2018-19
	Change in AUVs (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-3
Quartz surface products: Results of operations of independent U.S. fabricators, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Total net sales	***	***	***
	Value (1,000 dollars)		
Total net sales	***	***	***
Cost of goods sold.--			
Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Total COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Interest expense	***	***	***
All other expenses	***	***	***
All other income	***	***	***
Net income or (loss)	***	***	***
Depreciation/amortization	***	***	***
Cash flow	***	***	***
	Ratio to net sales (percent)		
Cost of goods sold.--			
Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Table continued on next page.

Table VI-3—Continued
Quartz surface products: Results of operations of independent U.S. fabricators, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Ratio to total COGS (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
	Unit value (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***
	Number of firms reporting		
Operating losses	***	***	***
Net losses	***	***	***
Data	***	***	***

Source: Compiled from data submitted in response to Commission questionnaire.

Table VI-4
Quartz surface products: Changes in AUVs for independent U.S. fabricators, between fiscal years

Item	Between fiscal years		
	2017-19	2017-18	2018-19
	Change in AUVs (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaire.

Table VI-5
Quartz surface products: Results of combined operations of U.S. producers and independent U.S. fabricators, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Quantity (1,000 square feet)		
Total net sales	***	***	***
	Value (1,000 dollars)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Total COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Interest expense	***	***	***
All other expenses	***	***	***
All other income	***	***	***
Net income or (loss)	***	***	***
Depreciation/amortization	***	***	***
Cash flow	***	***	***
	Ratio to net sales (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***
	Ratio to total COGS (percent)		
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***

Table continued on next page.

Table VI-5—Continued
Quartz surface products: Results of combined operations of U.S. producers and independent U.S. fabricators, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Unit value (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***
	Number of firms reporting		
Operating losses	***	***	***
Net losses	***	***	***
Data	***	***	***

Note: See footnote 3 in this section regarding combined data for U.S. producers and independent U.S. fabricators.

Source: Compiled from data submitted in response to Commission questionnaire.

Table VI-6
Quartz surface products: Changes in AUVs for results of combined operations of U.S. producers and independent U.S. fabricators, between fiscal years

Item	Between fiscal years		
	2017-19	2017-18	2018-19
	Change in AUVs (dollars per square foot)		
Total net sales	***	***	***
Cost of goods sold.-- Raw materials	***	***	***
Direct labor	***	***	***
Other factory costs	***	***	***
Average COGS	***	***	***
Gross profit	***	***	***
SG&A expense	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Note: See footnote 3 in this section regarding combined data for U.S. producers and independent U.S. fabricators.

Source: Compiled from data submitted in response to Commission questionnaire.

Table VI-7
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Total net sales (1,000 square feet)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Total net sales (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Cost of goods sold (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Gross profit or (loss) (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	SG&A expenses (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Operating income or (loss) (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Net income or (loss) (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	COGS to net sales ratio (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Gross profit or (loss) to net sales ratio (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	SG&A expense to net sales ratio (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Operating income or (loss) to net sales ratio (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Net income or (loss) to net sales ratio (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Unit net sales value (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit raw materials (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit direct labor (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Unit other factory costs (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit COGS (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit gross profit or (loss) (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Table continued on next page.

Table VI-7--Continued
Quartz surface products: Select results of operations of U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Unit SG&A expenses (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit operating income or (loss) (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit net income or (loss) (dollars per square foot)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaire.

Net sales

Based on table VI-7, U.S. producers reported overall increasing net sales, by quantity and value, from 2017 to 2019. ***.[7] ***. Independent fabricators reported increasing net sales quantity with irregularly declining net sales value from 2017 to 2019.

U.S. producers reported irregularly increasing unit net sales value while independent fabricators reported declining unit net sales value from 2017 to 2019. ***.[8]

Cost of goods sold and gross profit or (loss)

With respect to U.S. producers, the average COGS to net sales ratio ranged from *** percent in 2019 to *** percent in 2018. For independent fabricators, the average COGS to net sales ratio ranged from *** percent in 2017 to *** percent in interim 2018 (see table VI-7).

Raw materials

Raw material costs represented the largest component of COGS. With respect to U.S. producers, raw material accounted for between *** percent (in 2017) and *** percent (in 2018) of total COGS during the reporting period (see table VI-1).[9] For independent fabricators,

[7] Email from ***, March 21, 2020.

[8] Email from ***, March 20, 2020.

[9] In regards to the final composition mixture of raw materials, Cambria testified that "You start out with general formulas, but {it takes} trial and error to get {an} esthetic you're looking for {along with} the resultant physical chemistry that ensures you still have the durability value in the product, i.e., resistance, sustain, hardness, this type of thing. . . So it does affect the pricing as you manipulate those raw materials, but the variances are disciplined and determined by the performance of the product and so there is a limit to that sway or that drift of raw material formulation." Conference transcript, pp. 88 (Davis).

raw material accounted for between *** percent (in 2019) and *** percent (in 2018) of total COGS during the reporting period (see table VI-3). As shown in table VI-7, the average unit raw material cost for U.S. producers irregularly increased from $*** in 2017 to $*** in 2019. The average unit raw material cost for independent fabricators irregularly declined from $*** in 2017 to $*** in 2019. ***.[10] Raw materials for U.S. producers consist of silica, resin, pigments and various other raw materials such as ***. ***.[11] Table VI-8 presents a break-out of the raw material costs of U.S. producers.

[10] ***. Email from ***, February 24, 2020. Cambria's unit raw material costs excluding the inventory write-down are $*** in 2018.

[11] ***. U.S. producer's questionnaire responses of ***, question III-7.

Table VI-8
Quartz surface products: Raw materials of U.S. producers, by type, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Raw materials (1,000 dollars)		
Silica	***	***	***
Resin Binder	***	***	***
Pigment	***	***	***
Other material inputs	***	***	***
Total raw materials	***	***	***
	Unit raw materials (dollars per square foot)		
Silica	***	***	***
Resin Binder	***	***	***
Pigment	***	***	***
Other material inputs	***	***	***
Unit raw materials	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

***.[12] ***.[13]

Conversion costs

With respect to U.S. producers, other factory costs ("OFC") were the second largest component of COGS, ranging from *** percent (in 2018) to *** percent (in 2017) of total COGS, while direct labor costs ranged from *** percent (in 2018) to *** percent (in 2017) of total COGS (see table VI-1).[14] For independent fabricators, OFC were the second largest component of COGS, ranging from *** percent (in 2018) to *** percent (in 2017 and 2019)

[12] Email from ***, March 4, 2020.

[13] ***. Email from ***, February 25, 2020.

[14] In regards to the labor activities in the automated manufacturing process, Cambria testified that "there are some aspects where labors are physically intervening on the product, but mostly, they're operating computer interface and activating technology and equipment, different unit operations, whether it be distributors or presses or ovens or cooling towers, these types of things and they're monitoring that throughout and intervening appropriately through the production line. And then there's the removal of the slab. It weighs you know 600 pounds, so there's removing of the slab with cranes and forklifts and this type of thing, so there's the warehousing handling teams that are driving fork trucks and moving cranes and this type of things. And then there's crews to do loading and the physical work to load the products on the trucks and this type of thing, so it's a combination". Conference transcript, pp. 83-84 (Davis).

of total COGS, while direct labor costs ranged from *** percent (in 2017) to *** percent (in 2019) of total COGS (see table VI-3).

As shown in table VI-7, the average unit OFC irregularly declined from $*** in 2017 to $*** in 2019 while the average unit direct labor costs irregularly declined from $*** in 2017 to $*** in 2019 for U.S. producers. With respect to independent fabricators, the average unit OFC declined from $*** in 2017 to $*** in 2019 while the average unit direct labor costs irregularly increased from $*** in 2017 to $*** in 2019.[15]

Gross profit or loss

With respect to U.S. producers, gross profits increased from 2017 to 2019 because the increase in total net sales value was greater than the increase in COGS driven by increased raw material costs. Gross profit margin (gross profit as a ratio to net sales) irregularly increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019 (see table VI-1).[16]

With respect to independent fabricators, gross profits irregularly declined due to the decline in net sales values and the increase in COGS. Gross profit margin irregularly declined from *** percent in 2017 to *** in 2018 and *** percent in 2019 (see table VI-3).

SG&A expenses and operating income

As shown in table VI-7, the SG&A expense ratio (i.e., total SG&A expenses divided by total net sales value) for U.S. producers and independent fabricators ranged from *** percent (in 2018) to *** percent (in 2017), and from *** percent (in 2017) to *** percent (in 2019), respectively. The average unit SG&A expenses for U.S. producers irregularly declined from 2017 to 2019 while the average unit SG&A expenses for independent fabricators increased. ***

[15] Estimated value added (total conversion costs (direct labor and other factory costs) as a share of total COGS) for U.S. producers ranged from a low of *** percent in 2018 to a high of *** percent in 2017 (based on data in table VI-1). Estimated value added for independent fabricators ranged from a low of *** percent in 2018 to a high of *** percent in 2019 (based on data in table VI-3). Estimated value added for ***'s fabrication ranged from a low of *** percent in 2018 to a high of *** percent in 2019. Email from ***, February 24, 2020.

[16] Gross profit and gross profit margin excluding *** for U.S. producers in 2018 are $*** and *** percent, respectively.

***.[17] Table VI-9 presents distribution costs which are included in selling expenses and unit distribution costs of U.S. producers.

Table VI-9
Quartz surface products: Distribution costs of U.S. producers, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Total distribution costs (1,000 dollars)		
Producers	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Unit distribution costs (dollars per square foot)		
Producers	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Note.—***. Email from ***, March 26, 2020.

Source: Compiled from data submitted in response to Commission questionnaires.

With respect to U.S. producers, operating income increased from 2017 to 2019 and operating income margin (operating income as a ratio to net sales) increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019 (see table VI-1). [18]

With respect to independent fabricators, operating income declined from 2017 to an operating loss in 2019 and operating income margin declined from *** percent in 2017 to *** percent in 2018 and *** percent in 2019 (see table VI-3).

Other expenses and net income

Classified below the operating income levels are interest expense, all other expense, and all other income, which are usually allocated to the product line from high levels in the corporation. With respect to U.S. producers, interest expenses irregularly increased from $*** in 2017 to $*** in 2019 and other expenses increased from $*** in 2017 to $*** in 2019 (see table VI-1). ***

[17] Email from ***, March 20, 2020.

[18] Operating income and operating income margin excluding *** for U.S producers in 2018 are $*** and *** percent, respectively.

***.[19]

By definition, items classified at this level in the income statement only affect net income or (loss). With respect to U.S. producers, net income increased from 2017 to 2019 and net income margin (net income as a ratio to net sales) increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019 (see table VI-1).[20]

With respect to independent fabricators, net income declined from 2017 to a net loss in 2019 and net income margin declined from *** percent in 2017 to *** percent in 2018 and *** percent in 2019 (see table VI-3). [21]

Capital expenditures and research and development expenses

Table VI-10 presents capital expenditures and research and development ("R&D") expenses by company. Capital expenditures for both U.S. producers and independent fabricators irregularly declined from 2017 to 2019. ***.[22] R&D expenses for U.S. producers increased from 2017 to 2019. Independent fabricators did not report R&D expenses during the reporting period.

[19] ***. Email from ***, March 20, 2020.

[20] Net income and net income margin excluding *** for U.S. producers in 2018 are $*** and *** percent, respectively.

[21] A variance analysis is not presented in this report due to ***. These factors make the analysis less meaningful.

[22] U.S. producers' questionnaire responses of ***, question III-13.

Table VI-10
Quartz surface products: Capital expenditures and R&D expenses for U.S. producers and independent U.S. fabricators, by company, 2017-19

Item	Fiscal year		
	2017	2018	2019
	Capital expenditures (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Research and development expenses (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Assets and return on assets

Table VI-11 presents total assets and the operating return on assets by company.[23] Total assets for both producers and independent fabricators overall increased from 2017 to 2019. The return on assets for U.S. producers increased from 2017 to 2019 while the return on assets for independent fabricators declined. ***

[23] With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line number on the asset side of a company's balance sheet) reflects an aggregation of a number of assets which are generally not product specific. Accordingly, high-level allocation factors may have been required in order to report a total asset value for quartz surface products.

***.[24] ***.[25]

Table VI-11
Quartz surface products: Value of assets used in production, warehousing, and sales, and return on assets for U.S. producers and independent U.S. fabricators, by company, 2017-19

Firm	Fiscal years		
	2017	2018	2019
	Total net assets (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***
	Operating return on assets (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Producers	***	***	***
***	***	***	***
***	***	***	***
Independent fabricators	***	***	***
All firms	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[24] Email from ***, March 24, 2020.
[25] U.S. producers' questionnaire response of ***, question III-13.

Capital and investment

The Commission requested U.S. producers of quartz surface products to describe actual or potential negative effects of imports of quartz surface products from the subject country on their firms' growth, investment, ability to raise capital, development and production efforts, or on the scale of capital investments. Table VI-12 presents U.S. producers' responses in a tabulated format and table VI-13 provides the narrative responses.

Table VI-12
Quartz surface products: Actual and anticipated negative effects of imports on investment and growth and development

Item	No	Yes
Negative effects on investment	1	7
Cancellation, postponement, or rejection of expansion projects		4
Denial or rejection of investment proposal		1
Reduction in the size of capital investments		5
Return on specific investments negatively impacted		5
Other		1
Negative effects on growth and development	3	5
Rejection of bank loans		2
Lowering of credit rating		2
Problem related to the issue of stocks or bonds		1
Ability to service debt		2
Other		4
Anticipated negative effects of imports	2	6

Note: ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-13
Quartz surface products: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2017

Item / Firm	Narrative
Cancellation, postponement, or rejection of expansion projects:	
***	***
***	***
***	***
***	***
Denial or rejection of investment proposal:	
***	***
Reduction in the size of capital investments:	
***	***
***	***
***	***
***	***
***	***
Return on specific investments negatively impacted:	
***	***
***	***
***	***
***	***
***	***

Table continued on the next page.

Table VI-13—Continued
Quartz surface products: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2017

Other negative effects on investments:	
***	***
Rejection of bank loans:	
***	***
***	***
Lowering of credit rating:	
***	***
Problem related to the issue of stocks or bonds:	
***	***
Ability to service debt:	
***	***
***	***

Table continued on the next page.

Table VI-13—Continued
Quartz surface products: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2017

Other effects on growth and development:	
***	***
***	***
***	***
***	***
***	***
Anticipated effects of imports:	
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

---

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in India

The Commission issued foreign producer/exporter questionnaires to 90 firms. Usable responses to the Commission's questionnaire were received from 23 firms.[3] These firms' exports[4] to the United States accounted for *** percent of U.S. imports of Quartz surface products from India in 2019.[5] According to information requested of the responding Indian producers, the producers of QSP in India reported that they accounted for *** percent of production of QSP in India in 2019.[6] According to its website, Pokarna Engineered Stone Limited ("Pokarna") is India's largest manufacturer and exporter of engineered stone surfaces.[7] ***. According to its website, Classic Marble produces five million square feet of quartz annually at its "completely automated, state-of-the-art facility" in Silvassa, India.[8] Additionally, Classic Marble indicated the United States as one of its export markets.[9] [10]

---

[3] Staff received usable foreign producer questionnaires from 23 firms in India that produce QSP. Of the 23 foreign producer/exporter questionnaires, four firms indicated that they resale QSP as exports to the United States.

[4] Based on the 20 responding producers in India that answered the question regarding reported exports to the United States, these firms indicated that they accounted for *** percent of all exports to the United States of U.S. imports of QSP from India in 2019. Some firms may have overestimated their share of QSP exports to the United States. Foreign producer questionnaire responses, section II-6.

[5] Based on official import statistics, approximately 40.1 million square feet of imports of QSP arrived into the United States from India in 2019. Indian producers combined with resellers reported that they exported approximately *** square feet of QSP to the United States in 2019, which exports to the U.S. accounted for approximately *** percent of U.S. imports of QSP from India in 2019. Exports of QSP to the United States that left India in late 2018 could (possibly) be attributed to the overreporting of exports of QSP from India in 2019, while the same overreporting was common during 2018, too.

[6] ***

[7] PESL is a wholly owned subsidiary of Pokarna Limited. PESL is constructing a new plant in India that is expected to be completed in 2020. PESL's plant, a Greenfield engineered stone facility will be similar to its existing unit, which will be set up using Breton stone technology. According to Pokarna, it is the only quartz producer in India that uses Breton technology. The plant will be located in Hyderabad, and it "will cater to international as well as domestic markets both of which are witnessing encouraging demand trends." Pokarna, Q3 CY 2019 results presentation. http://www.pokarna.com/investors/.

[8] According to its website, Classic Marble Company DBA KalingaStone began producing quartz in 2009 to keep up with changing trends. It indicated that it is currently "a dominant player in the segment." https://www.kalingastone.com/about/. https://www.kalingastone.com/infrastructure/.

[9] In November 2019, Classic Marble (KalingaStone) indicated it has "pioneered the production of engineered marble and quartz in India and launched it under a new brand." https://www.architecturaldigest.in/content/classic-marble-company-cmc-conversation-architectural-digest-india/. https://www.kalingastone.com/exports/.

[10] According to its website, Camrola Quartz Ltd., ("Camrola") produces nearly 8 million square feet of quartz annually at its factory in Gujurat India. https://camrolaquartz.com/our-company/.

Table VII-1 presents summary information on the QSP operations of the responding producers in India, while table VII-2 presents summary information of the responding resellers in India.[11]

[11] ***." *** foreign producer questionnaire, section I-2.

Table VII-1
Quartz surface products: Summary data for producers in India, 2019

Firm	Production (1,000 square feet)	Share of reported production (percent)	Exports to the United States (1,000 square feet)	Share of reported exports to the United States (percent)	Total shipments (1,000 square feet)	Share of firm's total shipments exported to the United States (percent)
Antique Marbonite	***	***	***	***	***	***
Argil Ceramics	***	***	***	***	***	***
Baba Super Minerals	***	***	***	***	***	***
Camrola	***	***	***	***	***	***
Classic Marble	***	***	***	***	***	***
Creative	***	***	***	***	***	***
Cuarzo	***	***	***	***	***	***
Divyashakti	***	***	***	***	***	***
Esprit Stones	***	***	***	***	***	***
Global	***	***	***	***	***	***
Keros	***	***	***	***	***	***
Mahi Granites	***	***	***	***	***	***
Pacific Quartz Surfaces	***	***	***	***	***	***
Paradigm	***	***	***	***	***	***
Pelican	***	***	***	***	***	***
Pokarna	***	***	***	***	***	***
Renshou	***	***	***	***	***	***
Rocks Forever	***	***	***	***	***	***
Satya Exports	***	***	***	***	***	***
Tabquartz	***	***	***	***	***	***
Total	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-2
Quartz surface products: Summary data on resellers in India, 2019

Firm	Resellers exports to the U.S. (1,000 square feet)	Share of reported resellers exports to the U.S. (percent)
Alicante	***	***
Esprit Stones	***	***
Hilltop Stones	***	***
Jessie-Kan Granite	***	***
Keros	***	***
Rocks Forever	***	***
Total	***	***

Note: ***

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-3, producers in India reported several operational and organizational changes since January 1, 2017. The petitioners allege that the domestic industry was unable to take advantage of the growing demand for QSP and the exit of Chinese imports over the POI, as Indian and Turkish industries began ramping up the production capacity following the imposition of tariffs on QSP from China.[12] Indian respondents allege that U.S. producers could not have materially increased their shipments during the POI, regardless of the presence of subject imports in the market.[13]

[12] Post-Hearing Brief, May 6, 2020, p. 10 (Schagrin).
[13] Post-Hearing Brief, May 7, 2020, p. 9 (MMM).

Table VII-3
Quartz surface products: Indian producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Plant openings:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Plant closings:	
***	***
Expansions:	
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table VII-3--Continued
Quartz surface products: Indian producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Expansions:	
***	***
***	***
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
***	***
Other:	
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on Quartz Surface Products

Table VII-4 presents information on the QSP operations of the responding producers and exporters in India for 2017-19, as well as projections for 2020-21.

Capacity in India increased by *** percent from 2017 to 2019. The overall production increased by *** percent from 2017 to 2019 and capacity utilization increased by *** percentage points from 2017 to 2019. In addition, end-of-period inventories increased by *** percent during 2017-19, while home market shipments were ***.[14]

Total shipments of the responding Indian producers increased by *** percent from 2017 to 2019. Exports of QSP to the United States increased by *** percent from 2017 to 2019. As a share of total shipments, exports to the United States increased by *** percentage points from 2017 to 2019. Exports as a share of total shipments to all other markets decreased by *** percentage points from 2017 to 2019. Other export markets identified by firms included ***.[15] [16] Total exports to the United States (including resales exported to the United States) increased by *** percent from 2017 to 2019. Projections indicate that capacity and production for Indian producers will increase in 2020 and further into 2021, end-of-period inventories are expected to increase in 2020 but decrease 2021, while exports of QSP to the United States are expected to decrease in 2020 and further into 2021.

[14] Projections indicate that capacity is expected to increase by *** percent from 2017 levels to 2021 levels, while production is expected to increase by *** percent from 2017 levels to 2021 levels. Exports to the United States are expected to increase by *** percent from 2017 levels to 2021 levels.

[15] Indian foreign producer questionnaire responses, section II-8.

[16] The primary export markets outside the United States during 2019 for the responding Indian producers are ***. Email Message from *** March 9, 2020.

Table VII-4
Quartz surface products: Data for producers in India, 2017-19, and projections for calendar years 2020 and 2021

Item	Actual experience			Projections	
	Calendar year			Calendar year	
	2017	2018	2019	2020	2021
	Quantity (1,000 square feet)				
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	***	***	***	***	***
Inventories/production	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***
Share of shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Quantity (1,000 square feet)				
Resales exported to the United States	***	***	***	***	***
Total exports to the United States	***	***	***	***	***
	Ratios and shares (percent)				
Share of total exports to the United States:					
Exported by producers	***	***	***	***	***
Exported by resellers	***	***	***	***	***
Adjusted share of total shipments to the United States	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

The responding Indian firms reported that, from 2017 to 2019, *** of the overall production capacity that was devoted to in-scope QSP production, which accounted for *** from 2017-19.

Exports

According to GTA, the leading export markets for articles of cement, concrete or artificial stone, whether or not reinforced from India are the United States, the United Kingdom, Canada and Bangladesh (table VII-5). During 2019, the United States was the largest export market for these articles from India, based on value, accounting for 90.9 percent, and was followed by the United Kingdom, accounting for 4.5 percent.

Table VII-5
Articles of cement, concrete or artificial stone, whether or not reinforced: Exports from India by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
Exports to the United States	32,825	59,269	146,151
Exports to other major destination markets.--			
United Kingdom	4,781	6,474	7,207
Canada	1,724	1,372	1,536
Bangladesh	11	8	1,173
Israel	1,215	1,483	957
Mauritius	15	76	484
Italy	191	167	484
Ireland	242	357	436
Puerto Rico (U.S.)	--	--	240
All other destination markets	2,609	6,307	2,178
Total exports	43,613	75,513	160,846
	Share of value (percent)		
Exports to the United States	75.3	78.5	90.9
Exports to other major destination markets.--			
United Kingdom	11.0	8.6	4.5
Canada	4.0	1.8	1.0
Bangladesh	0.0	0.0	0.7
Israel	2.8	2.0	0.6
Mauritius	0.0	0.1	0.3
Italy	0.4	0.2	0.3
Ireland	0.6	0.5	0.3
Puerto Rico (U.S.)	--	--	0.1
All other destination markets	6.0	8.4	1.4
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 6810.99 as reported by Ministry of Commerce in the Global Trade Atlas database, accessed April 7, 2020.

The industry in Turkey

The Commission issued foreign producers' or exporters' questionnaires to 21 firms believed to produce and/or export QSP from Turkey.[17] Usable responses to the Commission's questionnaire were received from three firms: AKG Yalitim ve Insaat Malz. Sanayi ve Tic A.S. ("Yalitim"), Belenco Dis Ticaret A.S. ("Belenco"),[18] and Ermas Madencilik Turizm Sanayii ve Ticaret A.S. ("Ermas").[19] [20] These firms' exports to the United States accounted for approximately *** percent of U.S. imports of QSP from Turkey in 2019.[21] [22] According to estimates requested of the responding Turkish producers, the production of QSP in Turkey reported in responding producers' questionnaires accounted for approximately *** percent of overall production of QSP in Turkey in 2019.[23] Table VII-6 presents information on the QSP operations of the responding producers and exporters in Turkey.

[17] These firms were identified through a review of information submitted in the petition and contained in *** records.

[18] Belenco reported *** (based on official import statistics, approximately 10.4 million square feet of QSP came from all of Turkey in 2019) of all of the imports of QSP slabs that arrived in the United States in 2019. *** reported that they had exported *** square feet and *** square feet of QSP to the United States in 2019, respectively. The approximately *** square feet of QSP reported by responding QSP producers in Turkey accounted for approximately ***. Foreign producer questionnaire responses, section II-8.

[19] *** did not begin production until 2018, but ***. *** foreign producer questionnaire response, section II-8.

[20] According to its website, Ermas' Coante facilities include three state-of-the-art factories that includes over five hundred employees, and it has approximately 8.6 million square foot production capacity for QSP production. http://www.ermas.com.tr/engl/index.php/project/coante/?preview=true.

[21] According to its website, Belenco utilizes state-of-the-art Breton technology to produce QSP, and began QSP production in 2011. Belenco has two fully automated production lines and three polishing lines dedicated to QSP production. https://www.belenco.com/en/about-us.aspx.

[22] According to its website, Yalitim dedicates approximately 30 percent of its total production capacity (which includes concrete production) to QSP annually at its Izmir production facility in Turkey. http://www.akg-gazbeton.com/general-information. According to its website, Cimstone is affiliated with AKG Group (Yalitim) and has been producing QSP since 1996 in Turkey with "sales and distribution companies in Great Britain and USA." http://www.cimstone.com.tr/EN/37/AKG-Group.htm.

[23] Between the three responding Turkish QSP producers, ***. Foreign producer questionnaire responses, section II-5.

Table VII-6
Quartz surface products: Summary data for producers in Turkey, 2019

Firm	Production (1,000 square feet)	Share of reported production (percent)	Exports to the United States (1,000 square feet)	Share of reported exports to the United States (percent)	Total shipments (1,000 square feet)	Share of firm's total shipments exported to the United States (percent)
Yalitim	***	***	***	***	***	***
Belenco	***	***	***	***	***	***
Ermas Madencilik	***	***	***	***	***	***
Total	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-7 producers in Turkey reported several operational and organizational changes since January 1, 2017. *** started production operations in 2018, and it projects that it will become the largest producer in Turkey by 2020.[24]

Table VII-7
Quartz surface products: Turkish producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Plant openings:	
***	***
Expansions:	
***	***
***	***
Acquisitions:	
***	***
Other:	
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

[24] *** foreign producer questionnaire response, section II-8.

Operations on Quartz Surface Products

Table VII-8 presents information on the QSP operations for the responding producers in Turkey for 2017-19, as well as projections for 2020-21.

Overall capacity for the Turkish producers increased by *** percent from 2017 to 2019. The Turkish producers' combined production increased by *** percent from 2017 to 2019.[25] Capacity utilization decreased by *** percentage points from 2017 to 2019. In addition, end-of-period inventories increased by *** percent from 2017 to 2019.[26]

Total shipments of the Turkish producers increased by *** percent from 2017 to 2019. Exports of QSP to the United States increased by *** percent from 2017 to 2019.[27] As a share of total shipments, exports to the United States increased by *** percentage points from 2017 to 2019. Exports as a share of total shipments to all other markets decreased by *** percentage points from 2017 to 2019. Other export markets identified for these firms included ***.[28]

[25] ***. Foreign producer questionnaires, section II-8.

[26] Projections indicate that capacity, production, capacity utilization, end-of-period inventories, and exports to the United States are expected to increase in 2020 and further into 2021. Projections indicate that capacity is expected to increase by *** percent from 2017 levels to 2021 levels, while production is expected to increase by *** percent from 2017 levels to 2021 levels. Exports to the United States are expected to increase by *** percent from 2017 levels to 2021 levels.

[27] *** indicated "***. *** foreign producer questionnaire response, section II-8.

[28] Foreign producer questionnaire responses, section II-8.

Table VII-8
Quartz surface products: Data for producers in Turkey, 2017-19, and projections for calendar years 2020 and 2021

Item	Actual experience			Projections	
	Calendar year			Calendar year	
	2017	2018	2019	2020	2021
	Quantity (1,000 square feet)				
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	***	***	***	***	***
Inventories/production	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***
Share of shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

The responding Turkish firms reported that, from 2017 to 2019, *** of the overall production capacity that was devoted to in-scope QSP production, which accounted for *** from 2017-19.[29]

[29] Foreign producer questionnaire responses, section II-3a.

Exports

According to GTA, the leading export markets for surface products from Turkey are the United States, Canada, and Israel (table VII-9). During 2019, the United States was the top export market for surface products from Turkey, accounting for 83.6 percent, based on value, followed by Tanzania, accounting for 4.3%.

Table VII-9
Articles of cement, concrete or artificial stone, whether or not reinforced: Exports from Turkey by destination market, 2017-19

Destination market	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
Exports to the United States	20,631	30,794	71,366
Exports to other major destination markets.-- Tanzania	5	18	3,667
Algeria	157	21	848
Cyprus	642	867	768
Canada	2,068	1,321	752
Israel	1,270	1,020	748
Senegal	---	223	676
Saudi Arabia	54	38	649
Greece	237	381	579
All other destination markets	8,615	5,911	5,350
Total exports	33,678	40,595	85,358
	Share of value (percent)		
Exports to the United States	61.3	75.9	83.6
Exports to other major destination markets.-- Tanzania	0.0	0.0	4.3
Algeria	0.5	0.1	1.0
Cyprus	1.9	2.1	0.9
Canada	6.1	3.3	0.9
Israel	3.8	2.5	0.9
Senegal	---	0.5	0.8
Saudi Arabia	0.2	0.1	0.8
Greece	0.7	0.9	0.7
All other destination markets	25.6	14.6	6.3
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 6810.99 as reported by State Institute of Statistics in the Global Trade Atlas database, accessed April 7, 2020.

Subject countries combined

Table VII-10 presents summary data on QSP operations of the reporting subject producers in both subject countries during 2017-19, as well as projections for calendar years 2020 and 2021. The overall capacity for the combined subject countries increased by *** percent from 2017-19. The overall production increased by *** percent during 2017-19. The combined capacity utilization rate increased by *** percentage points from 2017 to 2019.The combined exports to the United States increased by *** percent from 2017-2019. Combined projections indicate that capacity, production, and end-of-period inventories are expected to increase in 2020 and further into 2021. Capacity utilization and exports to the United States are expected to decrease in 2020 and further into 2021.

Table VII-10
Quartz surface products: Data on the industry in subject countries, 2017-19, and projections for calendar years 2020 and 2021

Item	Actual experience			Projections	
	Calendar year			Calendar year	
	2017	2018	2019	2020	2021
	Quantity (1,000 square feet)				
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Ratios and shares (percent)				
Capacity utilization	***	***	***	***	***
Inventories/production	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***
Share of shipments:					
Home market shipments:					
Internal consumption/ transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Total home market shipments	***	***	***	***	***
Export shipments to:					
United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Quantity (1,000 square feet)				
Resales exported to the United States	***	***	***	***	***
Total exports to the United States	***	***	***	***	***
	Ratios and shares (percent)				
Share of total exports to the United States:					
Exported by producers	***	***	***	***	***
Exported by resellers	***	***	***	***	***
Adjusted share of total shipments to the United States	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. inventories of imported merchandise

Table VII-11 presents data on U.S. importers' reported inventories of QSP. U.S. importers' end-of-period inventories of imports from subject countries increased by *** percent from 2017 to 2019. ***, and they accounted for *** percent of the total combined subject country inventories in 2019. The combined subject country imports accounted for approximately *** percent of end-of-period inventories from all sources in 2019.

Table VII-11
Quartz surface products: U.S. importers' inventories by source, 2017-19

Item	Calendar year		
	2017	2018	2019
	Inventories (1,000 square feet); Ratios (percent)		
Imports from India:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from Turkey:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from subject sources			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from nonsubject sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***
Imports from all import sources:			
Inventories	***	***	***
Ratio to U.S. imports	***	***	***
Ratio to U.S. shipments of imports	***	***	***
Ratio to total shipments of imports	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of QSP from India and Turkey after December 31, 2019 (table VII-12).

Table VII-12
Quartz surface products: Arranged imports, January 2020 through December 2020

Item	Period				
	Jan-Mar 2020	Apr-Jun 2020	Jul-Sept 2020	Oct-Dec 2020	Total
	Quantity (1,000 square feet)				
Arranged U.S. imports from.--					
India	***	***	***	***	***
Turkey	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Antidumping or countervailing duty orders in third-country markets

There are no known trade remedy actions on quartz surface products from India and Turkey in third-country markets.[30]

Information on nonsubject countries

Table VII-13 presents global export data for HS-6810.99: cement, concrete, or artificial stone articles, including quartz surface products. The value of global exports of cement, concrete, and artificial stone articles decreased 9.5 percent from 2017-19. China was the largest global exporter of these products, based on value, and accounted for 60.2 percent of global exports in 2019. The largest global exporters based on value of cement, concrete or artificial stone articles were, in descending order of magnitude, China, Spain, Canada, United States, and Turkey.

[30] Based upon and importer questionnaire responses and publicly available information from the WTO's dispute web portal.

Table VII-13
Articles of cement, concrete or artificial stone, whether or not reinforced: Global exports by exporter, 2017-19

Exporter	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	126,531	129,880	121,083
China	1,403,821	2,216,795	2,180,546
Spain	474,579	524,443	613,572
Canada	156,105	175,789	198,217
Turkey	33,678	40,595	86,463
South Korea	37,027	40,277	65,756
Lithuania	23,248	33,813	42,215
United Kingdom	58,505	49,277	38,147
Czech Republic	30,201	32,044	30,210
Philippines	11,427	13,875	24,162
France	20,027	27,452	21,435
Taiwan	1,982	2,037	20,595
All other exporters	1,625,345	1,545,353	181,206
Total	4,002,475	4,831,632	3,623,608
	Share of value (percent)		
United States	3.2	2.7	3.3
China	35.1	45.9	60.2
Spain	11.9	10.9	16.9
Canada	3.9	3.6	5.5
Turkey	0.8	0.8	2.4
South Korea	0.9	0.8	1.8
Lithuania	0.6	0.7	1.2
United Kingdom	1.5	1.0	1.1
Czech Republic	0.8	0.7	0.8
Philippines	0.3	0.3	0.7
France	0.5	0.6	0.6
Taiwan	0.0	0.0	0.6
All other exporters	40.6	32.0	5.0
Total	100.0	100.0	100.0

Note: HS subheading 6810.99 is a basket import category that comprises imports of manmade stone products, which includes QSP, cement, concrete, and other surface products. The trade data covers the scope of the investigation, but the trade data also contains products outside of the scope of this investigation.

Source: Official exports statistics under HS subheading 6810.99 as reported by State Institute of Statistics in the Global Trade Atlas database, accessed April 7, 2020.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
84 FR 21361, May 14, 2019	*Quartz Surface Products from India and Turkey; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09934.pdf
84 FR 25524, June 3, 2019	*Certain Quartz Surface Products From India and the Republic of Turkey: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-06-03/pdf/2019-11487.pdf
84 FR 25529, June 3, 2019	*Determination of Sales at Less Than Fair Value: Certain Quartz Surface Products from India and the Republic of Turkey*	https://www.govinfo.gov/content/pkg/FR-2019-06-03/pdf/2019-11488.pdf
84 FR 31100, June 28, 2019	*Quartz Surface Products from India and Turkey*	https://www.govinfo.gov/content/pkg/FR-2019-06-28/pdf/2019-13783.pdf
84 FR 31839, July 3, 2019	*Certain Quartz Surface Products From India and the Republic of Turkey: Postponement of Preliminary Determinations in the Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-07-03/pdf/2019-14235.pdf
84 FR 54838, October 11, 2019	*Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, In Part, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2019-10-11/pdf/2019-22314.pdf

84 FR 54841, October 11, 2019	*Certain Quartz Surface Products From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2019-10-11/pdf/2019-22315.pdf
84 FR 68111, December 13, 2019	*Certain Quartz Surface Products From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2019-12-13/pdf/2019-26818.pdf
84 FR 68123, December 13, 2019	*Certain Quartz Surface Products From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*	https://www.govinfo.gov/content/pkg/FR-2019-12-13/pdf/2019-26819.pdf
85 FR 933, January 8, 2020	*Quartz Surface Products from India and Turkey; Scheduling of Final Phase Countervailing Duty and Antidumping Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2020-01-08/pdf/2020-00094.pdf
85 FR 7782, February 11, 2020	*Quartz Surface Products from India and Turkey; Revised Schedule*	https://www.govinfo.gov/content/pkg/FR-2020-02-11/pdf/2020-02679.pdf

85 FR 25389, May 1, 2020	*Certain Quartz Surface Products From the Republic of Turkey: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*	https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09328.pdf
85 FR 25391, May 1, 2020	*Certain Quartz Surface Products From India: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*	https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09407.pdf
85 FR 25398, May 1, 2020	*Certain Quartz Surface Products From India: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*	https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09409.pdf
85 FR 25400, May 1, 2020	*Certain Quartz Surface Products From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, In Part*	https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09408.pdf

APPENDIX B

LIST OF HEARING WITNESSES

May 7, 2020 at 9:30 a.m.
Closing Arguments and Rebuttal Remarks
Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final)
Quartz Surface Products from India and Turkey

Closing Arguments by Those in Support of the Petitions
Roger B. Schagrin and **Luke A. Meisner**, Schagrin Associates

Closing Arguments by Those in Opposition to the Petitions
Alexander H. Schaefer, Crowell & Moring LLP
Lizbeth R. Levinson and **Ronald M. Wisla**, Fox Rosthschild LLP
Julie C. Mendoza, Morris Manning & Martin, LLP
Jonathan T. Stoel, Hogan Lovells US LLP

Rebuttal Remarks by Those in Support of the Petitions
Roger B. Schagrin and **Luke A. Meisner**, Schagrin Associates

Rebuttal Remarks by Those in Opposition to the Petitions
Julie C. Mendoza, Morris Manning & Martin, LLP
Jonathan T. Stoel, Hogan Lovells US LLP

APPENDIX C

SUMMARY DATA

All producers

Table C-1
Quartz surface products: Summary data concerning the U.S. market, 2017-19
(Quantity=1,000 square feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per square foot; Productivity=square feet per hour; and Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. consumption quantity:						
Amount	***	***	***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
India	***	***	***	▲***	▲***	▲***
Turkey	***	***	***	▲***	▲***	▲***
Subject sources	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▲***	▲***	▼***
U.S. consumption value:						
Amount	***	***	***	▲***	▲***	▲***
Producers' share (fn1)	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
India	***	***	***	▲***	▲***	▲***
Turkey	***	***	***	▲***	▲***	▲***
Subject sources	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▼***	▲***	▼***
All import sources	***	***	***	▲***	▲***	▼***
U.S. imports from:						
India:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Turkey						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Subject sources:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Nonsubject sources:						
Quantity	106,198	132,779	91,639	▼(13.7)	▲25.0	▼(31.0)
Value	993,137	1,153,072	915,812	▼(7.8)	▲16.1	▼(20.6)
Unit value	$9.35	$8.68	$9.99	▲6.7	▼(7.1)	▲15.1
Ending inventory quantity	***	***	***	▲***	▲***	▼ ***
All import sources:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
U.S. producers' and independent fabricators:						
Producers: Capacity	***	***	***	▲***	▲***	▲***
Producers: Production	***	***	***	▲***	▲***	▼***
Producers: Capacity utilization	***	***	***	▼***	▲***	▼***
Independent fabricators: Capacity	***	***	***	▲***	▲***	▲***
Independent fabricators: Production	***	***	***	▼***	▲***	▼***
Independent fabricators: Capacity utilization	***	***	***	▼***	▲***	▼***

Table continued.

Table C-1--Continued
Quartz surface products: Summary data concerning the U.S. market, 2017-19
(Quantity=1,000 square feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per square foot; Productivity=square feet per hour; and Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. producers' and independent fabricators:--Continued						
U.S. shipments (fn2):						
Producers: Quantity	***	***	***	▲***	▲***	▲***
Producers: Value	***	***	***	▲***	▲***	▲***
Producers: Unit value	***	***	***	▲***	▲***	▲***
Independent fabricators: Quantity	***	***	***	▲***	▲***	▲***
Independent fabricators: Value	***	***	***	▼***	▲***	▼***
Independent fabricators: Unit value	***	***	***	▼***	▼***	▼***
Export shipments:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▼***	▼***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Inventories/total shipments (fn1)	***	***	***	▲***	▲***	▲***
Production workers	***	***	***	▲***	▼***	▲***
Hours worked (1,000s)	***	***	***	▼***	▲***	▼***
Wages paid ($1,000)	***	***	***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	▲***	▲***	▲***
Producers: Productivity (fn4)	***	***	***	▲***	▲***	▲***
Producers: Unit labor costs	***	***	***	▲***	▼***	▲***
Independent fabricators: Productivity	***	***	***	▲***	▲***	▼***
Independent fabricators: Unit labor costs	***	***	***	▲***	▼***	▲***
Net sales:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▼***	▲***
Cost of goods sold (COGS)	***	***	***	▲***	▲***	▲***
Gross profit or (loss) (fn3)	***	***	***	▲***	▲***	▲***
SG&A expenses	***	***	***	▲***	▲***	▲***
Operating income or (loss) (fn3)	***	***	***	▲***	▲***	▲***
Net income or (loss) (fn3)	***	***	***	▲***	▲***	▲***
Capital expenditures	***	***	***	▼***	▲***	▼***
R&D expenses	***	***	***	▲***	▲***	▲***
Net assets	***	***	***	▲***	▲***	▲***
Unit COGS	***	***	***	▲***	▼***	▲***
Unit SG&A expenses	***	***	***	▲***	▼***	▲***
Unit operating income or (loss) (fn3)	***	***	***	▲***	▲***	▲***
Unit net income or (loss) (fn3)	***	***	***	▲***	▲***	▲***
COGS/sales (fn1)	***	***	***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	▲***	▲***	▲***
Net income or (loss)/sales (fn1)	***	***	***	▲***	▲***	▲***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than " (0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a " ▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Since independent fabricators' U.S. shipments are already reporteded once either in U.S. producers' U.S. shipments or as an imported quartz surface product, they are not added into the calculation of overall apparent U.S. consumption so as to avoid doublecounting the same merchandise. For additional detail on the calculation of apparent consumption see part IV.
fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

Alternative domestic industry

Table C-2

Quartz surface products: Summary data concerning the U.S. market defining the domestic industry as firms with slab operations, 2017-19
(Quantity=1,000 square feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per square foot; Productivity=square feet per hour; and Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. consumption quantity:						
Amount	***	***	***	▲***	▲***	▼***
Producers' share (fn1):	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
India	***	***	***	▲***	▲***	▲***
Turkey	***	***	***	▲***	▲***	▲***
Subject sources	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▼***	▼***	▼***
All import sources	***	***	***	▲***	▲***	▼***
U.S. consumption value:						
Amount	***	***	***	▲***	▲***	▲***
Producers' share (fn1)	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
India	***	***	***	▲***	▲***	▲***
Turkey	***	***	***	▲***	▲***	▲***
Subject sources	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▼***	▲***	▼***
All import sources	***	***	***	▲***	▲***	▼***
U.S. imports from:						
India:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Turkey						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Subject sources:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Nonsubject sources:						
Quantity	106,198	132,779	91,639	▼(13.7)	▲25.0	▼(31.0)
Value	993,137	1,153,072	915,812	▼(7.8)	▲16.1	▼(20.6)
Unit value	$9.35	$8.68	$9.99	▲6.9	▼(7.1)	▲15.1
Ending inventory quantity	***	***	***	▲***	▲***	▼***
All import sources:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▼***	▼***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
U.S. producers':						
Capacity	52,093	57,816	62,375	▲19.7	▲11.0	▲7.9
Production	33,905	38,206	37,132	▲9.5	▲12.7	▼(2.8)
Capacity utilization	65.1	66.1	59.5	▲(5.6)	▲1.0	▼(6.6)

Table continued.

Table C-2--Continued
Quartz surface products: Summary data concerning the U.S. market defining the domestic industry as firms with slab operations, 2017-19

(Quantity=1,000 square feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per square foot; Productivity=square feet per hour; and Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year				Calendar year	
	2017	2018	2019	2017-19	2017-18	2018-19
U.S. producers':--Continued						
U.S. shipments:						
Quantity	25,530	26,546	29,399	▲15.2	▲4.0	▲10.7
Value	530,588	568,777	635,492	▲19.8	▲7.2	▲11.7
Unit value	$20.78	$21.43	$21.62	▲4.0	▲3.1	▲0.9
Export shipments:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▼***	▲***	▼***
Unit value	***	***	***	▼***	▼***	▲***
Ending inventory quantity	16,098	18,591	19,493	▲21.1	▲15.5	▲4.9
Inventories/total shipments (fn1)	52.8	54.2	57.0	▲4.2	▲1.4	▲2.8
Production workers	1,521	1,490	1,559	▲2.5	▲(2.0)	▲4.6
Hours worked (1,000s)	3,155	3,207	3,048	▲(3.4)	▲1.6	▼(4.9)
Wages paid ($1,000)	77,114	80,884	87,660	▲13.7	▲4.9	▲8.4
Hourly wages (dollars per hour)	$24.44	$25.22	$28.76	▲17.7	▲3.2	▼14.0
Productivity	10.7	11.9	12.2	▲13.4	▲10.9	▲2.2
Unit labor costs	$2.27	$2.12	$2.36	▲3.8	▼(6.9)	▲11.5
Net sales:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▼***	▲***
Cost of goods sold (COGS)	***	***	***	▲***	▲***	▲***
Gross profit or (loss) (fn2)	***	***	***	▲***	▲***	▲***
SG&A expenses	***	***	***	▲***	▲***	▲***
Operating income or (loss) (fn2)	***	***	***	▲***	▲***	▲***
Net income or (loss) (fn2)	***	***	***	▲***	▲***	▲***
Capital expenditures	***	***	***	▼***	▲***	▼***
R&D expenses	***	***	***	▲***	▲***	▲***
Net assets	***	***	***	▲***	▲***	▲***
Unit COGS	***	***	***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	▼***	▼***	▲***
Unit operating income or (loss) (fn2)	***	***	***	▲***	▲***	▲***
Unit net income or (loss) (fn2)	***	***	***	▲***	▲***	▲***
COGS/sales (fn1)	***	***	***	▼***	▼***	▲***
Operating income or (loss)/sales (fn1)	***	***	***	▲***	▲***	▲***
Net income or (loss)/sales (fn1)	***	***	***	▲***	▲***	▲***

Notes:

Note.--Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “ (0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Period changes preceded by a “ ▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics under reporting number 6810.99.0010, accessed on March 10, 2020.

APPENDIX D

NONSUBJECT COUNTRY PRICE DATA

Thirty-four importers reported price data for China and five importers reported price data for Spain for products 1-6. Price data of imports from China reported by these firms accounted for 21.3 percent of U.S. commercial shipments of nonsubject imports and price data of imports from Spain accounted for 16.3 percent of U.S. commercial shipments of nonsubject imports in 2019.[1] These price items and accompanying data are comparable to those presented in tables V-3 to V-8. Price and quantity data for China and Spain are shown in tables D-1 to D-6 and in figures D-1 to D-6 (with domestic and subject sources).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from China were lower than prices for U.S.-produced product in all 72 instances. Prices for product imported from Spain were lower than U.S. prices in 53 comparisons, and higher in 19 comparisons. In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from China were lower than prices for product imported from India in 35 instances and higher in 37 instances, and lower than prices from Turkey in 41 instances and higher in 16 instances. Prices for product imported from Spain were lower than prices of product from India in 3 instances, and higher in 69 instances, while prices of Spanish product were lower than prices of product from Turkey in 5 instances and higher in 52 instances. A summary of price differentials is presented in table D-7.

[1] The Commission did not collect U.S. commercial shipment data for nonsubject imports by country.

Table D-1
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

Period	United States		China			Spain		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	8.61	553,091	***	***	***	***
Apr.-Jun.	***	***	9.02	674,329	***	***	***	***
Jul.-Sep.	***	***	9.98	737,511	***	***	***	***
Oct.-Dec.	***	***	9.65	812,662	***	***	***	***
2018:								
Jan.-Mar.	***	***	9.40	806,350	***	***	***	***
Apr.-Jun.	***	***	9.21	1,021,959	***	***	***	***
Jul.-Sep.	***	***	8.96	1,130,682	***	***	***	***
Oct.-Dec.	***	***	8.99	1,153,330	***	***	***	***
2019:								
Jan.-Mar.	13.11	219,813	5.54	1,262,812	57.8	***	***	***
Apr.-Jun.	***	***	8.16	732,295	***	***	***	***
Jul.-Sep.	13.22	416,551	8.16	674,143	38.2	***	***	***
Oct.-Dec.	***	***	8.00	570,937	***	***	***	***

Product 1: Plain white quartz surface products in slab form, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-2
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

Period	United States		China			Spain		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	11.31	427,853	***	***	***	***
Apr.-Jun.	***	***	11.25	481,355	***	***	***	***
Jul.-Sep.	***	***	11.08	510,974	***	***	***	***
Oct.-Dec.	***	***	10.89	498,574	***	***	***	***
2018:								
Jan.-Mar.	***	***	10.53	520,641	***	***	***	***
Apr.-Jun.	***	***	10.52	657,817	***	***	***	***
Jul.-Sep.	***	***	10.38	798,984	***	***	***	***
Oct.-Dec.	***	***	10.83	821,939	***	***	***	***
2019:								
Jan.-Mar.	14.89	221,015	12.12	569,675	18.6	***	***	***
Apr.-Jun.	15.15	368,178	11.96	516,235	21.1	***	***	***
Jul.-Sep.	15.58	442,130	11.81	498,279	24.2	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***

Product 2: Plain white quartz surface products in slab form, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-3
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

	United States		China			Spain		
Period	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	14.81	581,226	***	***	***	***
Apr.-Jun.	***	***	14.63	704,409	***	***	***	***
Jul.-Sep.	***	***	14.37	758,369	***	***	***	***
Oct.-Dec.	20.94	286,487	14.52	858,741	30.6	***	***	***
2018:								
Jan.-Mar.	21.61	341,107	13.84	1,034,339	35.9	***	***	***
Apr.-Jun.	21.21	444,205	13.55	1,224,279	36.1	***	***	***
Jul.-Sep.	21.24	461,353	12.07	1,292,056	43.2	***	***	***
Oct.-Dec.	21.35	524,307	15.01	1,197,610	29.7	***	***	***
2019:								
Jan.-Mar.	19.18	607,845	15.67	870,422	18.3	***	***	***
Apr.-Jun.	19.86	623,401	15.85	780,386	20.2	***	***	***
Jul.-Sep.	21.16	593,000	17.17	639,820	18.9	***	***	***
Oct.-Dec.	21.74	424,444	16.38	429,346	24.7	***	***	***

Product 3: White quartz surface products with a “marble look” in slab form, a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-4
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

Period	United States		China			Spain		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	***	***	17.45	906,796	***	***	***	***
Apr.-Jun.	***	***	17.24	1,203,039	***	***	***	***
Jul.-Sep.	***	***	17.15	1,368,540	***	***	***	***
Oct.-Dec.	***	***	16.80	1,622,897	***	***	***	***
2018:								
Jan.-Mar.	***	***	16.58	1,854,067	***	***	***	***
Apr.-Jun.	***	***	16.49	2,492,675	***	***	***	***
Jul.-Sep.	23.47	1,431,939	16.62	2,759,555	29.2	***	***	***
Oct.-Dec.	23.93	1,397,191	18.11	2,554,198	24.3	***	***	***
2019:								
Jan.-Mar.	22.95	1,462,882	19.91	1,845,060	13.3	***	***	***
Apr.-Jun.	23.62	1,734,368	20.02	1,848,501	15.2	***	***	***
Jul.-Sep.	24.37	1,635,926	20.87	1,487,829	14.4	***	***	***
Oct.-Dec.	24.48	1,638,192	19.98	860,166	18.4	***	***	***

Product 4: White quartz surface products with a “marble look” in slab form, a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-5
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

Period	United States		China			Spain		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	16.40	217,385	9.81	234,010	40.2	***	***	***
Apr.-Jun.	***	***	9.62	272,871	***	***	***	***
Jul.-Sep.	***	***	10.36	329,465	***	***	***	***
Oct.-Dec.	***	***	10.87	345,275	***	***	***	***
2018:								
Jan.-Mar.	17.18	283,855	10.48	329,512	39.0	***	***	***
Apr.-Jun.	18.56	287,425	10.20	349,102	45.0	***	***	***
Jul.-Sep.	17.59	300,975	10.02	395,071	43.0	***	***	***
Oct.-Dec.	18.15	307,408	10.69	251,065	41.1	***	***	***
2019:								
Jan.-Mar.	***	***	11.38	258,362	***	***	***	***
Apr.-Jun.	***	***	11.37	196,848	***	***	***	***
Jul.-Sep.	18.03	316,346	12.07	128,825	33.1	***	***	***
Oct.-Dec.	18.74	228,914	12.25	87,972	34.6	***	***	***

Product 5: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-6
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by nonsubject sources and by quarter, January 2017 through December 2019

Period	United States		China			Spain		
	Price (dollars per square foot)	Quantity (square feet)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)	Price (dollars per square foot)	Quantity (square feet)	Margin (percent)
2017:								
Jan.-Mar.	20.07	687,057	13.75	471,872	31.5	***	***	***
Apr.-Jun.	19.28	862,103	13.39	602,928	30.5	***	***	***
Jul.-Sep.	18.96	799,354	13.06	683,487	31.1	***	***	***
Oct.-Dec.	19.59	761,271	13.25	814,685	32.3	***	***	***
2018:								
Jan.-Mar.	20.29	798,949	12.81	810,199	36.8	***	***	***
Apr.-Jun.	21.56	871,874	12.71	933,623	41.1	***	***	***
Jul.-Sep.	21.16	832,726	11.97	1,038,608	43.4	***	***	***
Oct.-Dec.	21.09	824,199	14.53	710,975	31.1	***	***	***
2019:								
Jan.-Mar.	20.87	807,389	14.41	476,451	31.0	***	***	***
Apr.-Jun.	21.60	898,333	14.83	397,266	31.4	***	***	***
Jul.-Sep.	22.79	859,008	15.16	294,321	33.5	***	***	***
Oct.-Dec.	22.88	801,824	15.11	178,956	33.9	***	***	***

Product 6: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure D-1
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2017 through December 2019

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Product 1: Plain white quartz surface products in slab form, with a nominal thickness of 2 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure D-2
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarters, January 2017 through December 2019

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Product 2: Plain white quartz surface products in slab form, with a nominal thickness of 3 cm, no veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure D-3
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarters, January 2017 through December 2019

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Product 3: White quartz surface products with a “marble look” in slab form, a nominal thickness of 2 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure D-4
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarters, January 2017 through December 2019

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Product 4: White quartz surface products with a “marble look” in slab form, a nominal thickness of 3 cm, with veining or movement, and with minimal to no visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Figure D-5
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 5, by quarters, January 2017 through December 2019

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Product 5: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 2 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure D-6
Quartz surface products: Weighted-average f.o.b. prices and quantities of domestic and imported product 6, by quarters, January 2017 through December 2019

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Product 6: Neutral colored quartz surface products with a “natural stone look” in slab form, a nominal thickness of 3 cm, with movement and visible particulates, specks, chips, or crystals that are sold to firms other than distributors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-7
Quartz surface products: Summary of underselling/(overselling), by country, January 2017 through December 2019

Comparison	Total number of comparisons	Lower		Higher	
		Number of quarters	Quantity (square feet)	Number of quarters	Quantity (square feet)
Nonsubject source vs United States.--					
China vs. United States	72	72	***	---	***
Spain vs. United States	72	53	***	19	***
Nonsubject source vs subject source.--					
China vs India	72	35	***	37	***
Spain vs India	72	3	***	69	***
China vs Turkey	57	41	***	16	***
Spain vs Turkey	57	5	***	52	***

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX E

DOMESTIC LIKE PRODUCT NARRATIVES

Tables E-1, E-2, and E-3 present domestic like product narratives for U.S. producers, U.S. importers, and U.S. Purchasers, respectively. Table E-4 presents U.S. producers, U.S. importers, and U.S. Purchasers counts of domestic like product factors.

Table E-1
Quartz surface products: U.S. producers' comparisons of products by the like product factors

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Table E-2
Quartz surface products: U.S. importers' comparisons of products by the like product factors

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Table E-3
Quartz surface products: U.S. purchasers' comparisons of products by the like product factors

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Table E-4
Quartz surface products: U.S. producers' and U.S. importers' comparisons of in-scope crushed glass surface products vs all other quartz surface products

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