

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

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**In the Matter of:**

**QUARTZ SURFACE PRODUCTS**

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) **Inv. No. TA-201-79 (Injury)**  
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from pages 16, 25, 50–51, 54, 56–58, 60–71,  
77–78, 82–83, 87–94, 97–98, 101–102.

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**PREHEARING BRIEF OF  
ARIZONA TILE LLC, ELITE QUARTZ MANUFACTURING, AND M S  
INTERNATIONAL, INC.**

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## INTRODUCTION

One cannot imagine a worse time to impose an additional cost on American industries building and renovating homes, apartments, and commercial office space. The “affordability crisis” is causing new homes to be built at the lowest rate in half a century, and Americans are buying homes at an equally sluggish pace. Home renovations, a major source of U.S. economic strength as recently as during the COVID-19 crisis, have likewise slowed substantially. Despite this crisis and Congress’s bipartisan efforts to assuage it through the Housing for the 21st Century Act, 1/ the Quartz Manufacturing Association of America (“QMAA”) now seeks the imposition of a substantial new cost—quantitative restrictions and/or steep tariffs on imported quartz surface products (“QSPs”). The Commission should reject the QMAA’s ill-timed petition. 2/

The Commission is confronted here with a David versus Goliath story. David is the hundreds of Red, White, and Blue American fabricator manufacturers of QSPs overwhelmingly opposed to the Petition. The Commission has repeatedly found that fabricators comprise part of the domestic QSP industry. 3/ The expanded definition of “domestic industry” set forth in the safeguard statute makes their inclusion even more clear and more important here. 4/

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1/ On February 9, the House of Representatives overwhelmingly passed the Housing for the 21st Century Act, H.R.6644 — 119th Congress (2025-2026), by a vote of 390-9. *See, e.g.*, Cassandra Dumay, House approves housing bill, setting stage for tough Senate negotiations, POLITICO (Feb. 9, 2025), <https://www.politico.com/live-updates/2026/02/09/congress/house-approves-housing-bill-setting-stage-for-tough-senate-negotiations-00772552>.

2/ *Quartz Surface Products – Petition for Safeguard Relief Pursuant to Sections 201 & 202 of the Trade Act of 1974*, Inv. No. TA-201-79 (USITC Comm’n Sep. 15, 2025) (“Petition”).

3/ *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) at 13; *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at 11–12.

4/ 19 U.S.C. § 2252(c)(6)(A)(i).

Goliath is the powerful, concentrated band of multinational corporations that manufacture QSP slabs in the United States. These firms have been successful over the Commission's period of investigation ("POI") but are now confronted with substantial headwinds unrelated to imported QSPs.

Goliath Cambria is led by an outspoken multi-billionaire and relies on its Canadian mining affiliates to produce QSP slabs. Goliath Dal-Tile is a major importer of QSP slabs and is part of a global conglomerate, Mohawk Industries. Goliath Guidoni is also a major importer of slabs and is a foreign-owned, foreign QSP manufacturer in Brazil and Spain. Goliath LX Hausys (a belated supporter of the Petition) is likewise a major importer of slabs and is also owned and managed by a Korean conglomerate. <sup>5/</sup> Goliath Hyundai L&C is owned and managed by a Korean conglomerate and does even not produce QSPs in the United States, instead supplying slabs from its Canadian production.

The American manufacturers that the Commission should protect in this case are U.S. fabricator manufacturers, who overwhelmingly oppose the Petition. In fact, even before institution, 750 fabricators accounting for 1000s of American jobs submitted declarations to the Commission attesting their opposition to the Petition. Enclosed in **Exhibit 1-A** are more than 340 new declarations from fabricators further explaining that opposition. These renewed attestations of opposition are corroborated by the written opposition from leading fabricator association The Rockheads Group, whose membership comprises 10,000 American jobs. <sup>6/</sup>

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<sup>5/</sup> Architectural Services Group, a U.S. distributor, withdrew as a Petitioner prior to institution and is not a QSP manufacturer.

<sup>6/</sup> Letter to Sec'y Int'l Trade Comm'n from The Rockheads Group USA, *Opposition to Institution of Safeguard Case on Quartz Surface Products*, Inv. No. TA-201-79 (Nov. 17, 2025).

Several other key American constituents likewise oppose the Petition. For example, highly successful American slab manufacturer Elite Quartz, a shining example of domestic slab manufacturing, opposes the Petition. Moreover, former American slab manufacturer Caesarstone likewise opposes the Petition and vehemently disagrees with the QMAA's characterization of its operations. Lastly, U.S. home and apartment builders who employ thousands of Americans oppose the trade restrictions sought in the Petition. <sup>7/</sup>

Goliath's face is Cambria, the industry's highly touted, financially successful leader. Over the POI Cambria has been able to charge higher and higher prices for its esoteric designs catered to wealthy customers in the ultra-luxury segment of the market. Cambria's remarkable success has been bolstered by aggressive legal action to thwart its competition, both domestic and foreign. In fact, just three months after filing this Petition, Cambria filed a separate Section 337 complaint before the Commission alleging intellectual property infringement against several major QSP industry players, including its co-Petitioners Dal-Tile and LX Hausys. <sup>8/</sup> That Cambria complaint seeks an exclusion order with respect to many of the very same QSP products on which the QMAA seeks quotas and tariffs in this investigation. The Commission should not countenance simultaneous legal actions by an industry leader to cement even further its remarkable profitability.

Moreover, Petitioner Dal-Tile's plea for relief is undermined by its own recent public financial reporting of positive results for its QSP business. Just last week the CEO of Dal-Tile's parent company, Mohawk Industries, stated as follow: "As our countertop business continues to grow, *the ramp-up of our new quartz production line remains on schedule* and will deliver higher

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<sup>7/</sup> Letter from Leading Builders of America to the U.S. International Trade Comm'n, *U.S. Builder Opposition to the Sections 201-202 Safeguard Petition on Quartz Surface Products*, Inv. No. TA-201-79 (December 12, 2025).

<sup>8/</sup> Letter from Robert Vlasits to Lisa R. Barton, *In the Matter of Certain Processed Slabs and Methods for Making Same*, Inv. No. 337-TA-1482 (USITC, Dec. 19, 2025).

value products through an advanced veining technology that creates unique visuals.” <sup>9/</sup> These bullish comments are inconsistent with the QMAA’s assertions of serious injury.

In sum, the domestic industry producing QSPs overwhelmingly opposes the imposition of trade restrictions. This opposition is consistent with the fact that the QMAA’s claims of injury are unfounded.

### **LEGAL EXECUTIVE SUMMARY**

The statutory standard confronting a petitioner seeking trade restrictions in a safeguard investigation is high. Specifically, the Commission is charged with evaluating injury and causation on the basis of elevated statutory requirements—“serious” injury or threat thereof and “substantial” causation, respectfully. The statutory scheme, unlike in antidumping duty and countervailing duty (“AD/CVD”) proceedings, does not follow the traditional “volume,” “price,” and “impact” framework. Instead, the governing statute has specific lenses through which a safeguard case must be evaluated.

The record evidence demonstrates both that – (1) there is no serious injury or threat thereof to the domestic industry, and (2) that imports are not the most important, or substantial, cause of any such serious injury or threat thereof. Relevant statutory criteria that the Commission must assess include whether:

- (A) there has been significant idling of productive facilities in the domestic industry;
- (B) a significant number of firms have been unable to carry out domestic production operations at a reasonable level of profit;
- (C) there has been significant unemployment or underemployment within the domestic industry; and

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<sup>9/</sup> **Exh. 6-J**, Mohawk MHK Q4 2024 Earnings Call Transcript at 7.

- (D) an increase in imports and a decline in the proportion of the U.S. market supplied by domestic producers was a substantial cause of such serious injury. <sup>10/</sup>

The QMAA has failed to meet its legal burden with respect to all of these criteria.

1. **The Commission Should Find That Fabricators Comprise Part of the Domestic Industry**

The governing statute provides that a safeguard investigation should be commenced only if the petitioners are “representative of an industry.” This burden was not met here as evidenced by the lack of support from thousands of U.S. fabricator producers and U.S. slab producers Elite Quartz and Caesarstone.

Petitioners are not representative of the domestic industry, as required by section 202(a)(1) of the Trade Act, for the reasons we set forth prior to institution. Specifically, fabricator manufacturers account for much more domestic manufacturing, as measured by either QSPs produced or employment, than slab manufacturers, and the QMAA does not include a single independent fabricator. A safeguard petition opposed by the majority of domestic producers, by far, and lacking a single member of the largest component of the domestic industry, is not representative of the domestic industry. Indeed, the QMAA would lack standing if the 25-percent and 50-percent standing thresholds employed in AD/CVD investigations were applied here. <sup>11/</sup>

Recognizing that the Commission has now instituted this investigation, the Commission must now consider the views of fabricators, a critical part of the domestic industry, in its assessment of the statutory criteria. This is because fabricators are “producers as a whole of the like or directly competitive article or those producers whose collective production of the like or directly competitive article constitutes a major proportion of the total domestic production of such

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<sup>10/</sup> See 19 U.S.C. § 2252(c)(1).

<sup>11/</sup> See 19 C.F.R. § 351.203(e).

article.” <sup>12/</sup> Indeed, U.S. fabricator manufacturers fit squarely within that definition, and their opposition to the QMAA is demonstrated again in the more than 340 declarations provided in **Exhibit 1-A**.

**2. The Commission Should Find That the Domestic Industry is Not Suffering Serious Injury**

The record evidence demonstrates that the domestic industry is not suffering serious injury. On this basis alone, the Commission should render a negative determination.

**a. There is No Significant Idling of Productive Facilities**

The statute directs the Commission to take into account whether there has been “the significant idling of productive facilities in the domestic industry.” <sup>13/</sup> This criterion does not support the QMAA’s claims. There is no such idling or underutilization of domestic production—on the contrary, the domestic QSP industry (consisting of both fabricators and slab producers) has expanded throughout the POI. New slab manufacturing entrants have started production recently, and existing producers are expanding their operations. Cambria continues to execute a successful strategy, limiting its high-end production to maximize the highest prices. And Dal-Tile just crowed publicly about its QSP manufacturing success, including touting expanded domestic production. <sup>14/</sup>

Fabricators likewise have expanded their manufacturing operations in order to meet increasing demand for QSP products. Reported fabricator capacity utilization is high and increasing. Fabricator production challenges resulted from difficulties obtaining the breadth and

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<sup>12/</sup> 19 U.S.C. § 2252(c)(6).

<sup>13/</sup> See 19 U.S.C. § 2252(c)(1)(A)(i).

<sup>14/</sup> **Exh. 6-J**, Mohawk MHK Q4 2024 Earnings Call Transcript.

quantity of QSP slab required to produce the most popular designs, irrespective of whether the slab was procured from domestic or foreign producers.

The only slab producer that ceased production during the POI was Caesarstone, which opposes the Petition and has publicly explained that it closed its U.S. and Israeli slab manufacturing operations due to a company-wide strategy shift. That is, Caesarstone elected during the POI to cease manufacturing entirely and instead to focus on design, research and development (“R&D”), and distribution activities. The QMAA has sought to cast Caesarstone in a different light, but those claims should be disregarded. Caesarstone’s explanation and the record evidence are clear and further bolstered by its Declaration provided in **Exhibit 1-D**.

**b. A Significant Number of Firms Were Not Unable to Carry Out Domestic Production Operations at a Reasonable Level of Profit**

The statute directs the Commission to evaluate whether a “significant number of firms” are unable to carry out domestic production operations at a reasonable level of profit.” <sup>15/</sup> This criterion does not support the QMAA’s claims. The domestic industry comprising slab manufacturers and fabricators is successful and has been consistently and reasonably profitable throughout the POI. The overwhelming number of U.S. producers and fabricators filing questionnaires were individually profitable—moreover, hundreds of additional fabricators have expressed their clear opposition to the QMAA’s petition.

The domestic industry as a whole experienced consistently high gross profits during the entire POI. The industry’s modest decline in operating income in the latter part of the POI were caused by the performance of a small number of slab producers. This outcome is not representative of the broader industry and is attributable to intra-industry competition and broader economic

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<sup>15/</sup> See 19 U.S.C. § 2252(c)(1)(A)(ii).

trends. Moreover, U.S. slab producers' net income trends were driven by the financial effect of increasing interest rates amid substantial industry investment – not by imports.

c. **There is No Significant Unemployment or Underemployment in the Domestic Industry**

Finally with respect to serious injury, the Commission shall take into account “significant unemployment or underemployment within the domestic industry.” <sup>16/</sup> This criterion likewise does not support the QMAA’s claims—the domestic industry is not experiencing significant unemployment or underemployment. This is even more apparent when Caesarstone is removed from the equation, for the reasons explained above.

On the other hand, as the hundreds of testimonials from fabricators make clear, imposing restrictive tariffs and/or quotas would have devastating consequences for the industry, including putting hundreds or even thousands of fabricator producers out of work. The domestic industry is not suffering serious injury at all—this fact should mark the end of this investigation.

3. **Imports Are Not a Substantial Cause of Any Alleged Serious Injury**

Neither import volumes nor import prices are a substantial cause of any alleged serious injury. The increased import volume of QSP was largely caused by declining demand for granite, imports of which dropped over the POI, exchanging share of the broader surface products market with QSP. Further, the majority of the increased import volume over the full years of the POI was from India and thus was disciplined under antidumping duty (“AD”) and countervailing duty (“CVD”) orders. <sup>17/</sup> In any case, QSP import volumes do not correlate with U.S. producers’

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<sup>16/</sup> See 19 U.S.C. § 2252(c)(1)(A)(iii).

<sup>17/</sup> See *Certain Quartz Surface Products from India and Turkey: Antidumping Duty Orders*, 85 Fed. Reg. 37422 (Dep’t Commerce June 22, 2020); see also *Certain Quartz Surface Products from India and Turkey: Countervailing Duty Orders*, 85 Fed. Reg. 37431 (Dep’t Commerce June 22, 2020).

performance indicators, with U.S. producer profits often moving in the opposite direction of import volumes year-over-year.

The record also confirms that pricing is not the primary factor in purchasing decisions for surface products, including QSP. Moreover, U.S. producers' shipments and sales data, both collectively and individually, show increased prices over the POI, and their prices are uncorrelated with import pricing. The lack of record evidence on lost sales further goes to support the primacy of design in this market, and the tertiary importance of price.

**4. Other Factors Are More Important Causes of Domestic Industry Performance Than Imports**

If the Commission erroneously finds serious injury, the Commission also must examine “factors other than imports which may be a cause of serious injury or threat thereof to the domestic industry” and assess whether imports have been “important and not less than any other cause” adversely impacting the domestic industry. <sup>18/</sup> There are several other causes that have had a more substantial impact on domestic performance over the POI than imports. The following causes adversely impacted the domestic industry, particularly during the latter half of the POI:

**a. Broad Economic Conditions Depressed Domestic Performance at the End of the POI**

Surface product demand is directly tied to new home building, commercial construction, and home renovation. These activities have declined since the COVID-19 boom, particularly in 2025, negatively impacting domestic QSP production and performance. This decline, precipitated by the widely acknowledged “affordability crisis,” is only exacerbated by the threat of new trade measures on a critical building product. This is why hundreds of QSP fabricators, concerned about

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<sup>18/</sup> 19 U.S.C. §§ 2252(b)(1)(B), 2252(c)(2)(B).

yet another cost increase affecting QSP and their inability to pass it along to their downstream customers, have already expressed their strong opposition to the QMAA.

QSP has increased its share in the surface product market over the POI. This is primarily because QSP has taken substantial share away from granite, which has declined markedly in popularity over the past decade, with that decline accelerating since the COVID-19 boom.

**b. Domestic Slab Producers Predominantly Compete with Each Other and with Imported Quartzite, Not QSP Imports**

Domestic QSP slabs predominantly serve the high-end luxury market at high price points. Imported QSP slabs predominantly serve the mass market and builder-grade segments at medium and lower price points. These market conditions significantly limit competition between domestic and imported QSP slabs.

Competition at the higher end of the QSP market is among the domestic QSP slab producers. The domestic producers also compete with other high-end surface products, including highly sought after imported quartzite, which began to grow rapidly in both availability and quantity towards the end of the POI.

Domestic producers do not compete primarily on the basis of price. Surface products are like a piece of artwork in the center of the home—the very opposite of a commodity product. Design and aesthetics are everything in this industry. If a particular QSP SKU is not selling, it is because customers do not like its design, not because of its price. Cambria’s extravagant branding in the luxury segment exemplifies these market features. Cambria spares no expense to build and maintain its unique brand, such as through its feature length film, *The Legend of Cambria*, which is modeled after Game of Thrones and is narrated by renowned actor Colin Farrell.

Imported QSP slabs have increased in recent years as imported QSP targeting the mass market, including increasing imports from India, <sup>19/</sup> has overtaken imported granite in that segment of the market. If QSP is not available in basic colors at lower price points, builders and other mass market customers will simply switch back to granite, solid surface, laminate, and other surface products that can fulfill their needs at the lower pricing points. U.S. fabricators need all of the above. They want more slab options, in popular colors and designs, at a wide variety of price points. As such, safeguard measures will harm fabricator producers and downstream interests such as builders and everyday Americans.

**c. Certain U.S. Slab Producers Have Fallen Behind in Creative Design**

Design and quality rank among consumers' top priorities in their purchasing decisions. <sup>20/</sup> When producers fail to keep pace with design trends, as has been the case for some U.S. slab producers in recent years, these producers suffer production inefficiencies that can turn into financial losses. Failure to come to market with creative and on-trend designs is an innovation problem—not an import problem.

**d. Mass Tort Litigation Has Limited Investment in Domestic QSP Production in Recent Years**

Domestic producers are being targeted in mass tort litigation arising out of allegations that silicosis, fibrosis, and other diseases are caused by QSP manufacturing. These actions have imposed major costs on the domestic slab industry through a significant judgment, confidential settlements, and the substantial legal fees necessary to defend these cases. They have also made

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<sup>19/</sup> QSP imports from India are already subject to AD/CVD orders and thus are fairly traded.

<sup>20/</sup> *Quartz Surface Products*, Inv. No. TA-201-79, USITC Prehearing Report (Feb. 9, 2026) ("Prehearing Staff Report") at 6.17.

investing in and expanding QSP manufacturing far less attractive and higher risk due to financial and regulatory uncertainties.

e. **Recently Implemented Tariff Measures Have Negatively Affected U.S. Producers' Costs**

In 2025, numerous tariffs were imposed under the International Emergency Economic Powers Act (“IEEPA”). <sup>21/</sup> These tariffs cover not only QSPs but also the raw materials used to produce of QSPs domestically, thereby affecting U.S. producers’ costs and profits. Rising U.S. production costs in 2025 were a more important cause of injury than declining import volumes.

**5. There is No Threat of Serious Injury**

There is no threat to the domestic industry as a result of imports. Nor is import competition forecast to imminently become a substantial cause of serious injury. Rather, the domestic QSP industry will remain threatened by stagnant U.S. construction and remodeling activities, as well as the ongoing mass tort litigation and related regulatory actions. Moreover, U.S. fabricators are deeply concerned about trade restrictions on imported QSP slab, including the IEEPA tariffs.

Finally, an affirmative finding by the Commission will adversely impact hundreds, if not thousands, of U.S. manufacturing businesses, which are part of the “domestic industry” and employ thousands of American workers. QSP imports support— rather than threaten— these U.S. producers and their employees. On the contrary, these American businesses will be harmed if trade-restrictive measures are imposed.

**I. THE COMMISSION MUST FIND THAT FABRICATORS COMPRISE PART OF THE DOMESTIC INDUSTRY**

Section 2252(c)(6) of the Trade Act defines the domestic industry as “the producers as a whole of the like or directly competitive article or those producers whose collective production of

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<sup>21/</sup> Prehearing Staff Report at 1.24.

the like or directly competitive article constitutes a major proportion of the total domestic production of such article.” <sup>22/</sup> This is a broader definition of the domestic industry than is found in the AD/CVD law, which defines the domestic industry as “the producers as a whole of a domestic like product ...” <sup>23/</sup> Thus, the AD/CVD standard for “domestic industry” is limited to domestic producers of a narrowly defined “domestic like product,” whereas the safeguard standard employs a fundamentally broader concept of “domestic industry”.

The domestic QSP industry, at minimum, constitutes all manufacturers of QSP within its scope. These producers include both the handful of U.S. slab manufacturers and the thousands of U.S. fabricator manufacturers who transform raw slabs into finished quartz surface products. Indeed, the Commission has already found twice under the narrower definition of “domestic industry” contained in the AD/CVD law that domestic fabricator manufacturers are part of the domestic QSP industry.

**A. The Commission’s Safeguard Decisions Confirm that Slab and Fabricator Manufacturers Together Constitute the Domestic Industry**

All of the Commission’s recent safeguard determinations—including *Crystalline Silicon Photovoltaic Cells*, *Large Residential Washers*, *Blueberries*, and *Fine Denier Polyester Staple*

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<sup>22/</sup> 19 U.S.C. § 2252(c)(6)(A)(i).

<sup>23/</sup> 19 U.S.C. §§ 1677(4)(A), 1677(10) (also defining “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses” with the imports subject to investigation. *See also Fine Denier Polyester Staple Fiber*, Inv. No. TA-201-78, USITC Pub. 5536 (Aug. 2024) at 13-14 (“The concept of industry employed in section 201 of the Trade Act is not the same as that used in the antidumping and countervailing duty provisions of Title VII.”). *See also, Steel*, Inv. No. TA-201-073, USITC Pub. 3479 (Dec. 2001) at 30 (quoting *Stainless Steel and Alloy Tool Steel*, 201-TA-048, USITC Pub. 1377 (May 1983) at 16 n.21) (“Title VII is narrowly aimed at remedying the specific advantages imports may be receiving from unfair trade practices. The purpose of section 201 either is to prevent or remedy serious injury to domestic productive resources from all imports. In light of the purpose of section 201 and in contrast to Title VII, the sharing of productive processes and facilities is a fundamental concern in defining the scope of the domestic industry under section 201”).

*Fiber*—consistently hold that the safeguard law employs a broader and more functional domestic industry concept than the one applied under AD/CVD law. <sup>24/</sup> The Commission has repeatedly emphasized that, unlike AD/CVD law, the safeguard statute is expressly concerned with injury to domestic productive resources, not with parsing artificial dividing lines between upstream and downstream domestic production operations. Indeed, the Commission reiterated in each recent determination that “the purpose of section 201 is to prevent or remedy serious injury to the domestic productive resources...” and that “the sharing of productive processes and facilities is a fundamental concern in defining the domestic industry under section 201.” <sup>25/</sup>

Consistent with this principle, the Commission has repeatedly included as part of the domestic industry in safeguard investigations all producers whose activities directly contribute to the production of the like or directly competitive article. This is so regardless of whether those producers rely on imported inputs, operate exclusively in downstream fabrication stages, or are not vertically integrated.

For example, in *Crystalline Silicon Photovoltaic Cells*, the Commission defined the domestic industry to include both U.S. cell producers and U.S. module assemblers. The Commission expressly rejected arguments that independent module producers should be excluded merely because their operations were downstream or because they relied entirely on imported cells. The Commission explained that excluding such firms “would run counter to the legislative intent” and would ignore that integrated producers themselves consumed both imported and domestic

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<sup>24/</sup> See *Crystalline Silicon Photovoltaic Cells (Whether or not Partially or Fully Assembled into Other Products)*, Inv. No. TA-201-75 Volume I: Determination and Views of Commissioners, USITC Pub. 4739 (Nov. 2017) at 11.

<sup>25/</sup> See *id* at 17.

inputs. 26/ That case is directly analogous to the present case: U.S. fabricators perform indispensable and high-value downstream production operations and constitute the overwhelming bulk of domestic production capacity.

Similarly, in *Large Residential Washers* (“LRW”), the Commission included producers of both LRWs and “covered parts” used in LRW assembly as part of the domestic industry. The Commission held that all facilities and workers engaged in the production of the article must be included because Section 201 requires examination of injury to productive resources across the entire line of production. 27/ That same reasoning applies with even greater force here, where the vast majority of domestic production, employment, capital investment, and value added occurs at the fabrication stage.

The Commission has also rejected attempts to segment the domestic industry based on product form, processing stage, or input sources. In *Blueberries*, the Commission found no statutory basis for drawing “clear dividing lines” between fresh and frozen forms of the like product, emphasizing substantial overlap in operations, facilities, and producer capabilities. 28/ And, in *Fine Denier PSF*, the Commission reaffirmed that Section 201’s domestic industry inquiry is broad. 29/

These Sections 201 determinations unmistakably support that fabricators are integral domestic producers whose operations directly result in the production of finished QSP. Fabricators

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26/ See *id.* at 17-18.

27/ See *Large Residential Washers*, Inv. No. TA-201-076, USITC Pub. 4745 (Dec. 2017) at 18–19, 28–30.

28/ See *Fresh, Chilled, or Frozen Blueberries*, Inv. No. TA-201-077, USITC Pub. 5164 (Mar. 2021) at 12–13.

29/ See *Fine Denier Polyester Staple Fiber*, Inv. No. TA-201-078, USITC Pub. 5536 (Aug. 2024), at 13-17.

employ the majority of the industry’s workforce, operate the majority of its physical facilities, and conduct the majority of its production activities, including cutting, polishing, edging, and finishing raw slabs into the countertop products purchased and used in the U.S. market. Pursuant to the plain statutory text and the Commission’s safeguard decisions, fabricators must be included within the domestic industry.

**B. The Commission Has Repeatedly Found that Fabricators are Part of the Domestic Industry Under the Narrower Definition in the AD/CVD Law**

As explained above, the safeguard law provides for a fundamentally different, broader definition of “domestic industry” than the AD/CVD law. Consistent with this difference, the Commission has repeatedly emphasized that the six-factor framework to evaluate the domestic industry in AD/CVD investigations does not apply in safeguard investigations.<sup>30/</sup> Notwithstanding, even if the Commission were to apply the narrower AD/CVD definition of domestic industry in this investigation, the result would be the same. This is because the Commission has already conducted this precise analysis in two prior QSP investigations—*Quartz Surface Products from China* and *Quartz Surface Products from India and Turkey*—and concluded in both proceedings that all six industry definition factors uniformly support inclusion of fabricators in the domestic industry.<sup>31/</sup> In so doing, the Commission rejected Cambria’s

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<sup>30/</sup> See *Large Residential Washers*, Inv. No. TA-201-076, USITC Pub. 4745 (Dec. 2017) at 18 (“*The concept of industry employed in section 201 ... is not the same as that used in [ ]*,” which is narrowly aimed at unfair-trade advantages, while Section 201 addresses injury to “*domestic productive resources*”) (emphasis added).

<sup>31/</sup> *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) at 13; *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at 11–12. This conclusion is consistent with the Commission’s decisions in several steel investigations, where the Commission has repeatedly included steel service centers as part of the domestic industry where their operations involve substantial capital investment, significant employment, and sophisticated value added processing. See, e.g., *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden*,

derogatory characterization of fabricators as merely operating in “garages with only a couple of employees, a saw, and a hand router.” 32/

Nothing has changed about the structure, scale, or sophistication of domestic fabrication operations in the years since those original investigation determinations that should cause the Commission to deviate from its prior determinations. If anything, fabrication manufacturing operations have become more complex since those previous findings. In fact, in the *Quartz Surface Products from India and Turkey* five-year review, the Commission reaffirmed in December 2025 that the domestic QSP industry comprises all U.S. producers of those products, including stand-alone fabricators. 33/ Certainly nothing has changed since two months ago—the

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*Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197 (Second Rev.), 701-TA-319-320, 325-327, 348, and 350 (Second Rev.), and 731-TA-573-574, 576, 578, 582-587, 612, and 614-618 (Second Rev.), USITC Pub. 3899 (Jan. 2007) at 38–39; *Cut-To-Length Carbon-Quality Steel Plate from France, India, Indonesia, Italy, Japan, and Korea*, Inv. Nos. 701-TA-388-391 and 731-TA-816-821 (Revs.), USITC Pub. 3816 (Nov. 2005) at 6–7 (“CTL Plate”); *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom*, Inv. Nos. AA1921-197 (Rev.), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Rev.), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Rev.), USITC Pub. 3364 (Nov. 2000) at 9. Those factors include: (1) capital investment; (2) technical expertise; (3) value added; (4) employment; (5) U.S. sourcing; and (6) other production activities. *Crystalline Silicon Photovoltaic Cells and Modules from China*, Inv. Nos. 701-TA-481 and 731-TA-1190 (Final), USITC Pub. 4360 (Nov. 2012) at 12, n.94; *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) at 10, n.30.

32/ Letter from Schagrin Associates to the U.S. International Trade Commission, *Certain Quartz Surface Products from the People’s Republic of China: Inv. Nos. 701-TA-606 & 731-TA-1416: Submission of Post Conference Brief* (May 11, 2018) at Exh. 4, Affidavit of Brian Scoggin (“Cambria Post-Conference Brief”); *Quartz Surface Products from China*, Inv. Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) at 13; *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at 11–12.

33/ *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Review), USITC Pub. 5691 (Dec. 2025) at 7–9. The Commission also again determined that the domestic like product is a single like product consisting of quartz slabs and fabricated quartz surface products coextensive with the scope.

Commission should find that the domestic industry comprises both QSP slab producers and QSP fabricator manufacturers.

## II. “SUBSTANTIAL” CAUSE OF “SERIOUS” INJURY IS A HIGH STANDARD

Petitioner carries a higher burden in a safeguard investigation governed by Sections 201-202 of the Trade Act of 1974, than in an AD/CVD investigation. Specifically, the Commission may not make an affirmative determination unless it finds that “an article is being imported into the United States in such increased quantities as to be a *substantial cause of serious injury, or the threat thereof, to the domestic industry* producing an article like or directly competitive with the imported article . . .” <sup>34/</sup> There are two steps to this inquiry – (1) serious injury, and (2) substantial cause.

### Serious Injury

The governing statute defines “serious injury” to mean “significant overall impairment in the position of a domestic industry.” <sup>35/</sup> The heightened legal standard of “serious injury” means that the Commission must make a negative determination if the domestic industry is not experiencing “significant overall impairment.” The statute instructs that when assessing whether there is present serious injury, the Commission must examine all relevant economic factors, including: (1) “the significant idling of productive facilities in the domestic industry”; (2) “the inability of a significant number of firms to carry out domestic production operations at a reasonable level of profit”; and (3) “significant unemployment or underemployment within the domestic industry.” A reasonably profitable domestic industry without significant idling of

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<sup>34/</sup> 19 U.S.C. §§ 2251(a), 2252(b) (emphasis added). Article XIX:1(a) of the GATT also requires that the increase in imports is “as a result of unforeseen developments . . .” for a safeguard measure to be applied.

<sup>35/</sup> 19 U.S.C. § 2252(c)(6)(C).

facilities or significant unemployment or underemployment is not being seriously injured. 36/ Nor is a domestic industry threatened with serious injury unless a “clearly imminent” change is coming.

### **Substantial Cause**

The governing statute defines “substantial cause” to mean “a cause which is important and not less than any other cause.” 37/ The statute also requires the Commission to “examine factors other than imports which may be a cause of serious injury, or threat of serious injury, to the domestic industry.” 38/ Increased imports must be “both an important cause of the serious injury or threat *and* a cause that is equal to or greater than any other cause.” 39/

If the Commission finds that there is “serious injury,” the heightened legal standard for “substantial cause” still means that the Commission must make a negative determination if *any* cause is a more important cause of the domestic industry’s serious injury than imports. Interpreting the Trade Act in light of its legislative history, the Commission has characterized several causes as potentially more important than imports in prior case, including, for example, “changes in technology or in consumer tastes, domestic competition from substitute products, plant obsolescence, or poor management.” 40/

### **III. RELEVANT ECONOMIC FACTORS**

The governing statute, 19 U.S.C. § 2252(c)(1), provides that the Commission must evaluate all relevant economic factors as part of its assessment of the domestic industry’s condition. In

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36/ 19 U.S.C. § 2252(c).

37/ 19 U.S.C. § 2252(b)(1)(B).

38/ 19 U.S.C. § 2252(c)(2)(B).

39/ *Steel*, USITC Pub. 3479, Vo. I at 34 (emphasis added).

40/ *Steel*, USITC Pub. 3479, Vo. I at 34, n.54.

prior safeguard investigations, the Commission has evaluated economic conditions through the familiar rubric of “conditions of competition” in the U.S. market. 41/

The economic realities and competitive characteristics of the QSP market and industry demonstrate how domestic industry performance is shaped by forces entirely separate and distinct from imports. The Commission must fully consider these economic factors when assessing whether subject imports are a substantial cause of serious injury or threat thereof to the domestic industry.

**A. The Large Majority of the U.S. QSP Market Requires Imported Slabs**

As discussed in Section I, above, the domestic industry consists of slab manufacturers and fabricator manufacturers alike. The large majority of the domestic industry consists of fabricators, not slab producers. Total volume produced, jobs, and income from fabrication manufacturing dwarf slab manufacturing. Domestic slab production is just a fraction of total finished QSP demand in the U.S. market. This means that a massive supply of imported slabs is necessary for the entire domestic industry to be successful.

According to responses to the Commission’s questionnaire, domestic slab producers collectively produced approximately 32.7 million square feet of slabs in 2024 and supported approximately 1,446 direct production jobs as of the end of the POI. 42/ By contrast, U.S.

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41/ See, e.g., *Fresh, Chilled, or Frozen Blueberries*, Inv. No. TA-201-77 (Final), USITC Pub. 5164 at 25-35 (March 2021); *Crystalline Silicon Photovoltaic Cells (Whether or not Partially or Fully Assembled into Other Products)*, Inv. No. TA-201-75 (Final), USITC Pub. 4739 (Nov. 2017) at 24-31; *Large Residential Washers*, Inv. No. TA-201-076 (Final), USITC Pub. 4745 (Dec. 2017) at 23-32; 19 U.S.C. § 2252(c)(1).

42/ Prehearing Staff Report at Tbl. C.1.

fabricators produce more than 180 million square feet of finished countertops annually and employ tens of thousands of workers in at least 2,000 establishments. 43/

The governing statute, 19 U.S.C. § 2252(c)(1), requires the Commission to evaluate supply conditions in the U.S. market, including whether domestic capacity is able to satisfy demand. 44/ Here, although domestic slab production increased over the POI due to new entrants, the gap between domestic QSP slab supply and downstream demand by fabricators is persistent and unchanging. Indeed, this is why fabricators are overwhelmingly opposed to safeguard measures on QSP imports. Approximately 750 individual fabricators and The Rockheads Group, representing approximately 110 large fabricators, declared their opposition to the Petition before this investigation was instituted. Fabricators have continued to oppose the imposition of trade restrictions on QSP, emphasizing that the risks posed by this case extend well beyond what they conveyed in their initial letters. More than 340 fabricators submitted new declarations, which are enclosed in **Exhibit 1-A**, to reiterate their opposition to the Petition and any trade restrictions on imported QSP with greater detail. 45/ They explain that QSP slabs are the most important input to U.S. fabrication manufacturing—absent a reliable supply of slabs to underpin the many and ever-changing designs demanded by consumers, fabricators will suffer.

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43/ *Id.* at Tbl. C.2 (based on 2024 fabricator production), 1.33, n. 101 (stating that the record data on fabrication represents approximately 2.1 percent of U.S. fabrication of QSP in 2024); **Exh. 3-A**, U.S. Census Bureau, “*All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2023*,” Economic Surveys, ECNSVY Business Patterns County Business Patterns, Table CB2300CBP, 2025, <https://data.census.gov/table/CBP2023.CB2300CBP?q=327991> (last visited Jan. 29, 2026).;

44/ 19 U.S.C. § 2252(c)(1).

45/ **Exh. 1-A**, Fabricator Declarations. Numerous builders also submitted declarations expressing their opposition. *See* **Exh. 1-B**.

**B. Surface Products Are Primarily Sold on the Basis of Design and Aesthetics**

A quartz surface product is a manufactured, “engineered” stone that competes in the U.S. market as an alternative to quarried materials such as granite, marble, and quartzite, and to other engineered products like laminate and solid surface. 46/ Quartz surface products are composed of aggregates such as quartz (or silica), binding agents (polymer resin), and various additives to make surfaces more aesthetically appealing. 47/

QSP production generally occurs in two stages. First, the engineered mixture is molded, vibrated, and compressed into a raw slab (which the Commission calls “slab” manufacturing). 48/ Second, the slab is cut, edged, polished, and finished to meet the specifications required for installation (which the Commission calls “fab” manufacturing). 49/ Fabricators are often the same parties that also install the finished product in individual homes, apartments, and/or commercial office buildings.

Finished QSP products are widely used in both residential and commercial environments. Specific applications include kitchens, bathrooms, hospitality spaces, retail interiors, reception areas, wall cladding, and furniture surfaces, where they are valued for their stain resistance, hygiene benefits, and low-maintenance performance. 50/

QSPs and other surface products compete primarily on aesthetics. The design-driven nature of competition is an economic condition under § 2252(c)(1), directly affecting how products

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46/ *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at 6–7.

47/ *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at I-15.

48/ **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure.

49/ *Id.*

50/ **Exh. 3-C**, Summerly Quartz – Surface Trends 2025.

compete and explaining why shifts in demand occur independently of price or import levels. 51/ Surface products are viewed every day by people in the center of their homes such as on a kitchen island, or in commercial spaces such as in conference rooms, entryways, and atriums. For many consumers, quartz countertops are akin to a statement piece of art. Personal preferences and design trends drive purchasing decisions. This is in stark contrast to many of the commodity products that the Commission often investigates, where aesthetics is not at all part of the purchasing decision.

QSP slab manufacturers can control pigments, veining, texture, and finish with precision, enabling them to replicate high-end natural-stone aesthetics or produce entirely new designs. 52/ This design flexibility is not possible for natural stone products, which come from a quarry. QSP fabricators are critical to precise manufacturing of QSP, adding significant value to the end product.

Industry research shows an evolution in consumer preferences in styles of QSP over time. Many years ago, consumers preferred QSP styles that looked like granite. 53/ Then, styles moved into cool, uniform grays and bright whites that were closer to marble tones. 54/ Veined designs then became popular (and continue to be popular today), especially marble-look and through-body veining. Today, warmer neutrals, soft beiges, taupes, earthy palettes, and nature-inspired

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51/ 19 U.S.C. § 2252(c)(1).

52/ **Exh. 3-B**, Cristo Stone Trends 2023; **Exh. 3-D**, Quartz Countertops Design Trends 2026, Raphael Stone Collection.

53/ **Exh. 3-E**, Understanding Quartz Countertop Vein Colors, Vadara Quartz; **Exh. 3-F**, Countertop Trends 2025: What's In and What's Out, Classic Stoneworks.

54/ **Exh. 3-D**, Quartz Countertops Design Trends 2026, Raphael Stone Collection.

movement reflect more recent shifts in interior design trends. 55/ Veining looks that are similar to marble or quartzite continue to be popular today, although the veining styles have evolved. 56/

Every major player in the QSP market knows that design and aesthetics are paramount. For example, LX Hausys' 2025 Product Innovation Awards were granted specifically for "aesthetic excellence" and the ability of QSPs to elevate visual standards in kitchen and bath design. 57/ Cambria likewise markets quartz surfaces as "available in a wide range of designs, colors, and finishes," emphasizing that its products offer "rich depth, texture, and versatile edge profiles" and that Cambria "set{s} the standard for design innovation" across contemporary and classic interior styles. 58/ Dal-Tile communicates the same message in its ONE Quartz Surfaces® line. Dal-Tile describes the collection as offering "more design choices" – "together the beauty of quartz and modern technology" – with its Marble Look series specifically highlighting realistic veining patterns from "striking vein patterns" to "subtle marbling," created to meet evolving aesthetic needs. 59/

QSP performance features such as durability, scratch resistance, and ease of cleaning are preferred by consumers. But these physical properties do not drive consumer choice. Rather, U.S. importers repeatedly reported that factors like color, pattern, design, surface finishing, fabrication skill, and broader design trends are unique to the QSP market, and purchasers similarly reported that factors such as brand, design, color, and pattern are unique to the QSP market. 60/ Consistent

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55/ *Id.*

56/ **Exh. 3-E**, Understanding Quartz Countertop Vein Colors, Vadara Quartz.

57/ **Exh 3-G**, LX Hausys Awards 2025.

58/ **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure at 2.

59/ **Exh. 4-C**, ONE Quartz Surfaces Catalog, Daltile at 5-6.

60/ Prehearing Staff Report at 6.1-6.2.

with record evidence, color, design, and aesthetics were rated as “very important” by the majority of responding purchasers (21 out of 25), and [ ] even reported that its anticipated efforts to compete in the market would include [

]. <sup>61/</sup> In sum, the market rises and falls on visual trends, design innovation, and appearance-based differentiation.

**C. Multiple Surface Products Compete in the Same Market, Including Quartz, Granite, Marble, Quartzite, Laminate, Solid Surfaces, and Others**

Quartz surface products participate in a multi-material market in which several products compete for use in the same applications. Granite, marble, quartzite, laminate, solid surface, porcelain slab, ceramic slab, and other engineered stones are all used for kitchen countertops, bathroom vanities, backsplashes, commercial surfaces, and similar applications. Specifically, designers deploy stone, quartz, porcelain, and laminate within the same decision set, as competition in the surface product market is defined by aesthetics and function rather than material identity. <sup>62/</sup> Importantly, buyers readily migrate among material categories as design trends evolve.

These market conditions shape the competitive environment in which the domestic QSP industry operates and are a critical factor for the Commission’s analysis under § 2252(c)(1)(B). The Commission should assess the entire surface product market, comprising the products above, when evaluating changes in import volumes and domestic industry performance. <sup>63/</sup> This market dynamic is particularly important to understand how lower-priced QSP imports have increased in

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<sup>61/</sup> Prehearing Staff Report at 6.17 and Tbl. E.3.

<sup>62/</sup> **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler.

<sup>63/</sup> 19 U.S.C. § 2252(c)(1)(B).

volume by taking market share principally from imported granite, as well as other surface products. 64/

Market studies confirm that consumers treat different surface materials as substitutes. The entire kitchen countertop market, perhaps the leading use for surface products, is valued at \$18.34 billion for 2026 and projected to reach USD \$35.25 billion by 2035. 65/ In the United States, QSP accounts for approximately 35 percent of kitchen installations; granite for 30 percent; laminate for 13 percent; solid surface for 12 percent; marble for 5 percent; and ceramic slab for 3 percent. 66/ Globally, QSP accounted for 33 percent of all kitchen countertop materials in 2024, followed by granite at 28 percent, solid surface at 15 percent, laminate at 14 percent, marble at 6 percent, and ceramic/porcelain slab at 4 percent. Likewise, the *Kitchen Design Trends Report* issued by the National Kitchen and Bath Association (“NKBA”) predicts that quartz will be the most popular countertop material through at least 2029—78 percent of surveyed experts expect quartz to remain popular, 62 percent expect natural quartzite to remain popular, and only 43 percent expect granite to remain popular. 67/

Consumers and designers sometimes “trade up” or “trade down” among QSP, natural stone, solid surface, and laminate depending on budget, style, and durability needs. 68/ Trends will change, and different surface products will become more or less popular. What is consistent,

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64/ 19 U.S.C. § 2252(c).

65/ **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler.

66/ **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler; **Exh. 3-I**, 2024 US Countertops Market – Industry Research Report, Freedonia Group.

67/ **Exh. 3-J**, Kitchen Countertop Market Size, Share, Growth, and Industry Analysis, By Type (Granite, Solid Surface, Quartz, Marble, Laminates, Ceramic Slab), By Application (Commercial, Residential), Industry Research at 1. *See also Exh. 3-K*, Designers Say This Countertop Material Will Be Everywhere Next Year, Southern Living.

68/ **Exh. 3-C**, Summerly Quartz – Surface Trends 2025 at 3.

however, is that customers typically seek to purchase surface products within a price point, and then pick the surface product that is most appealing to them around that price point. <sup>69/</sup> Put simply, if QSP were to become more expensive, then many consumers would revert to granite or select another surface product entirely (as opposed to paying higher prices).

**1. Natural Stone Products, in Particular Granite, Are Core Competitors to Quartz**

Granite, marble, and quartzite, all natural stones quarried primarily outside the United States, are active competitors to QSP. The U.S. Countertops Market Report finds that natural stone still accounts for the largest share of the countertop market by value. <sup>70/</sup> Consumers thus continue to value the aesthetics of natural stone, notwithstanding the increasing popularity of engineered surface products. Indeed, many of the most popular QSP designs evoke the look of natural stone, and the Prehearing Report observes that the appearance of QSP has evolved “to one that imitates natural stone patterns or other designs.” <sup>71/</sup>

Consumer preferences have evolved recently, producing a shift away from granite purchases towards QSP purchases. In fact, the Commission’s *QSP from India and Turkey* proceeding observed that this shift commenced as of that POI (2017-2019). <sup>72/</sup> In that investigation, most firms reported to the Commission that there had been increased U.S. demand for QSP since 2017, attributing this demand growth to the expanding range of colors and designs, accelerated consumer acceptance, and the displacement of natural stone. <sup>73/</sup> Moreover, in its 2019

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<sup>69/</sup> **Exh. 1-C**, Elite Declaration.

<sup>70/</sup> **Exh. 3-I**, 2024 US Countertops Market – Industry Research Report, Freedonia Group at 3.

<sup>71/</sup> Prehearing Staff Report at 1.19.

<sup>72/</sup> *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at II-11.

<sup>73/</sup> *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at I-13, II-11.

final determination, the Commission found that QSP had become the top countertop choice in the mass market, surpassing granite. <sup>74/</sup> These consumer demand trends have continued and, indeed, have arguably accelerated. In this investigation specifically: “Firms reported that the overall demand trend for quartz is up and has continued to take market share from other natural stones such as granite.” <sup>75/</sup>

**Exhibit 3-S** provides Census data on imports of marble, granite, quartzite, and quartz over the past several years. QSP imports gained 16 percentage points of total import share over the 2020-2024 period, largely at the expense of granite (down 14 percentage points) and marble (down 2 percentage points). <sup>76/</sup> These data show that there has continued to be a shift from granite to quartz, in particular for mass market applications, which dominate import supply.

## **2. Other Engineered Surface Products Such as Laminate and Solid Surface Also Compete with QSP**

Laminate and solid surface materials also represent a significant share of the mass market. These engineered surface products function as substitutes for QSP in both value-driven residential installations and commercial or institutional settings. Laminate holds about 14 percent share of the global kitchen countertop share. Solid surface products hold approximately 15 percent of

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<sup>74/</sup> *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at II-11.

<sup>75/</sup> Prehearing Staff Report at 6.13.

<sup>76/</sup> **Exh. 3-C**, Summerly Quartz – Surface Trends 2025. According to NKBA data, both quartz and natural quartzite remain highly popular with designers, and although granite’s popularity is declining relative to quartz, it remains part of the primary set of materials evaluated for new kitchens. The Summerly 2025 Trends Report further notes that synthetic quartz competes directly with natural stone because it can successfully mimic marble and granite aesthetics, drawing consumers who want the appearance of natural materials with lower maintenance requirements.

global share and are still widely used where seamless integration or enhanced hygiene is required. 77/

### **3. The Popularity of Other Surface Products Such as Porcelain and Quartzite is Rising Quickly**

Other surface products are rising in popularity and becoming additional key competitors to quartz. For instance, industry sources project that porcelain slab will double its share to approximately 8 percent of global kitchen countertop materials by 2028. 78/ Freedonia identifies porcelain slab as the fastest-growing countertop material in the United States and attributes its success to outstanding stain resistance, heat and frost resistance, high durability, color stability, diverse patterns, and ease of cleaning, all of which position it as an appealing alternative to both engineered stone and granite. 79/ Qualified Remodeler further documents the adoption of porcelain in both indoor and outdoor kitchens, often replacing quartz where UV exposure or extreme temperatures are significant considerations. 80/

Quartzite, a natural stone, is also rapidly increasing in popularity. 81/ Quartzite has increased its share of total surface product imports by three percentage points between January-September 2024 and January-September 2025, periods during which the volumes of both QSP and granite imports declined. 82/ In fact, Cambria's Executive Vice President of Design has

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77/ **Exh. 3-J**, Kitchen Countertop Market Size, Share, Growth, and Industry Analysis, By Type (Granite, Solid Surface, Quartz, Marble, Laminates, Ceramic Slab), By Application (Commercial, Residential), Industry Research at 1.

78/ *Id.* at 2.

79/ **Exh. 3-I**, 2024 US Countertops Market – Industry Research Report, Freedonia Group.

80/ **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler.

81/ *Id.* at 4.

82/ *See* **Exh. 3-S**, Census Data Import Statistics and Supporting Materials (containing import statistics sourced from USITC Dataweb for the following HTS codes: 6802.91.0500 and 6802.91.1500 (marble); 6802.93 (granite); 6802.99 (quartzite); 6810.99.0040, 681099.0020, and

confirmed that there is a “new craze in quartzite.” <sup>83/</sup> Seeking to take advantage of this trend, Cambria has recently created quartzite-look-alike products “that look more like quarried stone.” <sup>84/</sup>

**D. Demand for Surface Products is Driven by New Home and Commercial Building and Remodeling**

The Commission has previously recognized that U.S. demand for QSP “is driven by remodeling and construction” activity. <sup>85/</sup> This remains true today and is consistent with the record evidence.

The post-COVID boom created an unprecedented surge in home improvement and construction activity. Record-low interest rates, elevated household savings, and pandemic-era relocations drove extraordinary demand for surface products. In 2022 and 2023, the market began to stabilize, and then even declined in the latter years of the POI. <sup>86/</sup> By then, many Americans had already moved or renovated, and the sharp rise in interest rates later in the POI created affordability constraints. <sup>87/</sup> These factors, combined with inflation, reduced mobility among homeowners locked into low mortgage rates. Housing affordability pressures are being further compounded by years of underbuilding and extraordinarily tight vacancy rates. Altogether, these

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6810.99.0010 (quartz)).

<sup>83/</sup> See **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure; see also **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler at 4.

<sup>84/</sup> See **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure; see also **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler at 4.

<sup>85/</sup> *Quartz Surface Products from India and Turkey*, Inv. Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at II-8.

<sup>86/</sup> **Exh. 3-L**, 2025 Improving America’s Housing, Joint Center for Housing Studies of Harvard University (2025) at 1–3.

<sup>87/</sup> *Id.*

conditions have kept home prices elevated and prevented many households from forming, moving, or renovating, further dampening downstream demand for surface products. 88/

These weakening domestic demand conditions, as further detailed below, are unrelated to import competition.

### **1. New Home Building is at Record Low Rates**

Multiple indicators show weakened builder activity in the latter part of the POI. For example, the 2025 *Housing Market Index* published by the National Association of Home Builders (“NAHB”) identifies high interest rates as the most pervasive challenge facing homebuilders. NAHB found that, in 2024, 91 percent of builders reported high interest rates as a significant problem, and 78 percent expected them to remain a major constraint to new homebuilding in 2025. 89/ Builders also observed that rising inflation, limited developed lots, labor shortages, and burdensome financing terms materially suppress the pace of new home starts. 90/ These conditions have caused a sustained slowdown in new-build activity.

Dampened demand for home building persists today. Truist Securities reports (as depicted below) that single-family housing starts fell in almost every month of 2025, ending the year approximately 10 percent below 2024 levels and nearly 20 percent below their 2021 peak. 91/

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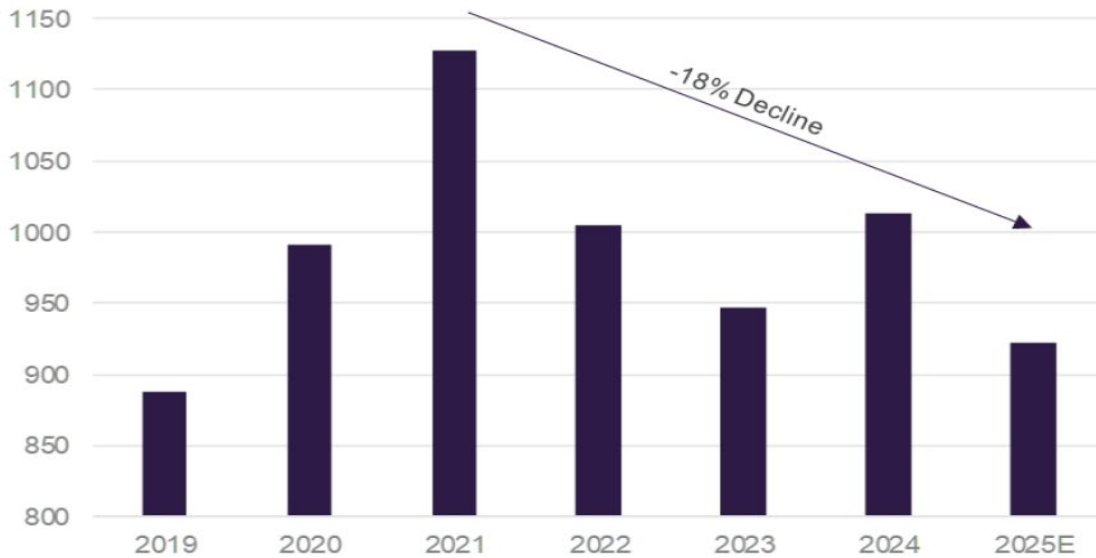
88/ **Exh. 3-M**, Why Nobody Really Knows the Scale of the U.S. Housing Crisis, Wash. Post.

89/ **Exh. 3-N**, Housing Market Index - Special Questions on Builders Challenges/Problems Faced in 2024 and Expect to Face in 2025, National Association of Home Builders Economics & Housing Policy Group at 4.

90/ *Id.*

91/ **Exh. 3-O**, Building Products/Durable Goods - 2026 Preview, Truist Securities at 1.

## Single-Family Housing Starts Since 2019



Source: US Census Bureau, Truist Securities Estimates

This challenging period for builders marks a reversal from the immediate post-COVID boom, when historically low mortgage rates and pandemic-driven movement temporarily elevated housing demand.

Compounding these pressures, the NAHB has warned that newly imposed federal tariffs on lumber, cabinets, and furniture are raising construction and renovation costs and creating additional headwinds for an already challenged housing market. <sup>92/</sup> The Leading Builders of America (“LBA”) has explained that, during this homebuilding downturn and affordability crisis new safeguard measures on QSP would serve to harm homebuilders and their everyday American customers even further. <sup>93/</sup>

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<sup>92/</sup> **Exh. 3-P**, New Tariffs on Lumber, Wood Product Imports Add Headwinds to Housing Market NAHB.

<sup>93/</sup> Letter from Leading Builders of America to the U.S. International Trade Comm’n, *U.S. Builder Opposition to the Sections 201-202 Safeguard Petition on Quartz Surface Products*, Inv. No. TA-201-79 (December 12, 2025).

## 2. Remodeling

Remodeling activity is currently more stable than homebuilding. During the immediate post-pandemic period, remodeling surged as homeowners— buoyed by savings and low interest rates— undertook deferred projects or improvements after relocating. As those atypically high remodeling levels normalized, spending flattened and then modestly declined (though still above historical baselines). <sup>94/</sup>



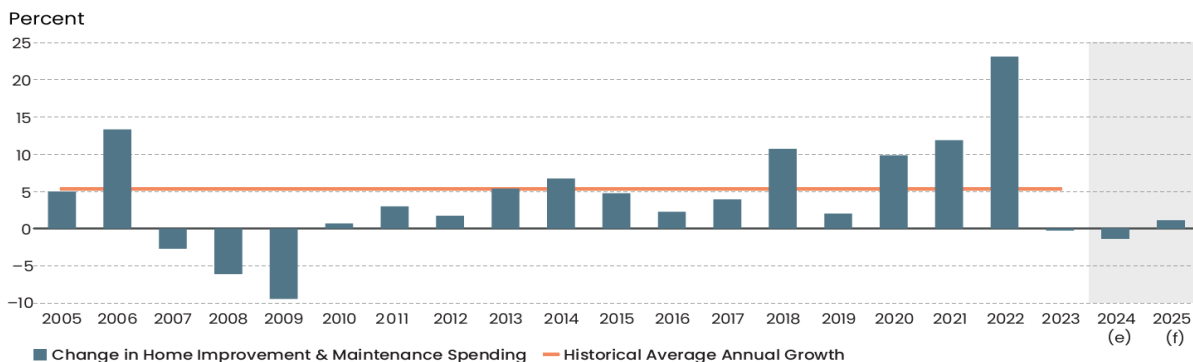
According to the Joint Center for Housing Studies (“JCHS”) of Harvard University, the U.S. remodeling market reached an unprecedented \$611 billion in 2022 and, following modest declines, is projected to remain above \$600 billion annually through 2025. <sup>95/</sup> JCHS characterizes the retreat from pandemic-era highs as “short-lived and mild,” emphasizing that spending levels

<sup>94/</sup> **Exh. 3-O**, Building Products/Durable Goods - 2026 Preview, Truist Securities at 1.

<sup>95/</sup> **Exh. 3-L**, 2025 Improving America’s Housing, Joint Center for Housing Studies of Harvard University (2025) at 3.

remain well above historic norms. <sup>96/</sup> Much of this heightened demand comes from the fact that U.S. housing stock is aging—reaching a median age of 44 years in 2023—requiring more frequent kitchen, bath, and systems replacements that typically involve new surface installations. <sup>97/</sup>

**The Remodeling Downturn Is Expected to Be Short-Lived and Mild**



Notes: Estimated (e) and forecasted (f) values are modeled using the 2024:Q4 LIRA. Historical average annual growth is from 1995 to 2023. Source: JCHS analysis of HUD, American Housing Surveys; US Department of Commerce, Retail Sales of Building Materials; US Census Bureau, C-50; US Bureau of Economic Analysis, Detailed Fixed Asset Tables; US Bureau of Labor Statistics, Consumer Price Index: Rent of Primary Residence; and LIRA.

Leading Indicator of Remodeling Activity (“LIRA”)-based forecasts show that remodeling spending, after a period of deceleration, is stabilizing at historically elevated levels. <sup>98/</sup> This plateauing follows the unwinding of the pandemic-era spike and reflects the market’s adjustment to higher borrowing costs and lower household mobility. The LIRA projects that remodeling growth is expected to have resumed in 2025, <sup>99/</sup> consistent with the NAHB’s Remodeling Market Index (“RMI”)—the NAHB remained in positive territory at 64 in the fourth quarter of 2025,

<sup>96/</sup> *Id.*

<sup>97/</sup> *Id.* at 4. JCHS further documents that, between 2021 and 2023, aggregate improvement expenditures became more concentrated among high-spending households, as homeowners focused more on professional installations that require skilled labor, such as kitchen and bath remodels. During that period, annual spending on professionally installed projects grew by 14 percent. *Id.* at 2-3.

<sup>98/</sup> *Id.* at 2.

<sup>99/</sup> *Id.* at 3.

despite a decline from its 2021 high. 100/ These findings indicate that, notwithstanding myriad economic headwinds, more remodelers continue to describe market conditions as good rather than as being poor. 101/

Consumer survey data corroborate these findings. For example, *Houzz* reports that renovation activity continued at high levels in 2023 and 2024, despite inflation and cost pressures, listing kitchen and bathroom remodels as the most popular renovation type. 102/ These patterns reinforce that remodeling demand remains structurally strong, particularly in kitchens and bathrooms where surface product uses are concentrated.

#### **E. Demand for Quartz Has Increased and Continues to Increase**

QSP is now the most-used surface product, for both new construction and remodeling. Demand for QSP accelerated during the post-COVID remodeling boom, when design-driven renovations spiked, and has continued to rise even as overall surface-product demand softened due to affordability pressures.

Quartz now accounts for approximately 35 percent of U.S. kitchen countertop installations. 103/ Global forecasts report that the quartz countertop market expanded to

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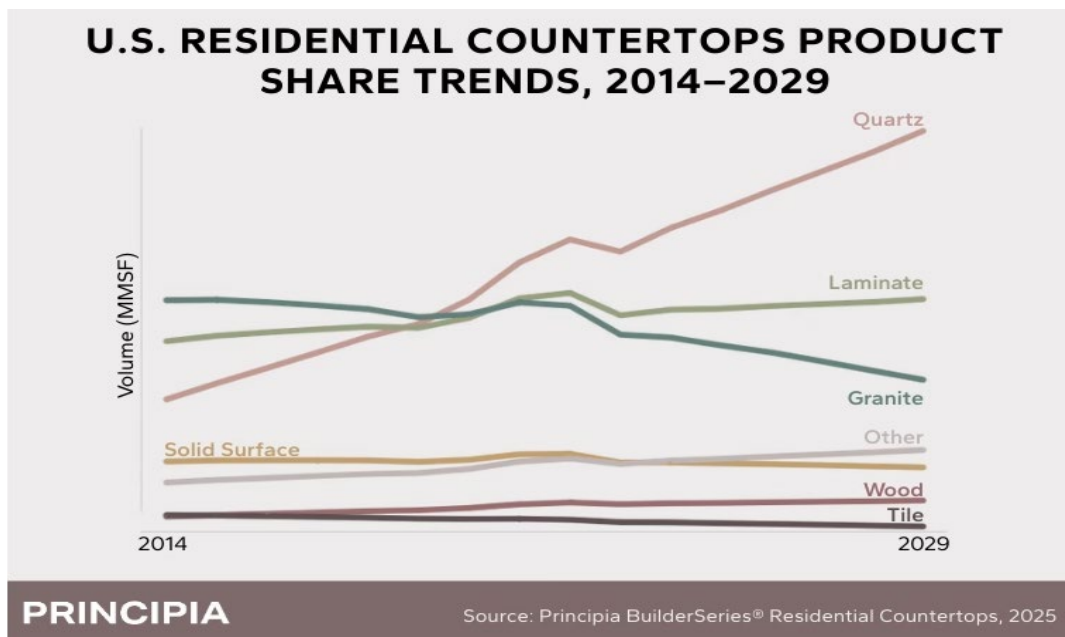
100/ **Exh. 3-Q**, NAHB/Westlake Royal Remodeling Market Index (RMI) Fourth Quarter 2025 at 6.

101/ **Exh. 3-Q**, NAHB/Westlake Royal Remodeling Market Index (RMI) Fourth Quarter 2025 at 6. Remodelers report that strong homeowner equity, persistent aging-in-place improvements, and the accumulated repair needs of older housing stock continue to support demand. *Id.* at 1.

102/ **Exh. 3-R**, 5 Home Renovation Spending Trends to Know About in 2025, *Houzz*.

103/ **Exh. 3-J**, Kitchen Countertop Market Size, Share, Growth, and Industry Analysis, By Type (Granite, Solid Surface, Quartz, Marble, Laminates, Ceramic Slab), By Application (Commercial, Residential), Industry Research at 1.

\$8.95 billion in 2024 and is projected to grow even further from \$9.53 billion in 2025 to \$15.72 billion in 2032, reflecting compound annual growth of 7.3 percent. <sup>104/</sup>



Industry analysts attribute this extended growth to quartz’s unique market position as the material of choice for both homeowners and builders due to its ability to deliver consistent quality, broad color selection, and reliable supply. <sup>105/</sup> Unlike natural stone, which varies widely in appearance and may require careful selection, quartz offers fabricators and designers predictable results and seamless integration. <sup>106/</sup> This consistency reduces aesthetic risk and allows builders to specify quartz confidently in large-scale installations.

Advances in manufacturing technology have further enhanced quartz’s appeal, enabling producers to create surfaces that closely mimic the look of natural marble, granite, and other stones

<sup>104/</sup> Exh. 3-T, Quartz Countertops Market, Global Outlook and Forecast 2025-2032, 24 Chemical Research at 1.

<sup>105/</sup> Exh. 3-U, Quartz Market Shifts: Why This Stone's Value Keeps Rising, The Marble Guide.

<sup>106/</sup> Exh. 3-V, Quartz Surfaces Market Growth Analysis, Market Dynamics, Key Players and Innovations, Outlook and Forecast 2025-2032, Intel Market Research.

while maintaining the durability and ease of maintenance that quartz is known for. 107/ The latest engineered quartz products feature high-movement veining, soft-white backgrounds, and large-format designs that align with current consumer trends. 108/

Quartz’s favorable physical properties have also contributed to its widespread adoption. Engineered QSP is non-porous, highly resistant to stains, scratches, and heat, and requires minimal maintenance compared to natural stone, although these functional attributes are secondary to aesthetics in driving consumer choice. 109/ At the fabrication stage, quartz’s engineered consistency makes it more predictable to cut and shape than natural stones. One fabrication guide notes that granite’s natural variability “makes it harder to cut and shape,” whereas quartz, being engineered, is “more predictable to work with,” which can lower fabrication labor costs. 110/ Similarly, industry descriptions emphasize that granite’s hardness and irregularity require specialized diamond-tipped saws, advanced cutting equipment, and greater effort to achieve clean seams and polishing, underscoring the comparatively greater fabrication challenges associated with natural stone. 111/ The Prehearing Report also notes that “fabricators were reported as generally preferring to work with QSP due to its ease of sale, long-term performance, and simplified fabrication process.” 112/

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107/ **Exh. 3-W**, Quartz Market Size, Share, Growth, and Industry Analysis, Business Research Insights.

108/ **Exh. 3-X**, Global Engineered Quartz Surfaces Market Size, Share & Trends Analysis 2026-2032, PW Consulting Limited.

109/ **Exh. 3-W**, Quartz Market Size, Share, Growth, and Industry Analysis, Business Research Insights.

110/ **Exh. 3-Y**, Castorena’s Granite and Quartz, LLC, Comparing the Cost of Fabricating Quartz and Granite Countertops at 2.

111/ **Exh. 3-Z**, How Do Countertop Fabricators Handle the Unique Challenges of Different Materials?, Granite Depot.

112/ Prehearing Staff Report at 6.14.

These differences in fabrication complexity help to explain why quartz has become attractive to many fabricators. This fabrication predictability supports efficient, repeatable installation without the additional steps required to manage natural stone inconsistencies. Accordingly, even as overall home-improvement spending has moderated from its post-COVID highs, quartz has continued to expand its share within a market adjusting to higher rates and reduced mobility.

**F. The U.S. Market is Segmented Between High-End, Luxury Product and Mass Market Product**

The U.S. surface product market is characterized by two distinct segments that reflect different purchasing patterns and price expectations: (1) the premium, high-end, luxury segment, in which domestic producers principally participate, and (2) a mass market segment (largely builder-grade) supplied primarily by imported quartz. Market segmentation is a fundamental condition of competition. Domestic producers, led by Cambria at the highest end of the luxury market, compete almost exclusively in the premium portion of the market, while imports largely compete in the lower-priced, higher-volume segment.

**1. Mass Market Production Builders Are Not Purchasing Luxury Quartz**

Mass market production builders overwhelmingly select imported mass market quartz, granite, and solid surface/laminate. <sup>113/</sup> They rarely select premium, branded domestic QSP products that cater to a more particular and specific aesthetic.

Luxury segment leader Cambria positions its quartz surfaces as high-end products with exclusive, highly stylized designs featuring significant artistic veining, quartzite-look depth, and warm-toned color structures. <sup>114/</sup> Cambria markets its slabs based on their visual richness,

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<sup>113/</sup> **Exh. 1-C**, Elite Declaration.

<sup>114/</sup> **Exh. 3-C**, Summerly Quartz – Surface Trends; **Exh. 4-B**, Cambria Quartz vs. Quartzite

reflective depth, and unique patterns, appealing to consumers seeking luxury, exclusivity, and visually dramatic residential installations. 115/ These are factors that are unrelated to, and not meaningfully affected by, lower-priced import competition. The whole point of buying a Cambria countertop as a luxury good is that it is unique and high-priced.

The LBA, an association representing twenty-two of the nation’s largest production homebuilders, has explained to the Commission why large homebuilders do not buy premium domestic quartz. 116/ The LBA advises that the luxury aesthetic of these high-end products does not meet the needs of their customers, nor is it feasible for national builders to purchase individualized and design-driven pieces for large-scale construction projects. When they select quartz, large builders instead rely primarily on lower-cost imported quartz in standard home packages. When countertop prices rise, market research shows that middle- and lower-income households trade down to lower-priced countertop materials with more basic appearances, including granite, laminate, and other non-quartz surfaces. 117/

The LBA underscores that “most of our members do not use Cambria countertops in their projects” because Cambria “is typically used in custom built luxury homes to meet the needs of high-end buyers, not the middle-class homes and buyers that we typically service.” 118/ Indeed,

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Countertops Brochure.

115/ **Exh. 3-C**, Summerly Quartz – Surface Trends; **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure.

116/ Letter from Leading Builders of America to the U.S. International Trade Comm’n, *U.S. Builder Opposition to the Sections 201-202 Safeguard Petition on Quartz Surface Products*, Inv. No. TA-201-79 (Dec. 12, 2025) at 2.

117/ **Exh. 3-AA**, United States Cabinets and Countertops Market Report 2022-2027: Demand Could Begin to Stabilize in 2024 as Interest Rates Moderate and Households Regain Confidence, Research and Markets.

118/ Letter from Leading Builders of America to the U.S. International Trade Comm’n, *U.S. Builder Opposition to the Sections 201-202 Safeguard Petition on Quartz Surface Products*, Inv.

the luxury aesthetic, including Cambria’s bold designs, does not fit the needs of builders, who require countertops that are more consistent and versatile such that they can be paired with a variety of other fixtures (cabinets, flooring, appliances, *etc.*). The LBA further explains that the limited availability of domestic supply relative to booming builder demand “has necessitated our buying substantial quantities of imported QSPs.” 119/ These statements, offered directly by the country’s leading production builders, confirm that Cambria has no meaningful presence in the mass market segment.

By contrast, a separate, high-volume mass market segment exists primarily to serve builders, multi-family developers, and other institutional purchasers whose needs differ significantly from the premium tier. This mass market segment comprises QSPs that offer neutral, broadly appealing aesthetics such as white and off-white bases, light marble-look veining, creamy beiges, soft taupes, and other visually flexible designs that coordinate easily with standard cabinetry and flooring selections. 120/ These surfaces are selected because their versatile, on-trend visuals allow developers to achieve consistent design schemes across large-scale residential and multi-unit projects, where uniformity, broad consumer appeal, and contemporary styling are essential. In this segment, appearance drives demand as well: builders choose quartz surfaces that deliver neutral, modern aesthetics aligned with buyer expectations in new-construction and multi-family developments.

Market research confirms this two-tier structure. The 2026 *Kitchen Countertop Market Report* distinguishes “premium quartz” (priced at \$80-\$150 per square foot installed), purchased

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No. TA-201-79 (Dec. 12, 2025) at 2.

119/ *Id.*

120/ **Exh. 3-B**, Cristo Stone Trends 2023; **Exh. 3-BB**, Yeyang Trends 2025 at 1–3.

mainly by “affluent homeowners and high-end residential projects” for its design and brand value, from “economy quartz” (priced at \$50-\$80), which dominates unit volume among “budget conscious buyers” and developer-grade buyers. This QSP pricing disparity reflects different needs and preferences at different ends of the market—builders need neutral, versatile QSP for large-scale construction projects and are uninterested in purchasing the types of distinctive designs marketed towards the higher end of the market.

This market segmentation will not change if new trade barriers are placed on imported QSP. Rather, builders and other mass market segment buyers will need to substitute QSP with granite and other surface product options if QSP cannot meet their pricing tiers and/or are unavailable in *sufficient quantities and meeting design needs*.

## **2. Cambria Does Not Try to Serve the Mass Market**

The segmentation between mass market and high-end luxury products is reinforced by how brands position themselves. Cambria’s premium, highly stylized designs, extensive marketing, and brand storytelling— all reflected in its “Cambria Difference” messaging 121/— contrast starkly with mass market suppliers’ value-oriented branding. Major national builders do not buy luxury materials like Cambria, 122/ and Cambria itself confirms that it does not market to the broader production builder universe. Cambria’s Executive Vice President of Design has described its quartz as best suited for “custom luxury homes” and for “custom and higher-end production builders,” emphasizing that homeowners recognize Cambria as “a mark of luxury.” 123/

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121/ **Exh. 4-D**, Q&A With Cambria: Appealing to Today's Luxury Builders and Their Homeowners, HomeSphere at 3.

122/ Letter from Leading Builders of America to the U.S. International Trade Comm’n, *U.S. Builder Opposition to the Sections 201-202 Safeguard Petition on Quartz Surface Products*, Inv. No. TA-201-79 (Dec. 12, 2025) at 2.

123/ *Id.*

Cambria highlights “fearless artistic expression,” American craftsmanship, and luxury aesthetics engineered to appeal to interior designers and the most discerning homeowners. This is not aspirational marketing but an accurate description of Cambria’s commercial strategy. Cambria repeatedly underscores that it partners with “luxury builders” who are “design driven” and who seek to “elevate every project.” 124/ This is a buyer profile aligned with the luxury segment and incompatible with the price-sensitive builder market. 125/ These luxury-oriented design choices are readily apparent in Cambria’s portfolio, reflected in the example below, which include dramatic vein-forward styles such as St. Isely, wavy sculptural patterns like Inverness Bristol Bay, and other bold designs. 126/



Cambria’s extensive investment in luxury branding further confirms its focus on the premium tier. The company has heavily invested in national-level, multi-media campaigns developed with the agency Space150, including a Game-of-Thrones-inspired feature film titled

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124/ *Id.*

125/ *Id.*

126/ **Exh. 4-E**, Cambria Quartz Designs, St. Isley.; **Exh. 4-F**, Cambria Quartz Designs, Inverness Bristol Bay; *see also, e.g., Exh. 1-A.2* at Wisenbaker Declaration (explaining that Cambria does “not create repeat patterns in the vined products, each slab is unique” and that Cambria’s selections are “more suited to a particular buyer creating a niche”).

*Legend of Cambria*, narrated by actor Colin Farrell. 127/ This production, along with Cambria's use of celebrity spokespeople such as Bryan Cranston, has long been part of its deliberate strategy to position itself as a luxury lifestyle brand. 128/



These branding efforts underscore that Cambria competes on artistry, exclusivity, and national prestige rather than on commodity price or volume. Consistent with its luxury-brand strategy, Cambria's elevated prices are themselves part of Cambria's appeal. A Cambria countertop and the price point that comes with it, signals exclusivity and prestige, like a designer handbag or a luxury car. 129/ Cambria's marketing model successfully enables it to command massive price premiums. It is antithetical to Cambria's brand to sell at lower prices required for mass market applications where affordability is paramount.

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127/ **Exh. 4-G**, Legend of Cambria IMDb Page.

128/ **Exh. 4-H**, Cambria USA, Cambria USA, Having It All, Cambria Style.

129/ **Exh. 3-GG**, Luxury Marketing: A Deep Dive into High-End Branding, Sothebys Institute of Art.

The structure of other domestic suppliers' product offerings further reinforces this market segmentation. Dal-Tile's ONE Quartz® price list and catalog show that its lowest priced groups— Group 0 and Group 1— are used predominantly in builder programs and appear to be entirely imported. *None* of the twelve colors contained in these groups are made in the United States. Domestic produced QSP first appears only at Group 2, accompanied by a price-per-foot increase of 34.75% over Groups 0 and 1. 130/ In sum, products marked as “Made in the USA” are disproportionately represented in Dal-Tile's higher-design, higher-priced groups, whereas imported QSP fill the lowest groups.

Elite Quartz likewise positions its high-end U.S.-made slabs around design and visual innovation, not low-cost mass-market offerings. Its manufacturing materials emphasize the production of next-generation quartz colors and designs, using advanced processes. 131/ These offerings signal a design-forward, higher-style orientation, rather than an economy-tier product. Elite Quartz's products feature deeper veining, enhanced coloration, and light-reflective visual qualities characteristic of higher-styled surfaces. Like Cambria, Elite does not target high-volume production-builder programs. Instead, it positions its products as distinctive and design-oriented.

In contrast to domestic producers, mass market suppliers of imported QSP focus on broad color availability, competitive pricing, and reliable national distribution. For example, MSI's guiding value statement is to “make dream surfaces attainable.” 132/

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130/ **Exh. 4-C**, ONE Quartz Surfaces Catalog, Daltile; **Exh. 4-O**, *CTF Class Price List*, Daltile.

131/ **Exh. 4-I**, LumaLuxe Quartz Countertops - Q Premium Natural Quartz, MSI Surfaces.

132/ **Exh. 4-J**, About Us, MSI Surfaces; **Exh. 4-K**, Surfaces International, MS International: “Make Dream Surfaces Attainable”.

### 3. Technology and Design Capabilities Further Segment the Market

Manufacturing technology is another dividing line between the luxury and mass market segments. Domestic producers, like Cambria, rely on proprietary Breton-based production. Breton production excels at high-end, design-intensive surfaces.

Breton-based slab production is also more capital-intensive than lower-tech alternatives, as this is a proprietary technology. Breton's own technical materials describe an integrated, patented vibro-compression-under-vacuum process delivered as a turnkey "plant" package with layout engineering, specialized machinery and software, installation/start-up, know-how transfer, and licensed options for silica-free slab technologies. <sup>133/</sup> These features raise fixed costs relative to manual or semi-manual systems. By way of example, a new Texas project has marketed a next-generation Breton-powered factory and has targeted roughly \$25 million in capital required. <sup>134/</sup>

There are some Breton suppliers servicing the U.S. market from abroad. However, the bulk of the volume of imports do not use Breton production. Those more handmade production processes offer greater flexibility and are capable of producing the styles that drive the bulk of consumer preferences in the mass market. <sup>135/</sup>

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<sup>133/</sup> **Exh. 3-DD**, Breton S.p.A., BretonStone® – Silica-Free Slab Manufacturing Plant; Breton S.p.A., *BretonStone® – Technical Specifications*, [https://breton.it/en\\_oce/products/plants/bretonstone-silica-free-slab-production-plant](https://breton.it/en_oce/products/plants/bretonstone-silica-free-slab-production-plant) (last accessed Feb. 13, 2026); Breton S.p.A., *Industrial Plants – Breton*, <https://breton.it/products/plants> (last accessed Feb. 13, 2026); Breton S.p.A., *Bioquartz – Crystalline Silica-Free Aggregate Manufacturing Plant*, [https://breton.it/en\\_eu/products/plants/bioquartz-silica-free-aggregate-manufacturing-plant](https://breton.it/en_eu/products/plants/bioquartz-silica-free-aggregate-manufacturing-plant) (last accessed Feb. 13, 2026).

<sup>134/</sup> **Exh. 3-EE**, Made In America, Powered By Italy: High-Yield Industrial Opportunity, OK Stone – Bryax Capital.

<sup>135/</sup> **Exh. 3-FF**, What is Breton Technology in Quartz Stone Manufacturing?, Relay Stone; *Design and production of advanced machinery, industrial plants, technology and software*, Breton, [https://breton.it/en\\_na/products](https://breton.it/en_na/products) (last accessed Feb. 13, 2026); **Exh. 3-HH**, Quartz Countertop Color Trends: A Look Ahead To 2025, Venezia Surfaces; **Exh. 3-II**, Trending Kitchen

**G. Cambria is a Difficult Business Partner, Particularly for Fabricators**

Most fabricators either cannot or will not work with Cambria. Despite Cambria’s luxury market appeal and strong brand recognition, there are a litany of examples of Cambria making business difficult for fabricator customers. This is happening at the same time that Cambria has sought to compete with U.S. fabricators through its own nationwide fabrication business. These schisms between Cambria and the bulk of the domestic QSP industry are critical to the Commission’s understanding of the U.S. market.

Cambria has long structured its relationships with fabricators so as to assert extensive control over who may purchase, fabricate, and resell its slabs, and under what conditions. Cambria’s own Product Supply Terms & Conditions underscore that fabricator-customers have no exclusive territory and that Cambria may engage “other entities and business ventures, whether or not such entities and ventures are competitive with Customer.” 136/ Cambria reserves the unilateral right to reject or cancel previously confirmed orders, suspend deliveries, demand personal guarantees, impose credit limits, and terminate the relationship “for any or no reason, on at least sixty (60) days written notice.” 137/ Cambria further forbids fabricators from selling uncut slabs to others without prior written approval from Cambria’s Chief Sales Officer and requires fabricators to verify that any third party providing fabrication is “authorized by Cambria.” 138/

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Countertop Designs for 2026 You’ll Love, USA Marble & Granite.

136/ **Exh. 4-L**, Product Supply Terms and Conditions, Cambria at 2.

137/ *Id.* at 7.

138/ *Id.* at 10. *See also Exh. 6-I, Lakeside Surfaces, Inc. v. Cambria Company, LLC*, Affidavit of Matt Neiger.

These contractual provisions denote a system under which fabricators operate only at Cambria’s discretion, with limited autonomy and significant operational constraints. These conditions are unworkable for most fabricators and have real world consequences on fabricators’ businesses. Cambria has historically dictated which business partners have been permitted to fabricate its products by designating certain customers as “fabricator associates” and relegating others to “installer associate” status, depending on their proximity to Cambria-controlled fabrication shops. <sup>139/</sup> Cambria has even prohibited installer associates from purchasing Cambria slabs, reflecting Cambria’s tight control over the market.

In short, Cambria restricts who may fabricate, how they may fabricate, and to whom they may sell their fabricated end products. It is unafraid to terminate longstanding relationships when partners seek flexibility to meet market needs. These practices materially influence domestic supply conditions and fabricator behavior. It is an essential element of intra-industry conditions of competition that has an impact on overall domestic industry performance and the need for fabricators to have diversity of supply.

#### **H. Mass Tort Litigation and Regulations Are an Existential Threat to the Domestic QSP Industry**

Silicosis and fibrosis are progressive and sometimes fatal lung diseases that can allegedly be caused by breathing in fine crystalline-silica dust particles, metals, and other constituents generated during certain cutting, grinding, and fabrication activities when appropriate dust controls are not used. <sup>140/</sup> There have been hundreds of lawsuits against QSP manufacturers and suppliers

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<sup>139/</sup> **Exh. 6-H**, Cambria Co., LLC v. M&M Creative Laminants, Inc., 11 N.W.3d 318, 321 (Minn. 2024).

<sup>140/</sup> **Exh. 5-A**, Cleveland Clinic, Silicosis. *See also*, **Exh. 5-H**, H.R. 5437: Protection of Lawful Commerce in Stone Slab Products Act at 1 (finding that stone slab products are not inherently

related to the rapidly escalating regulatory and safety concern. The attendant legal, regulatory, and public health pressures are a powerful force impacting firm and industry behaviors, investment decisions, product development, and long-term expectations.

In sworn testimony submitted to the House Judiciary Committee just last month, Cambria stated that it is “under attack by hundreds of lawsuits” brought by workers “who never worked at or for Cambria” and warned lawmakers that “the future of {its} business and many others in the industry is at stake today.” <sup>141/</sup> The Western Occupational and Environmental Medical Association, an organization of roughly 600 occupational health doctors, has petitioned California regulators to ban engineered stone outright, claiming that “engineered stone . . . is too toxic to fabricate and install safely” and that “education and enforcement alone” will not “curtail the escalating health emergency.” <sup>142/</sup> The underlying issue is the misuse of stone products, including QSP—not the products themselves. Notwithstanding, these circumstances pose an existential threat to the QSP industry.

Litigation risk has increased in volume and intensity. Allegations of injury arising from fabrication activities have led to one \$52.4 million award in 2024 to just one plaintiff, as well as more than \$26 million in aggregate confidential settlements in 2025. <sup>143/</sup> The \$52.4 million award attributed 10% of the damages to Cambria and also entered judgment against it. <sup>144/</sup> Public

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dangerous and that alleged silicosis injuries arise from silica dust generated during fabrication activities beyond the control of manufacturers and sellers).

<sup>141/</sup> **Exh. 5-B**, Rebecca Shult, Chief Legal Officer, Cambria, Submitted Statement Before the Subcomm. on Courts, Intell. Prop., Artificial Intelligence & the Internet at 1-2.

<sup>142/</sup> **Exh. 5-C**, Some engineered stone countertop workers facing deadly lung disease from silica exposure, InvestigateTV at 6.

<sup>143/</sup> **Exh. 5-D**, Landmark Results Against Artificial Stone Manufacturers Total Over \$78 Million for Workers with Fatal Silicosis, Brayton Purcell LLP.

<sup>144/</sup> **Exh. 5-E**, L.A. Jury Finds \$52.4 Million in Damages in Silicosis Case, Stone Update at 2.

sources show that the aggregate value of settlements and verdicts in litigation naming Cambria as a defendant now exceeds \$157 million, and Cambria alone has been named in approximately 400 active lawsuits in California (not accounting for the broader pool of nationwide claims). 145/ These cases involve allegations of severe respiratory injuries asserted in civil litigation. 146/ This litigation wave threatens not just direct financial liability but also, irrespective of their merit, substantial legal costs, insurance strain, reputational consequences, and long-term uncertainty. In fact, there are now so many cases in California that they have been coordinated in one court in Los Angeles, which is setting trials at the rate of one a month. These cases inevitably influence domestic producer behavior, investment choices, and market expectations. 147/

The federal regulatory landscape is evolving at a similarly rapid pace. The changing regulatory environment further places destabilizing pressures on the domestic industry. The Western Occupational and Environmental Medical Association's petition to California regulators regarding engineered stone reflects continued regulatory scrutiny and uncertainty affecting the domestic QSP industry. 148/

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145/ **Exh. 5-F**, Top Cambria Quartz Lawsuit Settlements and Amounts, Melinda J Helbock A.P.C.; **Exh. 5-G**, As California Silicosis Cases Rise, Engineered Stone Industry Seeks Immunity in DC, KQED; **Exh. 5-J**, Cambria Lawsuits Settlements and Amount, Hemblock APC.

146/ **Exh. 5-H**, H.R. 5437: Protection of Lawful Commerce in Stone Slab Products Act.

147/ **Exh. 1-C**, Elite Declaration at 10.

148/ See **Exh. 5-I**, *H.R. 5437, the WOEMA Petition to Cal-OSHA, and the ISFA Proposal to Cal-OSHA*, Brayton Purcell LLP (Jan. 21, 2026), available at <https://www.braytonlaw.com/wp-content/uploads/2026/01/Statement-JPN-Congress-and-Standards-Board.pdf>.

#### IV. THE DOMESTIC INDUSTRY HAS NOT SUFFERED SERIOUS INJURY

##### A. This Safeguard Case is Unprecedented Due to Substantial Opposition by Members of the Domestic Industry

As discussed in Section I above, both the handful of U.S. slab producers and the thousands of U.S. fabricators fit squarely within the statutory definition of the “domestic industry.” <sup>149/</sup> Thus, when evaluating whether the domestic industry has been seriously injured, the Commission must evaluate the statutory criteria with respect to the *entire* domestic industry. In doing so, the Commission will find that there is no serious injury at all, nor serious injury substantially caused by imports, which are the lifeblood of domestic fabricator manufacturers.

This case is unprecedented due to the breadth and depth of domestic industry opposition to the Petition. In addition to two U.S. slab manufacturers—Elite Quartz and Caesarstone—thousands of U.S. fabricators, accounting for [ ] square feet of domestic production, are opposed to the Petition and registered their objections even to the Commission’s institution of this investigation. <sup>150/</sup> In fact, there are just [ ] fabricators that reported that they support the

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<sup>149/</sup> 19 U.S.C. § 2252(c)(6).

<sup>150/</sup> See Letter to Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Fabricator Opposition to Institution of Sections 201-202 Petition on Quartz Surface Products*, Inv. No. TA-201-79 (Sept. 19, 2025); see also Letter to Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Further Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, Inv. No. TA-201-79 (Sep. 22, 2025); Letter to Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Additional Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, Inv. No. TA-201-79 (Sept. 25, 2025); Letter to Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *More Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, Inv. No. TA-201-79 (Nov. 17, 2025); Letter to Sec’y Int’l Trade Comm’n from The Rockheads Group USA, *Opposition to Institution of Safeguard Case on Quartz Surface Products*, Inv. No. TA-201-79 (Nov. 17, 2025); **Exh. 1-A.1**, Fabricator Declaration List.

Petition. <sup>151/</sup> The Commission must take into account the myriad dissenting views of domestic fabricator manufacturers, which are the large majority of the domestic QSP industry by any metric.

The tremendous wealth of opposition to the Petition is in and of itself strong evidence of a lack of serious injury. Fabricators representing over ten thousand American workers have confirmed that the Petition represents the interests of but a select few multinational corporation slab producers, not the position of the thousands of small American fabricators. <sup>152/</sup> QSP imports are not seriously injurious—on the contrary, trade-restrictive measures on imported QSP slabs would be “enormously harmful to domestic fabricator producers of QSP.” <sup>153/</sup> In fact, economic modelling demonstrates that the QMAA’s proposed tariff remedy would result in a loss of over \$600 million in the welfare of the domestic industry. **Exhibit 7-A** contains the results of a COMPAS model analysis, which shows that imposition of 50 percent tariffs would lead to a substantial reduction in consumption of both slab and fabricated QSP and would reduce the domestic industry’s sales volumes, revenues, and profits.

Below we discuss the statutory factors the Commission must evaluate in a safeguard proceeding for both slab manufacturers and fabricator manufacturers. We do so on an aggregated basis where possible. We assess the domestic industry on a disaggregated basis in certain scenarios to avoid double counting and to present a clear picture of the entire industry. Regardless of how

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<sup>151/</sup> See U.S. Fabricator Questionnaire Responses at I-3. We note that U.S. Fabricator [ ] reported that it [ ] the petition and thus is included in the count above. However, [ ] narrative response indicates that it actually [ ]

<sup>152/</sup> **Exh. 1-A**, Fabricator Declarations.

<sup>153/</sup> Letter to Sec’y Int’l Trade Comm’n from The Rockheads Group USA, *Opposition to Institution of Safeguard Case on Quartz Surface Products*, Inv. No. TA-201-79 (Nov. 17, 2025).

the data are presented, the conclusion is the same—the domestic industry has not experienced serious injury.

**B. There Has Been No Serious Idling of Domestic QSP Production Facilities or Underutilized Capacity**

**1. The Only Idled QSP Producer, Caesarstone, Opposes the Petition and Has Explained Why Its Closure Was Unrelated to Imports**

The only QSP producer to idle or close its manufacturing operations during the POI was Caesarstone. The QMAA seeks to employ Caesarstone as the poster child for an allegedly weak domestic slab production industry. Not so. Caesarstone opposes the petition. It also made clear in a public letter to the Commission prior to institution that the Petition “misrepresents Caesarstone’s business decisions and misuses {its} name.” <sup>154/</sup> Caesarstone describes how the Petition “cites Caesarstone’s decision to close {its} Georgia QSP plant in December 2023 as evidence of alleged serious injury that was substantially caused by imports,” and then declares in no uncertain terms: “***This is incorrect.***” <sup>155/</sup> Caesarstone makes clear that Caesarstone was “not ‘forced’ to close {its} Georgia facility as the result of import competition.” <sup>156/</sup> Caesarstone also informed the Commission that the QMAA’s invocation of Caesarstone’s name “mischaracterizes {its} strategy of innovation and responsible sourcing” and explained how a “global safeguard would consolidate market power in the hands of a few, large and deep-pocketed petitioners at the expense of thousands of American businesses and their workers.” <sup>157/</sup>

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<sup>154/</sup> Letter to Int’l Trade Comm’n from Kobi Brenner, CFO, Caesarstone Ltd., *Objection to Petition for Safeguard Measures on Quartz Surface Products*, (Sept. 22, 2025) (“Caesarstone Objection to Petition”) at 1.

<sup>155/</sup> *Id.*

<sup>156/</sup> *Id.*

<sup>157/</sup> *Id.*

In a declaration enclosed as **Exhibit 1-D**, Caesarstone’s CEO Yos Shiran further clarifies that Caesarstone’s focus is on design, marketing, brand innovation, and distribution. 158/ CEO Shiran describes its multi-year strategic reorganization that resulted in the closure of its Israeli and U.S. QSP production facilities. 159/ CEO Shiran further elaborates:

Our decision to restructure and refocus our operations was not due to “injury” caused by U.S. imports of QSP. Rather, we decided to cease both our global and U.S. production operations for many other reasons, including: (A) reducing the need to invest in capital expenditures to maintain and upgrade production technologies; (B) alleviating ourselves from functions such as maintaining engineering teams dedicated to design and oversee production, maintenance, and equipment procurement; and (C) procuring raw materials, their transportation, storage and testing. These challenges (and more) made little sense considering our scale. 160/

Additionally, Caesarstone faced challenges at its U.S. plant because each model Caesarstone designed is tied to and requires specific raw materials to ensure manufacturing consistency and product quality across all of its production lines. Caesarstone relied on specific quartz inputs sourced from outside the United States, and maintaining that level of uniformity resulted in inefficient U.S. manufacturing. 161/

The Prehearing Report correctly notes that “Caesarstone stopped producing slabs beginning in 2024 with no plans to restart production, *irrespective of the result of the safeguard.*” 162/ As such, any data trends driven by Caesarstone’s exit from the U.S. industry are not evidence of serious injury substantially caused by subject imports.

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158/ **Exh. 1-D**, Caesarstone Declaration.

159/ *Id.*

160/ *Id.* at 2.

161/ *Id.*

162/ Prehearing Staff Report at 6.6 (emphasis added).

When Caesarstone’s data are removed from the domestic industry aggregation, the record evidence shows an even healthier domestic industry than shown in the summary data in the Prehearing Report. For instance, as shown below, U.S. slab producers’ total U.S. shipments, excluding Caesarstone, increased across the 2020-2024 period. 163/

U.S. Slab Industry Shipments without Caesarstone							
<i>(quantity in 1,000 sq. ft)</i>		2020	2021	2022	2023	2024	Difference 2020-2024
<b>U.S. Shipments</b>							

The observed decline in U.S. producers’ production is similarly driven by Caesarstone’s exit from the market. Caesarstone’s inclusion in the aggregation skews the data because Caesarstone was operating at its [ ] in 2020, but by the end of the POI had ceased production. 164/ Removing Caesarstone, U.S. production of QSP declines by to a mere [ ] percent, from [ ] square feet in 2020 to [ ] square feet in 2024. 165/

Additionally, the domestic slab industry’s observed decline in net sales is likewise fully explained by Caesarstone’s exit from the market. 166/ Removing Caesarstone from the data aggregation shows an increase in slab industry net sales across the full years of the POI. 167/

U.S. Slab Industry Net Sales without Caesarstone							
<i>(quantity in 1,000 sq. ft)</i>		2020	2021	2022	2023	2024	Difference 2020-2024
<b>Net Sales</b>							

163/ Prehearing Staff Report at Table C.1; U.S. Producer Questionnaire Response of [ ] at II-12; **Exh. 2-A**, Aggregations without Caesarstone.

164/ U.S. Producer Questionnaire Response of [ ] at II-12.

165/ See **Exh. 2-A**, Aggregations without Caesarstone. With Caesarstone’s data included, appears to decline by [ ] percent, from [ ] square feet in 2020 to [ ] square feet in 2024. Prehearing Staff Report at Table C.1.

166/ Caesarstone Objection to Petition.

167/ See **Exh. 2-A**, Aggregations without Caesarstone.

Finally, with respect to fabricator manufacturers, there are no reports of idled capacity in the record. Rather, as discussed above and in the hundreds of declarations filed with the Commission, the opposite is true—fabricator manufacturers, representing a significant portion of the domestic industry, are thriving. <sup>168/</sup> Moreover, these fabricators would be forced to curtail their production operations if they were no longer able to access imported quartz slabs.

**2. U.S. Fabrication Utilization Increased, and Any Slab Underutilization Was Caused by Caesarstone’s Exit from the Domestic Industry**

The Commission may look to capacity utilization as one means of assessing idled capacity. <sup>169/</sup> The story for U.S. fabricators on this topic is simple: U.S. fabricator manufacturers reported increasing levels of capacity utilization over the POI. <sup>170/</sup>

<b>Fabricator Capacity Utilization is High and Increasing (Combined Small and Large)</b>									
		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
<b>Capacity Utilization</b>		87%	100%	100%	97%	94%	92%	101%	

In sum, reporting fabricators’ capacity is essentially fully utilized, with utilization rates increasing across the POI as well as between the interim periods.

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<sup>168/</sup> See Letter to Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Fabricator Opposition to Institution of Sections 201-202 Petition on Quartz Surface Products*, (Sep. 19, 2025); see also Letter Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Further Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, (Sep. 22, 2025); see also Letter Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *Additional Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, (Sep. 25, 2025); see also Letter Sec’y Int’l Trade Comm’n from Hogan Lovells US LLP, *More Evidence Demonstrating that the Commission should not Institute a Safeguard Investigation on Quartz Surface Products*, (Nov. 17, 2025); **Exh. 1-A**, Fabricator Declarations.

<sup>169/</sup> See Section 202(c)(6)(b) of the Trade Act of 1974.

<sup>170/</sup> Prehearing Staff Report at Tbl. I.5.

U.S. slab manufacturers’ reported declining capacity, production, and capacity utilization. However, removing Caesarstone from the aggregation shows increasing capacity and roughly flat production from 2020 to 2024. 171/

Without Caesarstone, Slab Producer [ ]									
<i>(quantity in 1,000 sq. ft)</i>		2020	2021	2022	2023	2024	PY2024	PY2025	
<b>Capacity</b>	[ ]								[ ]
<b>Production</b>	[ ]								[ ]
<b>Utilization</b>	[ ]								[ ]

Once again, Petitioner’s claims of serious injury are contingent on one U.S. producer who has directly informed the Commission that its decision to halt production was due to factors other than imports. Indeed, the data presented above do not evidence any serious injury. Both across the full years of the POI, as well as between the interim periods, capacity increased, production remained steady, and utilization [ ], but for during interim 2025. This interim 2025 decline was due to [ ].

Setting them aside, capacity utilization for slab manufacturers in interim 2025 was [ ] percent, much closer to the rates observed during the remainder of the POI. Moreover, [ ] is a sign of industry health, not injury.

[ ] capacity utilization rates for certain U.S producers are to be expected. For instance, Cambria [ ] produces more than 200 design patterns. 172/ More SKUs requires cleaning changing production

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171/ See **Exh. 2-A**, Aggregations without Caesarstone. We also note that the slab producer with the [ ] capacity utilization during the POI, Estone, [ ]. Estone U.S. Producer Questionnaire Response at I-3 and II-8.

172/ Prehearing Report at Tbl 3.6; **Exh. 4-N**, U.S. Producer SKUs (Website Excerpts with Product Listings) at 1.

lines more frequently between different colors and designs, necessitating more downtime and manufacturing delays. 173/ Other U.S. producers manufacture far fewer products than Cambria. LX Hausys lists 77 SKUs and Dal-Tile lists 74 SKUs on their websites. 174/ By way of comparison, Elite Quartz sells 12 SKUs. 175/

It is also notable that Cambria's [

] 176/ The likely explanation is that [

].

**C. A Significant Number of Domestic Producers Are Able to Carry Out Domestic Production Operations at a Reasonable Level of Profit**

Another statutory factor that the Commission examines in a safeguard proceeding is whether a significant number of domestic producers were unable to carry out domestic production at a reasonable level of profit. 177/ In this case, the U.S. fabricator industry is highly successful.

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173/ See **Exh. 6-G**, Hearing Testimony, Quartz Surface Products from China (Final) (May 9, 2019) - Dan Prokop at 4 (“The process of changing colors can take up to twelve hours depending upon the color. The mixers and all associated material conveying equipment must be cleaned to ensure no color residue remains.”).

174/ See **Exh. 6-G**, Hearing Testimony, Quartz Surface Products from China (Final) (May 9, 2019) - Dan Prokop at 4 (“The process of changing colors can take up to twelve hours depending upon the color. The mixers and all associated material conveying equipment must be cleaned to ensure no color residue remains.”). **Exh. 4-N**, U.S. Producer SKUs at LG Hausys SKUs, Dal-Tile SKUs; **Exh. 6-B**, Cambria Shifts Quartz Processing from Canada to Dakota, The Minnesota Star Tribune. See **Exh. 1-C**, Elite Declaration.

175/ See **Exh. 1-C**, Elite Declaration; **Exh. 6-B**, Cambria Shifts Quartz Processing from Canada to Dakota, The Minnesota Star Tribune.

176/ Cambria U.S. Producer Questionnaire Response at II-12, III-9, and III-10a.

177/ See 19 C.F.R. § 206.14(e)(1)(ii).

Fabricators overwhelmingly and vigorously oppose this petition. The inquiry on this statutory factor thus should end there.

The U.S. slab industry also experienced strong operating profits throughout the POI, in particular from [

], and Elite Quartz. Moreover, the weaker operating performance from certain U.S. slab producers towards the end of the POI is not “a significant number of domestic producers” in light of the thousands of other domestic producers and therefore falls outside of the statutory definition. Some of these producers are small new entrants and have not yet reached a level of scale to be properly assessed on whether they are actually “unable carry out domestic production at a reasonable level of profit.” Moreover, the Commission should assess the impact of certain business decisions by domestic producers on the bottom lines of their U.S. production, including certain producers’ focus on prioritizing imports. Finally, U.S. industry investment indicators are strong and improving over the POI, further demonstrating that this industry will be able to continue carrying out their domestic production operations in the future.

### 1. The U.S. Fabricator Industry is Successful

U.S. fabricators report enormous success throughout the POI. U.S. fabricators submitting questionnaire responses reported increasing capacity, increasing production, increasing U.S. shipments, and increasing net sales over the POI. 178/

<b>U.S. Fabricators Showed Strong Performance Improvements During the POI</b>								
<i>(quantity in 1,000 sq. ft)</i>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>
<b>Capacity</b>		3,466	3,695	4,252	4,264	4,222	3,273	3,275
<b>Production</b>		3,023	3,723	4,256	4,119	3,956	3,004	3,320
<b>Capacity Utilization</b>		87%	100%	100%	97%	94%	92%	101%
<b>U.S. Shipments</b>		2,947	3,651	4,152	4,050	3,889	2,969	3,279
<b>Net Sales</b>		2,213	2,882	3,372	3,159	3,109	2,341	2,483

178/ Prehearing Staff Report at Tbls. I.5, I.7, and J.5.

<b>U.S. Fabricators Showed Strong Performance Improvements During the POI</b>				
		<b>Change 2020-2024</b>	<b>Change PY24-PY25</b>	
<b>Capacity</b>		22%	0.1%	
<b>Production</b>		31%	11%	
<b>Capacity Utilization</b>		7 ppt	9 ppt	
<b>U.S. Shipments</b>		32%	10%	
<b>Net Sales</b>		40%	6%	

As shown above, U.S. fabricators’ performance improved on each of these metrics over the 2020-2024 period, as well as between the interim periods. 179/

U.S. fabricators’ financial performance was also strong and improving—the opposite of what the Commission would consider “serious injury.” U.S. fabricators reported gross profit margins above 35 percent in each year of the POI, and their operating margins were strong and steady throughout the POI. 180/

<b>U.S. Fabricators’ Profits Were Extremely Strong During the POI</b>								
<i>(as a % of net sales)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
Gross Profit	38%	39%	36%	39%	40%	40%	38%	
Operating Profit	8%	7%	7%	6%	8%	8%	6%	

## **2. The U.S. Slab Industry is Successful**

Cambria and certain other slab producers are seeking to portray a struggling U.S. slab manufacturing industry. The record evidence shows anything but this picture. As discussed in Section IV.B.1 above, U.S. slab producers’ shipments and sales (minus Caesarstone) were strong and increasing during the POI. Publicly available information likewise confirms that the large, global manufacturers with U.S. slab production operations are performing well. 181/ To the

179/ Prehearing Staff Report at Tbls. I.5, I.7, and J.5.

180/ *Id.* at Tbl. J.5.

181/ See **Exh. 6-J**, Mohawk MHK Q4 2025 Earnings Call Transcript (CEO of Dal-Tile’s parent company Mohawk Industries, indicating “We are also increasing our participation in the countertop business where we put in a new quartz countertop line to enable us to expand that

extent there were any declines between the interim periods, there are causes other than imports to blame as discussed in Section VI below.

**a. The Domestic Industry Produces Slabs for a Reasonable Profit**

The domestic industry producing slabs is financially successful based on multiple metrics.

**Gross Profits**

Even when Caesarstone is included, the domestic slab industry’s gross margins were strong and stable—and even increasing—during the POI. 182/

<b>U.S. Slab Producers’ Gross Profits Were Extremely Strong During the POI</b>									
<i>(as a % of net sales)</i>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
Gross Profit		36%	35%	33%	34%	38%	39%	37%	

Gross profit margins increased from 36 percent to 38 percent from 2020 to 2024 and held strong at 37 percent in interim 2025. Notably, the industry maintained these high gross profit margins irrespective of shifts in the domestic industry’s shipment volume and market share.

**Operating Income**

Operating margins were likewise strong and stable. 183/

<b>U.S. Slab Producers’ Operating Profits Were Strong and Do Not Show Serious Injury</b>									
<i>(as a % of net sales)</i>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
Operating Profit		8.7%	8.6%	5.4%	5.9%	6.1%	7.4%	3.4%	

The operating margins exhibited here are not demonstrative of “serious injury.” The margins shown above are representative of more than \$313 million in profit over the course of the POI, among only [ ] companies, including multiple new entrants. 184/ Notably, [

] increased its operating margins from [ ] percent in 2020 during its

business further.”).

182/ Prehearing Staff Report at Tbl. 4.3.

183/ *Id.* at Tbl. C.1.

184/ *Id.* at Tbl. 4.3.

[ ] to [ ] percent by interim 2025, demonstrating that U.S. slab producers can be, and are, successful in this industry. 185/ There is simply no evidence on this record that a “significant number of domestic producers” were unable to “carry out domestic production at a reasonable level of profit.” 186/

Small declines in the slab industry’s operating margins do not depict “serious injury.” The gap between the industry’s reported gross profit and operating profit is entirely comprised of selling, general, and administrative (“SG&A”) expenses, which amounted to between 26 and 34 percent of the aggregated domestic slab industry’s net sales in any given year of the POI. Even though sales volumes declined slightly from 2020 to 2024, SG&A expenses increased by over 25 percent, rising from \$195.5 million in 2020 to \$245.1 million in 2024. 187/ This substantial increase in the face of declining sales volumes is unusual, as one would expect selling expenses to decline when a lower volume of product is sold. That said, the nature of U.S. producers’ SG&A is unclear. The Commission requested that U.S. producers identify their distribution costs that fall under SG&A, but only [

], and these [

] amounted to only [ ] percent of total domestic industry SG&A during the POI. 188/ As such, [ ] of U.S. producers’ [ ] cost item is unexplained.

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185/ Prehearing Staff Report at Tbl. 4.3.

186/ 19 C.F.R. § 206.14(e)(1)(ii).

187/ Prehearing Staff Report at Tbl. 4.3.

188/ *Id.* at Tbls. 4.3 and 4.21; U.S. Producers QRs at III-9g. Notably, U.S. producer Estone reported that its [

]. *See* [ ]].

One plausible explanation is that the domestic industry’s SG&A includes expenses such as marketing, executive compensation, and possibly even senior executives’ use of a private jet. 189/ Each of these factors could impact the financial condition of the domestic industry and are entirely unrelated to imports. In fact, if the domestic industry is taking their gross profits and using that to invest in advertising or otherwise maintain brand premiums, these efforts are a sign of an industry confident in its future. As such, these operating margins (as reported) cannot be considered “serious injury” under the safeguard statute.

### Net Income

At the income net level, U.S. slab producers’ performance reflects the business decisions of certain producers.

First, Caesarstone has already explained that its decision to close its QSP production facilities was unrelated to imports. As such, its [ ], are not injurious. 190/ Removing those expenses alone results in a [ ]

[ ] improvement in the domestic industry’s net income margin—from [ ] percent in 2023 to [ ]

Second, by the end of the POI, the slab industry’s interest expenses nearly [ ] relative to the beginning of the POI. That is, unit interest expenses increased from [ ] in 2020 to [ ] in interim 2025. 191/ This can largely be explained by [ ]

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189/ See **Exh. 6-F**, Risk Taker: How Cambria CEO Marty Davis Helped Expand His Family Empire, Jetset Mag at 5 (wherein Marty Davis is quoted saying “I can pretty much get around commercially, but I use the private plane when it makes sense”).

190/ Caesarstone U.S. Producer Questionnaire Response at III-10a and III-10b.

191/ *Id.* at III-10a and III-10b.

], during a period of economy-wide increases in interest rates. [

]. 192/ Likewise, [

]. 193/ It

is thus unsurprising that these [ ] interest expenses ballooned. [

], and [

]. 194/

These domestic production expansions are the sign of a healthy industry, particularly for

[

]. 195/

In sum, adjusting for Caesarstone's [ ] discussed above, as well as these interest expenses [ ], the domestic industry's net income margins look very different and much improved. 196/

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192/ Prehearing Staff Report at Tbl. 4.1.

193/ [ ] U.S. Producer Questionnaire Response II-2; [ ]].

194/ [ ] U.S. Producer Questionnaire Responses at III-9a.

195/ [ ] U.S. Producer Questionnaire Response at III-9a.

196/ Prehearing Staff Report at Tbl. 4.3; [ ] U.S. Producer Questionnaire Response II-2.

U.S. Slab Producers' Business Decisions Drove Net Income Margins								
<i>(as a % of net sales)</i>		2020	2021	2022	2023	2024	PY2024	PY2025
Unadjusted Net Inc. Margin	[ ]							
Adjusted Net Inc. Margin	[ ]							
Difference	[ ]							

**b. Cambria's Performance Exhibits Both Success and Resilience**

Cambria's strong performance over the POI, as the leader of the domestic industry, remains uncontested. Cambria achieved gross profit margins [ ] in each year of the POI, and it maintained [ ] throughout the entire POI as well. 197/

Cambria's financial performance would have been even stronger absent its own failure to stay on trend and by producing so many SKUs. This operational failure appears to have resulted in [ ]. 198/ Cambria also appears to have [ ] of the POI due to the ongoing mass tort litigation. 199/

Cambria regularly [ ], with its net sales AUVs increasing by [ ] percent from 2020 to 2024 and by another [ ] percent between the interim periods. 200/ Cambria's total assets value, which increased by [ ] percent from 2020 to 2024, represented [ ] of the total net assets of the domestic slab industry at year-end 2024. 201/ And Cambria's total POI capital expenditures exceeded [ ], again

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197/ Cambria U.S. Producer Questionnaire Response at III-9a; Prehearing Staff Report at Tbl. 4.3 ([ ]).

198/ Cambria U.S. Producer Questionnaire Response at III-9a; Prehearing Staff Report at Tbl. 4.3.

199/ See Section III.G.

200/ Cambria U.S. Producer Questionnaire Response at III-9a; Prehearing Staff Report at Tbl. 4.3.

201/ Cambria U.S. Producer Questionnaire Response at III-12; Prehearing Staff Report at Tbl. 4.10.

representing [ ] of the total capital expenditures of the domestic slab industry.

In short, Cambria is [ ] successful, [ ]

**c. The U.S. Financials of Dal-Tile, LX Hausys, and Guidoni are One Piece of their Successful Global Operations**

Examination of other U.S. producers' reported financials likewise shows strength and demonstrate that any weaknesses are not the result of imports. On the contrary, Dal-Tile, LX Hausys, and Guidoni [ ], thereby indicating that they intentionally rationalize their domestic production operations with a [ ] strategy. 202/

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202/ Dal-Tile, LX Hausys, and Guidoni U.S. Importer Questionnaire Responses at II-20; Dal-Tile, LX Hausys, and Guidoni U.S. Producer Questionnaire Responses at II-12.

Dal-Tile LX Hausys, and Guidoni are Multinationals with [ ]									
<i>(quantity in sq. ft)</i>		2020	2021	2022	2023	2024	PY2024	PY2025	Total POI
<b>Dal-Tile Imports</b>	[ ]								
<b>Dal-Tile U.S. Production</b>	[ ]								
<b>Imports/ Production</b>	[ ]								
<b>LX Hausys Imports</b>	[ ]								
<b>LX Hausys U.S. Production</b>	[ ]								
<b>Imports/ Production</b>	[ ]								
<b>Guidoni Imports</b>	[ ]								
<b>Guidoni U.S. Production</b>	[ ]								
<b>Imports/ Production</b>	[ ]								

Dal-Tile’s imports [ ] over the full years of the POI, [ ] in 2020 to [ ] in 2024. Moreover, Dal-Tile’s imports in several years were [ ]. Notably, [ ]

]. 203/

Dal-Tile’s [ ]

[ ]. Not true. Public comments from its parent company, Mohawk, show exuberance for Dal-Tile’s import business. For example, in a 2022 earnings call, Mohawk’s CEO explained that the company was “increasing {its} quartz countertop business,” “supplementing

203/ [ ]

].

{its domestic production} with imported products to support greater sales.” 204/ Mohawk’s CEO spoke specifically to “enhancing {its} import strategies,” clearly demonstrating that the company’s imports of QSP are part of a broader company approach. 205/ Further to that point, Mohawk’s CEO spoke in 2025 to the company’s strategy with respect to their other product lines (*i.e.*, tile products): “To offer our customers a wider variety of options, we supplement our ceramic tile and {luxury vinyl tile} manufactured in the U.S. with imported products.” 206/

Notably, in 2022, Mohawk’s CEO indicated that its quartz countertop business “lines ha{d} been running full.” 207/ This is [ ] Dal-Tile’s questionnaire response, which reports a capacity utilization rate of [ ] percent in 2022. These facts intimate that either Dal-Tile’s capacity is [ ] or its production is [ ]. 208/

In sum, Dal-Tile’s imports of QSP are not mere opportunism, nor are they caused by any [ ]. Rather, Dal-Tile’s imports are part of its parent company’s global business strategy. These decisions and their impacts, if any, on Dal-Tile’s U.S. operations do not evidence serious injury.

LX Hausys’ import volumes are also unsurprising given its position as a global manufacturer. LX Hausys is a Korean-owned company whose 2024 total revenues topped \$2.6 billion. 209/ This means that LX Hausys’ U.S. operations on QSP amounted to [

] of its total revenues in 2024, relegating LX Hausys’ U.S. QSP

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204/ **Exh. 6-D**, Mohawk Industries 02/09/2023 Earnings Call at 12.

205/ **Exh. 6-D**, Mohawk Industries 02/09/2023 Earnings Call at 6.

206/ **Exh. 6-E**, Mohawk Industries Reports Q1 2025 Results at 2.

207/ **Exh. 6-D**, Mohawk Industries 02/09/2023 Earnings Call at 12.

208/ Dal-Tile U.S. Producer Questionnaire Response at II-12.

209/ **Exh. 6-E**, Mohawk Industries Reports Q1 2025 Results.

production to [ ] for the company’s global strategy. 210/ In fact, in the *Quartz Surface Products from China* investigation, the witness for LX Hausys (formerly LG Hausys) reported that “LG Hausys relies on imports to supply those particular quartz products that our {Georgia} factory does not produce. And indeed, our ability to offer a full product line actually helps us grow our sales of U.S. produced quartz.” 211/

LX Hausys [ ], among the [ ] largest U.S. producers. Along with increased [ ], LX Hausys’ financial data shows a [ ] from 2023 to 2024. This increase could related to a recent class action lawsuit filed in March 2024 that alleges LX Hausys hired skilled Mexican professionals at its Georgia facility under false pretenses. 212/ It is unclear whether costs related to this lawsuit are included in LX Hausys’ questionnaire response, but the timing of the lawsuit [ ]. At minimum, this fact suggests that other factors are contributing to LX Hausys’ performance far more than imports.

Guidoni’s [ ] from 2020 to 2024, with its total POI imports amounting to [ ] of its total POI U.S. production. As such, there is grounds for the Commission to [ ] Guidoni from the domestic industry; alternatively, it is evident

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210/ See LX Hausys U.S. Producer Questionnaire Response at III-9a (reporting [ ] in net sales in 2024).

211/ See **Exh. 6-G**, Hearing Testimony, *Quartz Surface Products from China* (Final) (May 9, 2019) - Dan Prokop at 1-2.

212/ **Exh. 6-C**, LX Hausys, Staffing Agencies Facing Lawsuit Over NAFTA Exploitation Scheme, ClassAction.org. The lawsuit alleges that because LX Hausys and its co-defendants understood that the U.S. Government would not grant Trade NAFTA (“TN”) visas for the manual labor positions needing to be filled, defendants engaged in a “bait and switch” scheme under which LX Hausys and the involved staffing agencies hired Mexican professionals for “jobs that did not exist” but that qualified for the TN visa program. *Id.*

that Guidoni's focus is not on its fledgeling U.S. production operations. Guidoni is not well-positioned to blame its [ ] on imports, regardless of their stripe.

### 3. U.S. Slab Industry Investment Indicators Are Strong and Improving

The domestic slab industry's reported investment indicators are strong and improving.

**Assets:** Over the POI, the domestic slab industry's total net assets increased from \$895 million in 2020 to \$929 million in 2024, an overall increase of 4 percent. 213/

**CapEx:** Slab producers' capital expenditures, too, were strong, totalling \$391 million over the POI, with \$47 million in 2020, \$66 million in 2021, \$89 million in 2022, \$111 million in 2023, \$33 million in 2024, and \$44 million in interim 2025. 214/ If the 2025 data were annualized, they would reach \$59 million, a 26-percent increase over 2020 capital expenditures. 215/

Furthermore, the aggregated industry increased capital expenditures by almost double between the interim periods, from \$24.1 million in interim 2024 up to \$44.4 million in interim 2025, almost matching full year 2020 capital expenditures of \$47.1 million. 216/ This increase is particularly notable given the 2025 decline in QSP demand discussed in Section V.A, as well as the mass tort litigation risk discussed in Section III.H. In fact, this increase confirms that the domestic industry remains optimistic even despite these headwinds.

**Research and Development:** R&D expenditures also increased substantially over the POI, by 60 percent between 2020 and 2024 and again between the interim periods. 217/ Furthermore,

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213/ Prehearing Staff Report at Tbl. 4.10.

214/ *Id.* at Tbl. 4.6.

215/ *Id.* at Tbl. 4.6.

216/ *Id.* at Tbl. 4.6.

217/ *Id.* at Tbl. 4.8.

combined capital expenditures and R&D expenses exceeded depreciation by 19 percent over the POI. 218/

**D. The U.S. Industry’s Employment Data are Strong—There Is No Significant Unemployment or Underemployment within the Domestic Industry**

There has been no significant unemployment or underemployment within the domestic industry. First, U.S. fabricators reported employment figures showing increases across the POI, with the average number of production-related workers (“PRWs”) increasing from 664 in 2020 to 677 in 2024 and holding strong at 630 and 636, in interim 2024 and interim 2025. 219/ With respect to U.S. slab producers’ employment data, the only reason the employment figures show any decline is Caesarstone’s exit from the industry. Removing Caesarstone from the aggregation results in increases across the board for number of PRWs, hourly wages, and hours worked. 220/

U.S. Slab Producers’ Employment Data without Caesarstone									
		2020	2021	2022	2023	2024	PY2024	PY2025	
Avg. PRWs	[								]
Hours Worked (thousands)	[								]
Wages Paid (\$1,000)	[								]
Hourly Wages	[								]
Weekly Hours Worked	[								]

As shown above, the number of PRWs increased from [ ] to [ ] from 2020 to 2024. The number of PRWs also increased from [ ] to [ ] between interim 2024

218/ *Id.* at Tbls. 4.1, 4.6, and 4.8.

219/ *Id.* at Tbl. I.13.

220/ Prehearing Staff Report at Tbl. 3.13; Caesarstone’s U.S. Producer QR at II-17.

and interim 2025, yielding an overall increase of [ ] percent in PRWs from 2020 to September 2025. 221/

A key hurdle for a petitioner in proving serious injury to a domestic industry is a showing of significant unemployment or underemployment. 222/ The only evidence proffered here is the declining employment of Caesarstone due the closure of its Georgia facility. 223/ But, Caesarstone explained clearly:

We were not ‘forced’ to close our Georgia facility as the result of import competition. Rather, our decision followed a careful assessment of QSP industry innovations, U.S. challenges accessing unique raw materials we use, and an inability to achieve increased efficiencies. To suggest otherwise is misleading. 224/

As such, once Caesarstone’s data are removed, there is no basis for a contention that there is unemployment or underemployment in the domestic industry. On the contrary, all employment indicators increased during the POI, rendering a failure of the Petition’s claims on this criterion.

**V. IF THE COMMISSION FINDS THAT THE DOMESTIC INDUSTRY HAS SUFFERED SERIOUS INJURY, IT HAS NOT BEEN SUBSTANTIALLY CAUSED BY IMPORTS**

As detailed above, the domestic industry has not suffered serious injury at all, in accordance with the key economic factors and the statutory framework. If the Commission finds that the domestic industry has suffered serious injury, then such injury cannot be attributed to imports under the statute’s exacting “substantial cause” standard. Here, the volumes of subject imports and the pricing of subject imports are not causing harm to the domestic industry. Nor did they cause Caesarstone’s decision to close its manufacturing operations during the POI. As

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221/ Prehearing Staff Report at Tbl. 3.13; Caesarstone’s U.S. Producer QR at II-17.

222/ 19 C.F.R. § 206.14(e)(1)(iii).

223/ Petition at 39-40.

224/ Caesarstone Objection to Petition at 1.

discussed in Section IV.B.1, Caesarstone’s restructuring and refocusing of its operations was “not due to ‘injury’ caused by U.S. imports of QSP.” 225/ Any observed U.S. industry injury resulting from the data associated with Caesarstone’s closure is thus not caused by imports.

**A. Import Volumes Have Not Increased So as to Be a Substantial Cause of Serious Injury**

The Commission cannot make an affirmative determination in a safeguard investigation unless “an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury . . .” 226/ The mere presence of increased quantities of QSP imports in the U.S. market does not constitute serious injury. Rather, the Commission must link together any such increase in quantities of imports to the performance of the domestic industry.

When the Commission considers the key economic factors at play, the record evidence demonstrates that the quantity of imports did not cause serious injury at all to the domestic industry producing QSP. These factors include: (1) how QSP imports fit into the much larger surface products market (also including natural stone and other engineered stone products); (2) how subject import volumes correlate (or do not correlate) with domestic producer performance; and (3) the fact that much of the volume of increased imports is sourced from countries already under antidumping duty and countervailing duty orders. The increase in import volumes, when considered either absolutely or relative to domestic producers, has not substantially caused any alleged serious injury to the domestic industry.

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225/ **Exh. 1-D**, Caesarstone Declaration.

226/ 19 U.S.C. § 2252(b)(1)(a).

**1. The Increase in Import Volume Is at the Expense of Imported Granite – Not U.S.-Produced QSP**

As discussed in III.C, above, QSP participates in a broad market consisting of a variety of materials including granite, marble, quartzite, laminate, porcelain slab, ceramic slab, and other engineered stones, all of which are considered interchangeable substitutes for one another by industry participants. Demand for surface products overall increased from 2020 through 2022 as a result of the COVID-driven boom in construction. 227/ However, demand for surface products softened towards the end of the POI, primarily due to muted building activity and “broad economy-wide factors.” 228/ The volume trends for imported QSP does not reflect demand trends for the entire surface product market, nor domestic-made QSP’s place in the entire market. This is because demand for one type of surface product may fall while demand for another rises as consumer tastes evolve. For example, demand for imported granite declined during the POI while demand for imported quartz increased. 229/ As another example, towards the end of the POI, demand for quartzite began to increase rapidly. 230/

Major global studies confirm that various types of surface products compete with each other. 231/ Indeed, the Petition acknowledges that “QSP competes with quarried stone products, such as granite, marble, or quartzite.” 232/ Furthermore, other market participants confirm this competition across surface products, with the majority of U.S. producers (seven of eight) reporting

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227/ See Section III.D; see also Prehearing Staff Report at 6.13.

228/ See Prehearing Staff Report at 6.13.

229/ See **Exh. 3-S**, Census Data Import Statistics and Supporting Materials.

230/ *Id.*

231/ **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler; **Exh. 3-I**, 2024 US Countertops Market – Industry Research Report, Freedonia Group.

232/ Petition at 18.

that there are substitutes for QSP, which include “marble, granite, quartzite, porcelain, solid surface, cement, laminate, and various types of stone.” <sup>233/</sup> The Commission must assess the interaction of QSP with other surfaces, and specifically the role of QSP imports in the broader context of the supply and demand trends for these other stone surface products. The record evidence shows that QSP has taken market share from other products, *i.e.*, granite and marble. <sup>234/</sup>

The Commission previously found in both *QSP from China* and *QSP from India and Turkey* that demand for QSP “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.” <sup>235/</sup> This trend has continued in recent years, as verified by public import data sourced from the Commission’s Dataweb. As shown in **Exhibit 3-S** and as summarized below, there has been a significant shift in market share of imported surface products: <sup>236/</sup>

<b>Quartz Imports Replaced Granite Imports (Quantity Basis)</b>									
<i>(in % of quantity)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Jan-Sept 2024</b>	<b>Jan-Sept 2025</b>	<b>Differences (ppt)</b>	
								<b>2020-2024</b>	<b>PY24-PY25</b>
<b>Marble</b>	20%	20%	19%	19%	18%	18%	18%	-2%	0%
<b>Granite</b>	33%	27%	26%	24%	19%	20%	17%	-14%	-2%
<b>Quartzite</b>	9%	10%	9%	9%	9%	9%	12%	0%	3%
<b>Quartz</b>	38%	43%	45%	48%	54%	53%	53%	16%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

<sup>233/</sup> Prehearing Staff Report at 6.14.

<sup>234/</sup> See **Exh. 3-S**, Census Data Import Statistics and Supporting Materials.

<sup>235/</sup> Petition at 18 (citing *Quartz Surface Products from China*, Investigation Nos. 701-TA-606 and 731-TA-1416 (Final), USITC Pub. 4913 (June 2019) at I-11; see also *Quartz Surface Products from India & Turkey*, Investigation Nos. 701-TA-624-625 and 731-TA-1450-1451 (Final), USITC Pub. 5061 (June 2020) at I-13).

<sup>236/</sup> See **Exh. 3-S**, Census Data Import Statistics and Supporting Materials (providing data a quantity basis and relying on a reasonable conversion factor to compare data sourced in differing units).

As shown above, in the volume-based analysis, quartz gained 16 percentage points of total import share over the 2020-2024 period, largely at the expense of granite (down 14 percentage points) as well as marble (down 2 percentage points).

On a value basis, quartz gained a 4 percent share of total imports of stone surface products (marble, granite, quartz, and quartzite) over the 2020-2024 period, while marble gained 2 percentage points of share and quartzite gained 3 percentage points of share over the same period, all at the expense of granite (which lost 9 percentage points of share). <sup>237/</sup> The more muted shifts in the value data are likely due to quartzite’s typically high per unit price point, as compared to lower per unit price points for granite and QSP. The table below, and the analysis at **Exhibit 3-S**, show the changes in market share of imported surface products by value:

<b>Quartz Imports Replaced Granite Imports (Value Basis)</b>									
<i>(in % of value)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Jan-Sept 2024</b>	<b>Jan-Sept 2025</b>	<b>Differences (ppt)</b>	
								<b>2020-2024</b>	<b>PY24-PY25</b>
<b>Marble</b>	26%	26%	27%	28%	27%	28%	28%	2%	0%
<b>Granite</b>	27%	23%	22%	21%	17%	18%	16%	-9%	-2%
<b>Quartzite</b>	12%	12%	13%	13%	15%	14%	19%	3%	5%
<b>Quartz</b>	36%	39%	38%	37%	40%	40%	37%	4%	-3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

Granite imports declined from 1.3 million metric tons in 2020 to 932 thousand metric tons in 2024—nearly a 30 percent decline over five years. <sup>238/</sup> The table below compares granite with

<sup>237/</sup> See **Exh. 3-S**, Census Data Import Statistics and Supporting Materials (containing import statistics sourced from USITC Dataweb for the following HTS codes: 6802.91.0500 and 6802.91.1500 (marble); 6802.93 (granite); 6802.99 (quartzite); 6810.99.0040, 681099.0020, and 6810.99.0010 (quartz)).

<sup>238/</sup> See **Exh. 4-N**, U.S. Producer SKUs (containing materials published by Cambria, Caesarstone, MS International, Dal-Tile, and Guidoni containing specifications on thickness and density and demonstrating the reasonableness of these assumptions).

QSP in square footage terms, in reliance on the POI import data included in the Prehearing Staff Report. 239/

<b>Quartz Imports and Granite Imports Switched Places in the Surface Products Market</b>							
<i>(in 1,000 sq ft)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Jan-Sept 2024</b>	<b>Jan-Sept 2025</b>
<b>Granite</b>	210,666	224,628	218,308	170,170	148,613	111,470	98,329
<b>Quartz</b>	131,069	196,467	210,999	185,051	233,715	167,057	166,305

As shown above, imports of granite decreased from roughly 211 million square feet in 2020 to 149 million square feet in 2024—a decline of over 62 million square feet. This occurred while quartz imports were increasing by approximately 102 million square feet. This analysis suggests that roughly two-thirds of the increase in imports of QSP resulted from granite’s retreat. The remainder of the increase in QSP imports can be explained by increases in demand over the 2020-2024 period as well as customer preferences regarding design and availability. 240/

These data show that the increase in volume of QSP imports over the POI is primarily the result of granite becoming less popular and ceding a large segment of the surface products market to quartz. The Commission should not look solely at market share trends for imported versus domestic QSP to understand what is really going on in this market—imported QSP is primarily competing with and taking market share from imported granite, not from domestic QSP.

**2. Quartzite Increased in Popularity Particularly at the End of the POI, Taking Share from QSP**

Both granite and quartz imports *decreased* in volume between interim 2024 and interim 2025. Granite imports declined by roughly 13 million square feet, and quartz imports also declined by approximately 2 million square feet. This is due in major part to the dip in demand in 2025 due

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239/ See **Exh. 3-S**, Census Data Import Statistics and Supporting Materials; *see also* Prehearing Staff Report at Table C.1.

240/ See Section III.D.

to the affordability crisis and slowdown in construction and home renovations. 241/ It may also be in part due to increased popularity of natural stone quartzite, which is valued for its visual uniqueness and durability. 242/ As shown above, between interim 2024 and 2025, quartzite gained 5 percentage points of the total surface products import share on a value basis or 3 percentage points of share on a volume basis, edging out both granite and quartz. Because of quartzite’s high price point, domestic QSP producers likely also lost market share to quartzite at this time.

Cambria has acknowledged the threat from quartzite to its own business. Cambria has devoted an entire page of its website to compare its own quartz products to quartzite, which it advertises as inferior to QSP. 243/ As shown in **Exhibit 4-B**, Cambria’s website indicates that quartzite’s porous nature requires more upkeep than quartz, highlights that Cambria QSP surfaces “never need sealing” while quartzite “requires regular sealing and immediate cleanup of spills,” and notes the “limited color options” of quartzite as well as the “challenging” nature of matching quartzite pieces within a space. Cambria advertises its “quartzite-look quartz countertops” to compete with natural quartzite. Cambria’s Executive Vice President of Design confirmed that there is a “new craze in quartzite,” resulting in Cambria’s creation of products “that look more like quarried stone.” 244/ However, Cambria admits that this quarried stone look “can be hard to

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241/ See Section III.D; see also Prehearing Staff Report at 6.13.

242/ See Section III.C.3.

243/ See **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure.

244/ See **Exh. 4-B**, Cambria Quartz vs. Quartzite Countertops Brochure; see also **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler at 4. Petitioner Guidoni also reported that [

]. Guidoni U.S. Importer Questionnaire Response  
at III-17.

achieve in the manufacturing process.” 245/ Imported QSP cannot be blamed for Cambria’s losses of business to imported quartzite or Cambria’s challenges to mimic natural quartzite in its QSP designs.

**3. QSP Import Volumes Do Not Correlate with U.S. Producer Performance**

The Commission’s substantial cause analysis in a safeguard investigation is not, as Petitioner suggests, as simple as whether import volumes were large and generally increased over the POI. The volume data are here:

<i>(in 1,000 sq. ft.)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Jan-Sept 2024</b>	<b>Jan-Sept 2025</b>
<b>Import Volume</b>	131,069	196,467	210,999	185,051	233,715	167,057	166,305

QSP import volumes increased most significantly from 2020 to 2021 during the height of COVID-era demand amidst a period of [ ], and increased slightly into 2022 as that era continued. Then, QSP import volumes decreased most significantly in 2023 as home building and renovations declined coming out of the COVID boom. Import volumes increased to the highest level of the POI in 2024 in large part due to QSP overtaking granite as the top surface product (as discussed above) and then declined between interim 2024 and 2025. 246/

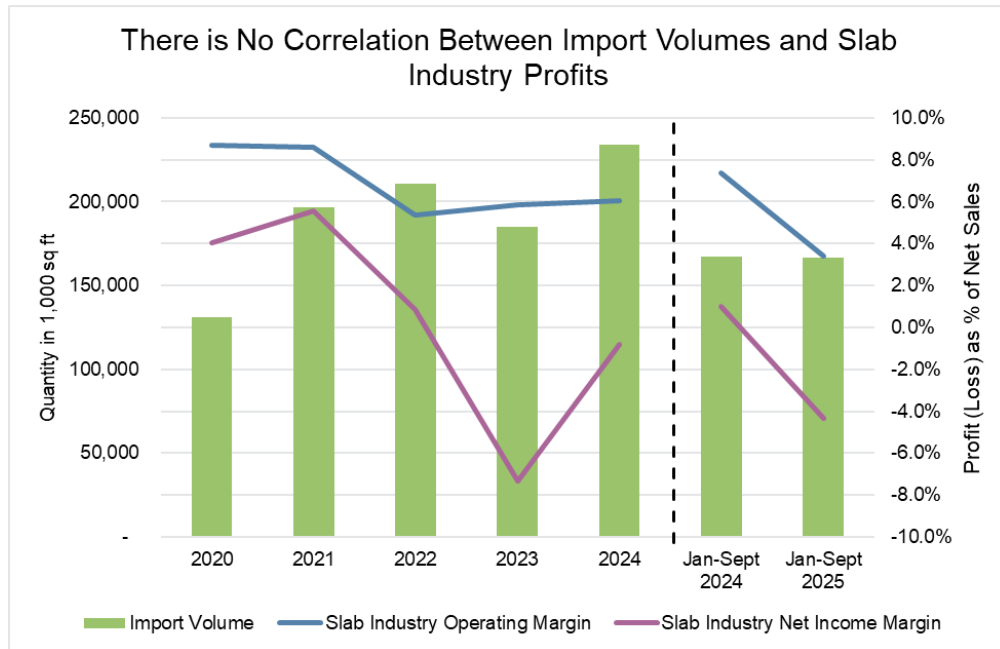
These volume trends do not correlate with the domestic slab industry’s profit margins. The domestic industry’s profit does not increase when import volumes are lower and decrease when import volumes are higher. In fact, the trends are quite the opposite. 247/

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245/ See **Exh. 3-H**, Surface Trends: The Stone Age, Qualified Remodeler at 4-5.

246/ See Prehearing Staff Report at Tbl. C.1.

247/ See *id.* at Tbls. C.1 and 4.1.



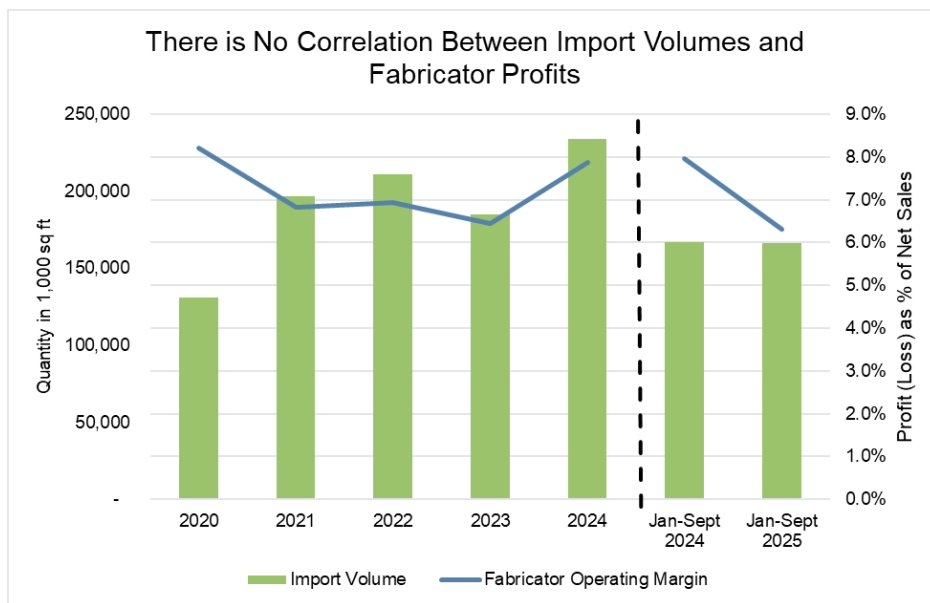
The slab industry’s operating margin was highest when import volume was the lowest (in 2020). Further, in 2021, when imports increased the most during any one year of the POI, the domestic slab industry’s profit margins remained strong with the slab industry holding its 9 percent operating margin and the slab industry’s net income margin increasing to its highest point of the period at 6 percent. Then, when import volume increased in 2024 to its highest level during the POI—up 24 percent as compared to 2023—U.S. slab producers’ net income margin improved by 6.5 percentage points year-over-year, and their operating margin also increased relative to the two prior years. 248/ Finally, as imports declined between interim 2024 and interim 2025, domestic slab industry profits again decreased—moving in the opposite direction than would suggest serious injury caused by imports. 249/ These profitability trends appear to reflect overall demand

248/ See *id.* at Tbl. C.1. The domestic industry’s gross profit margin and operating profit margin also improved from 2023 to 2024, by 3.3 and 0.2 percentage points, respectively.

249/ See *id.*

conditions in the surface product market. They do not reflect a connection between imported QSP volumes and domestic slab producer performance.

There is likewise no correlation between fabricator profits and import volumes. Although small-sized fabricators did not report net income data, the graph below shows that fabricators of all sizes performed well at the operating income level irrespective of the level of imports. In fact, fabricators reported earning greater profits in years where imports were present in larger volumes. 250/



Fabricators’ profits improved in 2022 when import volumes increased. Then they declined in 2023 when import volumes dropped. Then they increased again in 2024 when import volumes increased even further. Between the interim periods, import volumes declined, and so did fabricators’ operating margins.

250/ See *id.* at Tbls. C.1 and J.5.

**4. Most of the Increased Import Volume Is from India, Which Is Already Under AD/CVD Orders**

India is the leading source of imports during the POI. Additionally, the majority of the increase in imports during the POI came from India. Indian imports are fairly traded, as they have been subject to AD/CVD measures for the duration of the POI. The Commission should weigh these imports appropriately under the serious injury and substantial causation standards, given that the Commission has already addressed any material injury by reason of imports from India suffered by the domestic industry via its affirmative injury finding in *QSP from India and Turkey*.

Across the five full years of the POI, subject import volume increased by approximately 102 million square feet. Of the total increase, 56 percent was accounted for by India. 251/

<b>Imports Already Under AD/CVD Orders Account for Most of the Increase in Imports</b>							
<i>(imports in sq ft)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Increase 2020-2024</b>	<b>Share of Increase</b>
<b>India</b>	26,924	54,381	68,521	56,508	84,547	57,623	<b>56%</b>
<b>Total</b>	131,069	196,467	210,999	185,051	233,715	102,646	

Imports from India also increased as a percentage of total imports over the POI. 252/

<b>Imports Already Under AD/CVD Orders are the Largest Source of Imports</b>							
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Jan-Sept 2024</b>	<b>Jan-Sept 2025</b>
<b>India / Total Imports</b>	21%	28%	32%	31%	36%	35%	39%

India was thus both the largest source of imports in every year of the POI (by far) and the largest source of increased import volume over the POI. 253/ The domestic industry is already

251/ See *id.* At Tbl. C.1. Note that total import volume declined between the interim periods (167 million square feet in interim 2024 to 166 million square feet in interim 2025). Imports from India increased from 58.6 million square feet to 64.9 million square feet over that same period, for an increase of 6 million square feet relative to total imports' roughly 1 million square foot decline.

252/ See *id.*

253/ Imports from Vietnam totaled 199 million square feet over the POI while imports from India totaled 356 million square feet over the POI. 356 million / 199 million = 179%. See *id.*

shielded from injury from these imports by virtue of the AD/CVD orders imposed in 2020, confirming these imports are fairly traded. 254/

Notably, [ ] representing approximately [ ] percent of total imports from India. 255/ [ ]

[ ] 256/ As discussed in Section V.B.7 below, these fairly-traded imports are part of [ ] and are not injurious to it or to the rest of the domestic industry.

Several previous safeguard investigations have included articles covered by AD/CVD orders, which are informative. In one such case, *Solar*, the Commission referenced these prior findings, noting that “the inclusion of such articles in the scope of existing orders, alone, did not dictate any particular outcome for the Commission’s serious injury analysis.” 257/ In the *Carbon and Certain Steel Alloy Products* safeguard proceeding, the Commission took the orders into

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254/ See *Certain Quartz Surface Products from India and Turkey: Antidumping Duty Orders*, 85 Fed. Reg. 37422 (Dep’t Commerce June 22, 2020); see also *Certain Quartz Surface Products from India and Turkey: Countervailing Duty Orders*, 85 Fed. Reg. 37431 (Dep’t Commerce June 22, 2020).

255/ [ ] U.S. Purchaser Questionnaire Response at [ ]; Prehearing Staff Report at Table C.1.

256/ [ ] U.S. Purchaser Questionnaire Response at [ ].

257/ *Crystalline Silicon Photovoltaic Cells (Whether or not Partially or Fully Assembled into Other Products)*, Inv. No. TA-201-75, USITC Pub. 4739 (Nov. 2017) (“*Solar*”) at 24 (citing *Steel*, Inv. No. 201-TA-73, USITC Pub. 3479 at 364 n.59 (Dec. 2001) and *Carbon and Certain Steel Alloy Products*, Inv. No. 201-TA-51, USITC Pub. 1553 (Jul. 1984)).

account in its injury analysis and also in fashioning its remedy proposal, noting that some of those AD/CVD measures “already provided some degree of protection to the domestic industry.” 258/

The fact that the leading source of imports and of increases in imports of QSP are disciplined under AD/CVD orders is an important fact for the Commission’s consideration. Indian QSP is not being imported in such increased volumes as to be a cause of serious injury to the domestic industry, in part because the material injury caused by those imports prior to AD/CVD orders entering into force has already been remedied.

**B. Subject Import Prices Do Not Seriously Impede Domestic Producers’ Success**

Price effects (*e.g.*, price depression, price suppression, and underselling), unlike in the AD/CVD law, are not part of the statutory scheme in a safeguard investigation. Notwithstanding, the Commission has previously looked to pricing as an additional economic factor that informs whether imports are the substantial cause of serious injury to the domestic industry.

Here, subject import prices are not the substantial cause of any alleged serious injury. First, the record evidence shows that pricing is not the primary factor in purchasing decisions for surface products. Purchasers, fabricators, and other industry analysts and participants unanimously explain that purchases are made primarily on the basis of design and aesthetics. 259/ Indeed, Cambria’s [ ] price premium commensurate with its luxury product branding

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258/ *Carbon and Certain Steel Alloy Products*, Inv. No. 201-TA-51, USITC Pub. 1553 at a-24 (July 1984) (noting that antidumping and countervailing duty orders were already in effect on several of the products subject to the investigation and that other covered products were the subject of suspension agreements); *Nucor Corp. v. United States*, 318 F. Supp. 2d 1207, 1236 (Ct. Int’l Trade 2004), *aff’d*, 414 F.3d 1331 (Fed. Cir. 2005) and *Wheatland Tube Co. v. United States*, 495 F.3d 1355, 1363-67 (Fed. Cir. 2007) (recognizing in the context of antidumping and countervailing duty investigations that safeguard measures may be imposed on imports that are subject to antidumping or countervailing duty orders).

259/ Section III.B; *See also, e.g.*, Prehearing Staff Report at 6.1, 6.2, 6.13.

conclusively shows that customers do not select QSP on the basis of the lowest price. Moreover, U.S. producers' shipments and sales data, both collectively and individually, show increased prices over the POI. Domestic producers' pricing (including their price increases) are likewise uncorrelated with subject import pricing. Imports are not depressing or suppressing domestic producers' prices. There is a dearth of confirmed lost sales or lost revenues on the record. These data go to support the primacy of design in this market, and the tertiary importance of price.

### **1. Price Is Not a Primary Factor in Purchasing Decisions**

The questionnaire responses of U.S. purchasers demonstrate that price is not a primary factor in purchasing decisions. The Prehearing Report confirms as follows:

- “Quality was the most frequently cited first-most important factor” that firms consider in their QSP purchasing decisions. 260/
- The majority of purchasers reported that they only sometimes purchase the lowest-priced product, and more firms reported that they never purchased the lowest-priced product than reported that they usually purchased the lowest-priced product. 261/
- In rating the importance of factors in their purchasing decisions, more firms ranked availability (25 firms), reliability of supply (24 firms), product consistency and quality meets industry standards (22 firms each), color/design/aesthetics (21 firms), and delivery time (19 firms) than ranked price (18 firms) as very important. 262/

Purchasers that changed purchasing patterns during the POI explained that the reasons for adding or increasing purchases were related to “better support, superior availability, aesthetics, to align inventories with consumer preferences, and to reduce supply chain risks”—not because of price. 263/ Numerous purchasers also reported that certain QSP designs colors and patterns are

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260/ Prehearing Staff Report at 6.16-17.

261/ *Id.* at 6.16-17.

262/ *Id.* at 6.17, Tbl. 6.13.

263/ *Id.* at 6.19.

only available from specific countries of origin due to differences in production lines and design portfolios. 264/ Indeed, the vast majority of responding U.S. producers, importers, and purchasers (88 percent) reported that factors other than price were always, frequently, or sometimes important, with only a small minority (12 percent) reporting that factors other than price were never important. 265/ Factors other than price reported by purchasers included, among others, product consistency, variety of patterns or designs, unique designs, product availability, supplier relationship, and quality. 266/

It is also important to note that, as discussed above in Section III.F, the QSP market is differentiated between the higher-end, luxury segment (principally served by U.S. producers, and in particular Cambria) and the mass market. QSPs are not a commodity product of the type the Commission typically encounters. Instead, QSPs are sold on the basis of aesthetics, design, and brand. Cambria has sold, and continues to sell, its products at a premium far above other market participants' prices and is the "gold standard" in luxury QSPs, with "{m}any responding purchasers report{ing} that Cambria is the high quality, high-price leader." 267/ Other domestic producers also sell to the luxury segment, but some supplement their domestic production with imports, which allows them to serve other customers by broadening their design catalogue. 268/

For example, LX Hausys explains on its website that "{q}uartz countertop pricing per square foot is typically based on the grade" and lists three different grades: builder's

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264/ *Id.* at 6.22.

265/ *Id.* at Tbl. 6.17.

266/ *Id.* at 6.19, 6.22-23, Tbl. 6.17.

267/ *Id.* at 6.27. Notably, many responding purchasers reported that "MSI is the mid-level to lower priced leader in the U.S. market."

268/ *See* Section III.F.2.

grade/standard quartz, which it says is \$50-\$60 per square foot; commercial grade quartz, which is \$60-\$80 per square foot; and high-end/premium quartz, which is \$80-\$100 square foot or more. 269/

This market segmentation further explains why simple price comparisons between U.S.-produced QSP and imported QSP are of limited value and do not demonstrate serious injury. The reality is that pricing depends on each SKU’s design, as well as the branding and advertising put forth by the seller, and U.S. purchasers’ responses as discussed above confirm this fact. Simple price comparisons do not drive purchasing decisions in this market. Petitioners’ suggestions that they do are belied by the record.

**2. U.S. Prices Are High and Increasing**

All record data show that U.S. producers’ prices have increased over the course of the POI. U.S. slab producers’ U.S. shipment average unit values (“AUVs”) increased by 16 percent from 2020 to 2024, from \$20.94/sq. ft to \$24.23/sq. ft. 270/ U.S. slab producers’ U.S. shipment AUVs also increased between the interim periods by another 1 percent, from \$24.29/sq. ft to \$24.63/sq. ft. 271/ See the table below.

<b>U.S. Slab Producers’ U.S. Shipment AUVs Increased</b>									
<i>(in \$/sq.ft)</i>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
U.S. Shipments		\$20.94	\$21.07	\$24.07	\$24.21	\$24.23	\$ 24.29	\$ 24.63	

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269/ **Exh. 3-CC**, Quartz Kitchen Countertop for Residential Market, PW Consulting Limited at 6.

270/ Prehearing Staff Report at Tbl. 3.7.

271/ *Id.* at Tbl. 3.7.

The domestic slab industry’s net sales AUVs show a similar trend, with those prices increasing by 18 percent between 2020-2024 and also increasing between the interim periods. <sup>272/</sup> See the table below.

<b>U.S. Slab Producers’ Net Sales AUVs Increased</b>								
<i>(in \$/sq.ft)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>	
<b>Net Sales</b>	\$20.21	\$20.46	\$23.21	\$23.62	\$23.84	\$ 23.84	\$ 23.85	

Notably, AUVs for individual shipment line items (e.g., commercial shipments, internal consumption, transfers to related firms, and export shipments) all increased across the 2020-2024 period. <sup>273/</sup> In short, the U.S. slab industry’s prices are strong and increasing.

To the extent the Commission chooses to rely on the slab producers’ pricing product data at all given their breadth and unclear definitions (explained in Section V.B.4, below), they further support the fact that U.S. slab producers’ prices increased. As indicated in the Prehearing Report, “domestic prices for all pricing products increased from January 2020 to September 2025,” with those increases ranging from [ ] percent to [ ] percent. <sup>274/</sup> Thus, notwithstanding the limited usability of these data, they show broadly that U.S. slab producers’ prices have increased.

U.S. fabricator manufacturers’ AUVs also increased. <sup>275/</sup>

<b>U.S. Fabricator Manufacturer AUVs Increased</b>									
<i>(in \$/sq.ft)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>		
<b>U.S. Shipment AUV</b>	\$ 49.19	\$ 52.25	\$ 53.65	\$ 52.96	\$ 52.32	\$ 52.76	\$ 48.17		
<b>Net Sales AUV</b>	\$ 63.45	\$ 64.42	\$ 64.22	\$ 65.93	\$ 63.93	\$ 66.02	\$ 62.13		

As shown above, both fabricators’ U.S. shipment and net sales AUVs increased over the full years of the POI, increasing by 6 percent and 1 percent, respectively. Although fabricators’

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<sup>272/</sup> *Id.* at Tbl. 4.3.

<sup>273/</sup> *Id.* at Tbl. 3.7.

<sup>274/</sup> *Id.* at 6.42.

<sup>275/</sup> *Id.* at Tbls. I.7 and J.5.

U.S. shipment and net sales AUVs declined between the interim periods, this is explained by demand declines caused by higher interest rates and cannot be attributable to imports, which declined in volume between interim 2024 and interim 2025. 276/ In any case, fabricators oppose the petition *en masse* and have not claimed injury.

**3. There Are Minimal Lost Sales or Revenues on the Record, Which Verifies the Lack of Significant Overlap in Competition Between Domestic and Imported QSP**

The minimal overlap in competition between domestic slabs and imported slabs on the basis of price is further corroborated by the vast majority of purchasers' reporting that they did not, citing reasons such as [

]. 277/

Only a few purchasers reported price was a primary reason for importing and/or purchasing subject imports – and the two largest of those by far were [

]. Of the total square footage of imports reported as purchased instead of domestic QSP with price being a primary reason ([ ] square feet), [ ] 278/ [

]. Notably, [

]. But as addressed in Section V.B.7,

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276/ *Id.* at Tbl. C.1.

277/ Prehearing Staff Report at Tbl. 6.33; [ ] U.S. Purchaser Questionnaire Responses at [ ]].

278/ Prehearing Staff Report at Tbl. 6.33; [ ] U.S. Purchaser Questionnaire Responses at [ ]].

[  
] and thus cannot be considered  
injurious to the [ ]. 279/

#### 4. The Pricing Product Data are Not Useable

The pricing product data should be afforded little weight by the Commission. The pricing product definitions are broad, subjective, unclear, and have resulted in capturing vastly different products under the same pricing product umbrella. They simply do not provide for an apples-to-apples comparison that can indicate an overlap of pricing competition.

Take, for example, pricing product 3, which is defined as follows:

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. 280/

Every part of this description could lead to varying interpretations from the reader. “White” could mean ivory, cream, eggshell, or pure white. Cambria’s website alone offers nearly 100 different quartz countertop products when the user filters for “white.” 281/ Similarly, “veining or movement” is ambiguous, and Cambria’s product offerings again demonstrate why. Cambria’s website allows filtering on “features,” which includes “vein” but also “wave,” “granular,” or “waterstone.” 282/ One questionnaire respondent might believe that only vein and wave types are included under “veining or movement,” while another might also think that “waterstone” types could fall under that definition. Another might read the definition literally and only report products

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279/ See **Exh. 6-D**, [ ]].

280/ Prehearing Staff Report at 6.28.

281/ **Exh. 4-A**, Cambria Website Excerpts.

282/ *Id.*

strictly categorized as having veins under this category. What’s more, “minimal to no visible particulates, specks, chips, or crystals” again leaves much to the reader. While “no” particulates is a bright line, “minimal” is not, adding to the subjectivity of these descriptions.

The overly broad nature of these definitions and the varying interpretations among respondents is borne out in the questionnaire data. Again, taking product 3 as an example and examining U.S. producers’ data, the Commission sees prices ranging from roughly [

] in Cambria’s reported data but also sees prices ranging from roughly [ ] in Guidoni’s reported data for the same pricing product. <sup>283/</sup> Clearly, this cannot be the exact same product sold only on the basis of price; otherwise, Cambria would be unable to make sales, not experiencing [

] from Q1 2020 to Q3 2025 as it did in just this pricing product. <sup>284/</sup>

U.S. importers’ reported data also demonstrates the unreliability of these pricing categories. Keeping with pricing product 3 as an example, the Commission can examine the data reported by the same U.S. importer, for the same product, in the same quarter and find extreme variations. **Exhibit 2-C** contains an analysis of [ ] reported price data for all of its reported country sources, *i.e.*, [ ] out of the 15 sources for which pricing data were requested. This analysis shows the calculated quarterly unit value and minimum/maximum AUVs for each source country, all within product 3. As shown, the variations between the smallest and largest value in any given quarter are [ ]. For example, in Q1 2020, [ ] lowest quarterly sales price was [ ] while its highest was [ ], resulting in a differential of [ ], meaning the highest price

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<sup>283/</sup> [ ] U.S. Purchaser Questionnaire Responses at [ ]; [ ] U.S. Purchaser Questionnaire Responses at [ ].

<sup>284/</sup> [ ] U.S. Purchaser Questionnaire Responses at [ ].

was [ ] for purportedly the same product. Throughout the rest of the POI, these differentials range from [ ] up to [ ]. 285/

In short, the Commission’s pricing data are not probative for purposes of comparing prices or assessing injury. There are too many different products included under each broad category, and accordingly, the pricing products do not provide true apples-to-apples comparisons. If anything, the price data demonstrate that U.S. producers’ prices have increased over the POI, regardless of import prices, which vary widely across different products and sources.

**5. Cambria Enjoys a Price Premium as the Highest-End Luxury Producer**

Cambria is an industry giant—a name brand catering to the luxury segment of the market that has continued to increase prices and turn profits through its carefully engineered branding efforts. The Commission need look no further than Cambria’s prices [

] for evidence of its status in the market: 286/

<b>Net Sales AUVs Comparison</b>								
<i>(in \$/sq. ft.)</i>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>PY2024</b>	<b>PY2025</b>
Cambria	[							]
Dal-Tile	[							]
LX Hausys	[							]
Cambria/Dal-Tile	[							]
Cambria/LX Hausys	[							]

As shown above, Cambria’s net sales AUVs [

] — meaning that Cambria’s prices are [

]. Cambria also shows [

] in each year of the POI. Cambria’s market position is

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285/ See **Exh. 2-C**, U.S. Importer Pricing Analysis.

286/ Prehearing Staff Report at Tbl. 4.3.

unmatched and uncontested. Cambria makes up [ ] percent of the domestic industry by quantity and a [ ] percent by value, meaning that its [ ] demonstrate that this industry is not seriously injured. 287/

In sum, Cambria’s elevated prices serve to demonstrate three key points: (1) that the dominant player in the U.S. market—making up [ ]

[ ]—is healthy, strong, and [ ]

]; (2) that price cannot be even a primary factor in purchasing decisions—otherwise, Cambria would not be such a highly successful producer; and (3) that U.S. producers can be successful in this market at varying price points, as [ ] increased their prices.

#### 6. Other U.S. Producers’ Prices Show No Signs of Injury

In addition to market leader Cambria’s strong and [ ] of the market, the other U.S. producers’ prices do not demonstrate any evidence of serious injury. As shown in the table above, Dal-Tile’s net sales AUVs [ ] from [ ] in 2020 to [ ] in 2024 and from [ ] in interim 2024 to [ ] in interim 2025. 288/ LX Hausys’ net sales AUVs [ ] from [ ] in 2020 to [ ] in 2024.

Additionally, Elite Quartz entered the market as a U.S. slab producer in 2020 and is a clear example of [ ] for U.S. producers during the POI. 289/ Indeed, Elite

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287/ *Id.* at Tbl. 4.3.

288/ *Id.* at Tbl. 4.3.

289/ Start-ups Guidoni and Hendrix did not have [ ] data to report the Commission, and Caesarstone exited the market before the end of the POI for reasons unrelated to imports, as discussed above. U.S. producer Estone’s reported net sales AUVs [ ]

Quartz’s net sales AUV [ ] from [ ] in 2020 to [ ] in 2024, and its AUVs [ ] of [ ] and [ ] in interim 2024 and interim 2025, respectively. Elite Quartz [ ] (by [ ] percent from 2020 to 2024) and performed well financially. 290/

Fabricators also increased prices, with net sales AUVs increasing over 2020 to 2024, up from [ ] to [ ].

Finally, although the statute does not require that the Commission examine whether domestic industry prices have been suppressed, the record evidence demonstrates that they have not. U.S. slab manufacturers’ cost of goods sold (“COGS”)/sales ratio declined over the POI, from 63.6 percent in 2020 to 62.3 percent in 2024. Slab manufacturers’ COGS/sales ratio increased slightly between the interim periods, up from 61.4 percent in interim 2024 to 62.8 percent in interim 2025, but still remained lower than in 2020. 291/ Fabricator manufacturers’ COGS/sales ratio likewise declined over the full years of the POI, from 62.0 percent in 2020 to 60.1 percent in 2024, increased slightly between the interim periods, up from 60.3 percent in interim 2024 to 61.8 percent in interim 2025, but also remained lower than at the start of the POI in 2020. 292/ In short, domestic producers’ COGS/sales ratios are low and declining, providing further evidence that imports did not seriously injure the domestic industry.

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290/ Estone [ ]. See Estone U.S. Producer Questionnaire Response at I-3, II-8, and III-9a.

291/ Prehearing Staff Report at Tbl. 4.3.

292/ *Id.* at Tbl. 4.3.

292/ *Id.* at Tbl. J.5.

## 7. Dal-Tile's Import Pricing is Illuminating

A comparison of Dal-Tile's reported data for its [ ] calls into question Dal-Tile's true motives for importing. Dal-Tile [ ] <sup>293/</sup> But in comparing the [ ] reported in its U.S. producer questionnaire with the [ ], it does not appear that Dal-Tile's imports from [ ] are consistently [ ].

Rather, as shown in **Exhibit 2-B**, Dal-Tile's prices for [ ] just over [ ] percent of the time, meaning that prices for [ ] for the [ ] percent of the time. In fact, for [ ], the prices for the [ ] imported merchandise were [ ] than Dal-Tile's prices for its U.S.-produced QSP [ ] and in fact in [ ].

These data belie Dal-Tile's insinuations that it [ ]. Rather, Dal-Tile is likely importing for the same reason that others are importing—to be able to get the breadth of styles and colors that the market demands, which are not all available domestically.

## VI. IF THE COMMISSION FINDS THAT THE DOMESTIC INDUSTRY HAS SUFFERED SERIOUS INJURY, OTHER POTENTIAL CAUSES ARE MORE IMPORTANT THAN IMPORTS

The Commission made clear in *Certain Cameras* that “{u}nless we can find that increased imports are at least as important as any other cause, we cannot render an affirmative determination,

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<sup>293/</sup> Dal-Tile U.S. Importer Questionnaire Response at II-4.

even if a company is in severe financial distress and would benefit from import relief.” <sup>294/</sup> Here, any reasonable observer would not describe this U.S. industry as being in “severe financial distress.” Even if it were, however, the Commission must assess whether subject imports is the cause of any such serious injury and whether there are any other factors affecting the domestic industry that *are at least as important* as imports.

The alternative cause case here is very simple. Due to the relative size of domestic fabricators as part of the domestic industry, this very safeguard case is a leading substantial cause of injury (and indeed threat thereof) to the domestic industry today. <sup>295/</sup> The large majority of the domestic industry opposing the Petition should end the substantial causation inquiry.

If the Commission wishes to look further, as discussed below, there are multiple other factors impacting domestic producers that are far more impactful than QSP imports.

**A. Broader Economic Conditions and Declines in Demand Have Caused Declines at the End of the POI**

As detailed in Section III.D above, demand for surface products was historically strong during the COVID period at the same time that QSP continued to increase in popularity as compared to other surface products, such as granite. This led to a strong market for all types of QSP, including imported QSP and domestic-made QSP. It also incentivized new and expanded domestic production, including from Elite Quartz, Guidoni, Dal-Tile, and Hendrix.

Home building and renovating slowed in the latter part of the POI as the unprecedented COVID boom waned, causing U.S. demand for surface products also to decline. <sup>296/</sup> Over the

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<sup>294/</sup> *Certain Cameras*, Report to the President on Inv. No. TA-201-62 Under Section 202 of the Trade Act of 1974, USITC Pub. 2315 (Sep. 1990) at 31.

<sup>295/</sup> **Exh. 7-A**, Economic Modeling Analysis.

<sup>296/</sup> Prehearing Staff Report at 6.9, 6.11, 6.13.

same period, QSP continued to gain in popularity as compared to other surface products like granite and marble. Nevertheless, this decline in overall demand for surface products impacted all aspects of the market, including both domestic and imported surface products. 297/

U.S. producers have acknowledged this declining demand in their public statements. For example, Mohawk Industries, Dal-Tile’s parent company, recently opined on reduced demand for surface products in the 2024-2025 period. Mohawk explained that the company is “looking at next year {(2026)} as being a transitional year from the cyclical low...this is a really long cycle...{a}nd so there’s a huge pent-up demand in the remodelling business as people have postponed larger projects.” 298/ Additionally, a 2025 article published about Cambria’s recent “reshoring” of its Canadian operations explains that “the home improvement industry started to tank as home sales stalled and sticky inflation led people to pull back on projects that weren’t essential.” 299/ That article quotes Cambria’s CEO Mr. Davis, saying that “{t}he industry overall has lost 20 percent in sales since then.” 300/ The article further confirms that “the industry is dealing with historically low housing turnover” and that for Cambria, “like other companies in the home improvement industry, sales are down and tariff costs are up.” 301/ In short, the demand declines associated with the slowdown in construction and home improvement are unrelated to imports. Imports have responded to these slowdowns, decreasing in volume in interim 2025 relative to interim 2024.

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297/ *Id.* at 6.9, 6.11, 6.13.

298/ **Exh. 6-A**, Mohawk Q3 2025 Earnings Call Transcript at 14.

299/ **Exh. 6-B**, Cambria Shifts Quartz Processing from Canada to Dakota, The Minnesota Star Tribune at 3.

300/ *Id.*

301/ *Id.* at 2.

Thus, imports cannot be considered a “substantial cause” of any declines in U.S. producer performance in the 2024-2025 time period.

**B. Intra-Industry Competition Has a Greater Impact on U.S. Industry Performance Than Imports**

Compared with the Commission’s previous investigations (i.e., *Quartz from China* and *Quartz from India and Turkey*), there are several new slab producers in the U.S. market, including Dal-Tile, Guidoni, Estone, and Elite Quartz. <sup>302/</sup> The emergence of these producers is a sign of resilience and strength in an industry that was previously dominated by Cambria. As discussed above, certain companies have fared better than others. In addition, the QSP market is characterized by a highly competitive fabrication market, with thousands of fabricators including many options for customers to choose from in each geographic area. This increased intra-industry competition has played a role in market dynamics and is just as important, if not more important, than imports in driving U.S. producer performance.

One key piece of evidence that intra-industry competition is impacting U.S. producers is Cambria’s recent section 337 complaint, which alleges that certain quartz surface products have infringed upon patents held by Cambria. <sup>303/</sup> The complaint names not only importers of QSP also several U.S. producers, LX Hausys, Dal-Tile, Mohawk Industries (Dal-Tile’s parent), and former U.S. producer Caesarstone. <sup>304/</sup> Cambria’s allegations make clear that it views these other

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<sup>302/</sup> Prehearing Staff Report at 1.33. Hendrix is also a new entrant but [ ].

<sup>303/</sup> Letter from Robert Vlasits to Lisa R. Barton, *In the Matter of Certain Processed Slabs and Methods for Making Same*, Inv. No. 337-TA-1482 (USITC, Dec. 19, 2025).

<sup>304/</sup> *Id.* We note that Architectural Surfaces Group withdrew its participation in the QMAA and is no longer a petitioner in this case. See Letter to Sec’y Int’l Trade Comm’n from Schagrini Associates, *Quartz Surface Products –Additional Support for Petition for Safeguard Relief Pursuant to Sections 201 and 202 of the Trade Act of 1974* (USITC Nov. 17, 2025).

U.S. producers, including QMAA members Dal-Tile and LX Hausys, as its primary competitors and as potential threats to its business.

Moreover, Elite Quartz, LX Hausys, and Dal-Tile have reported [ ], and net sales quantities that are roughly [ ]. <sup>305/</sup> Elite Quartz only began operations in 2020, and [ ] by the end of the POI. <sup>306/</sup>

Intra-Industry Competition Among Slab Manufacturers is Strong -- Operating Margins Comparison								
<i>(as a % of net sales)</i>		2020	2021	2022	2023	2024	PY2024	PY2025
Elite Quartz	[ ]							[ ]
Dal-Tile	[ ]							[ ]
LX Hausys	[ ]							[ ]

Although Elite Quartz started out the POI [ ], it ended the POI earning [ ], while Dal-Tile and LX Hausys' performance [ ]. This comparison is telling because it demonstrates that U.S. producers are able to be quite successful irrespective of import volumes or prices. When certain U.S. producers experience problems due to failures of design, distribution, or otherwise, this failure cannot be blamed on imports when there are other U.S. producers that are competing more effectively.

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<sup>305/</sup> Compare Elite Quartz, LX Hausys, Dal-Tile U.S. Producer Questionnaire Responses at III-9a with Cambria U.S. Producer Questionnaire Response at III-9a. Note that [ ].

<sup>306/</sup> Compare Elite Quartz, LX Hausys, Dal-Tile U.S. Producer Questionnaire Responses at III-9a with Cambria U.S. Producer Questionnaire Response at III-9a. Note that [ ].

**C. Certain U.S. Producers’ Tired Designs Are Failing to Keep Up with Market Trends**

U.S. market participants have made clear that design and quality are among their top priorities in their purchasing decisions. Indeed, color, design, and aesthetics was rated as “very important” by the majority of responding purchasers (21 out of 25). 307/ To the extent that consumers are choosing imported QSP, design and aesthetics will dictate the purchasing decision—not price.

Elite Quartz, by way of an example of design success, has focused its business on producing a small number of patent-protected, innovative, and broadly popular designs. It also introduces new designs on a regular basis and retires older designs that have fallen out of popularity. This ensures strong demand for its products and high efficiency production of just a few SKUs. 308/ It is an example of how great designs can win the day, even at a higher price point than most imports.

In recent years, some U.S. producers have been unable to keep up with the innovative designs coming out of other countries. If U.S. producers such as Cambria are unable to sell out of less popular designs and suffer greater production inefficiencies by needing to frequently switch colors, those poor decisions should not be laid at the feet of imports. Failure to innovate is no fault of imports.

**D. Recent Legal Battles Involving Stone Cutting Claims Have Overwhelmed U.S. Producers**

As detailed in Section III.H, above, U.S. producers are facing numerous lawsuits alleging that stone fabrication workers suffered injuries including fibrosis and accelerated silicosis, which

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307/ Prehearing Staff Report at 6.17.

308/ **Exh. 1-C**, Elite Declaration.

are incurable and fatal lung diseases potentially caused by inhaling silica dust, metals, and other constituents generated during fabricating activities. U.S. producers, including Cambria, have been grappling with the costs of these lawsuits for the past several years, including when one plaintiff obtained a \$52 million verdict in 2024 against Cambria and other firms. 309/ In another lawsuit, the plaintiff reportedly received confidential settlements from defendants exceeding \$26 million. 310/

Many additional lawsuits were filed in 2024 and 2025. 311/ Irrespective of the ultimate outcome of these new cases, it is clear that the mass tort litigation has already become a costly struggle for Cambria and other U.S. QSP producers, creating substantial uncertainty and a chilling effect on their investment and business planning. The ITC must consider these lawsuits—widely viewed by industry participants as meritless—and their attendant costs (*e.g.*, payouts, settlements, legal fees, regulatory risk, reduced industry investment, etc) as the most significant challenge facing the domestic industry today. 312/ In fact, the severity of this litigation environment has prompted federal legislation intended to limit such claims (H.R. 5437). 313/

#### **E. U.S. Producers’ Costs Are Negatively Impacted by IEEPA Tariffs on Inputs**

During 2025, there were numerous Presidential actions that resulted in elevated tariffs on imports, including not only QSP but also raw materials for the production of QSP, which has

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309/ **Exh. 5-D**, Landmark Results Against Artificial Stone Manufacturers Total Over \$78 Million for Workers with Fatal Silicosis, Brayton Purcell LLP at 2.

310/ *Id.*

311/ **Exh. 5-J**, Cambria Lawsuits Settlements and Amount, Hemblock APC.

312/ **Exh. 5-J**, Cambria Lawsuits Settlements and Amount, Hemblock APC.

313/ **Exh. 5-H**, H.R. 5437: Protection of Lawful Commerce in Stone Slab Products Act (finding that stone slab products are not inherently dangerous and that alleged silicosis injuries arise from silica dust generated during fabrication activities beyond the control of manufacturers and sellers).

directly impacted U.S. producers. Indeed, numerous U.S. producers have expressed difficulties as a result of these tariffs. For example, [ ] reported that [ ]. <sup>314/</sup> [ ] reported that [ ]. <sup>315/</sup> Cambria has even gone so far as to invest \$80 million into a quartz processing plant in the U.S. One article published about this investment reported that “{c}ompanies large and small are rethinking supply chain considerations against the backdrop of President Donald Trump’s aggressive trade moves” and specified that Cambria CEO Marty Davis reported that the company is “going to pay a higher tariff” after President Trump raised tariffs on Canadian goods in 2025. <sup>316/</sup> Mr. Davis reported that Cambria estimates that these tariffs “could cost {them} a few million a year.” <sup>317/</sup>

QSP imports are not to blame for domestic slab producers’ rising cost of production due to tariffs on foreign-sourced inputs.

## **VII. THE DOMESTIC INDUSTRY IS NOT THREATENED WITH SERIOUS INJURY SUBSTANTIALLY CAUSED BY IMPORTS**

For all of the reasons discussed above, there is likewise no threat of serious injury substantially caused by imports. This is particularly true given that the threat standard in safeguard proceedings, as contemplated by the statute, is elevated above the AD/CVD law standard. To make an affirmative determination on threat in a safeguard case, serious injury must be “clearly imminent.” <sup>318/</sup> Subject imports are not presenting any new or imminent threat of serious injury

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<sup>314/</sup> [ ] U.S. Producer Questionnaire at IV-26.

<sup>315/</sup> [ ] U.S. Producer Questionnaire at IV-26.

<sup>316/</sup> **Exh. 6-B**, Cambria Shifts Quartz Processing from Canada to Dakota, The Minnesota Star Tribune at 4.

<sup>317/</sup> *Id.*

<sup>318/</sup> *See* 19 U.S.C. § 2252(c)(6)(B).

that is fundamentally different than the conditions present during the POI. Indeed, the continued rising popularity of QSP over other surface products positions the domestic industry for great success if it is able to seize that opportunity. The continued strong performance of U.S. fabricators, Elite Quartz, and [

], are indicative of the domestic industry's continued imminent health.

If the domestic QSP industry is imminently threatened by anything in the imminent future, it is market factors other than subject imports. As addressed in Section VI, above, these include the ongoing mass tort litigation (and the risk of additional cases) and tightening regulatory environment, the soft homebuilding market, intra-industry competition (in particular from Elite Quartz and its trendy, patent-protected designs), frequently changing consumer design preferences, and surging interest in high-priced quartzite. Moreover, this very case threatens to devastate American fabricators and thus poses an imminent threat. QSP imports cannot be blamed for these entirely unrelated market conditions, particularly when they are critical to American fabricators who cannot obtain even a fraction of the number and breadth of slab designs required to run their manufacturing businesses.

This should be an easy no threat determination for the Commission given the state of the industry is unlikely to change in the clearly imminent future. Notwithstanding, for avoidance of doubt, we outline below the statutory threat factors the Commission must consider: (A) a decline in sales or market share, a higher and growing inventory (whether maintained by domestic producers, importers, wholesalers, or retailers), and a downward trend in production, profits, wages, productivity, or employment (or increasing underemployment) in the domestic industry; (B) the extent to which firms in the domestic industry are unable to generate adequate capital to finance the modernization of their domestic plants and equipment, or are unable to maintain

existing levels of expenditures for research and development; and (C) the extent to which the United States market is the focal point for the diversion of exports of the article concerned by reason of restraints on exports of such article to, or on imports of such article into, third country markets. 319/ As demonstrated below, none of these criteria are met.

**A. Imports Have Not Caused, Nor Will They Clearly Imminently Cause, Any Declines in Sales or Market Share or Downward Trends in Production, Profits, Wages, Productivity or Employment**

There has been no change in the nature of imports that would cause the Commission to make a different finding on threat than the serious injury and substantial causation analyses presented above. As discussed in Sections III.D, higher interest rates and creeping inflation, along with the slowdown in construction activity has had an adverse impact on the domestic industry's late-POI performance—unrelated to imports. In fact, import volumes have declined in the most recent period examined, January to September 2025. 320/ The numerous Presidential actions over the last year that have been aimed at reducing imports, including “trafficking” IEEPA tariffs on China, Mexico, and Canada and “reciprocal” IEEPA tariffs imposed on nearly every country in the world, have had a restraining effect on imports. 321/ There is no reason to expect that imports would suddenly become a significant driver of U.S. producer performance. 322/

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319/ See 19 U.S.C. § 2252(c)(1)(B).

320/ Prehearing Staff Report at Tbl. C.1.

321/ *Id.* at 1.24 – 1.32.

322/ See 19 U.S.C. § 2252(c)(1)(B)(ii).

**B. The Domestic Slab Industry’s Investment Indicators Are Strong, and There Is No Evidence That Firms Are Unable to Generate Adequate Capital or Maintain Existing Levels of R&D**

Notwithstanding the recent softening in demand, U.S. producers have continued to invest. As explained above, U.S. slab producers nearly doubled their capital expenditures between the interim periods, increasing CapEx from \$24.1 million in interim 2024 to \$44.4 million in interim 2025. <sup>323/</sup> R&D expenses also increased between the interim periods. <sup>324/</sup> When annualized, interim 2025 R&D figures top \$6.2 million, matching full year 2024’s \$6.3 million R&D spend. <sup>325/</sup> There is thus no evidence that the domestic industry has been unable to generate adequate capital or maintain existing levels of R&D. <sup>326/</sup>

In public fora, U.S. producers have been clear about their optimism for the QSP market. As Cambria’s CEO Marty Davis said: “We are positioning for growth... The building product industry has a lot of pent-up demand.” <sup>327/</sup> The largest U.S. producer’s bullish attitude on the market is telling. The domestic industry is optimistic for a turnaround after the recent period of depressed demand resulting from housing market conditions and investing accordingly.

**C. The U.S. Market Requires Imports to Meet Demand, and It Is Not a Focal Point for the Diversion of Exports**

As discussed above, imports are an essential part of the QSP market and are necessary for domestic fabricator manufacturers to continue to thrive. That said, there is no indication that

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<sup>323/</sup> Prehearing Staff Report at Tbl. 4.6.

<sup>324/</sup> *Id.* at Tbl. 4.6.

<sup>325/</sup> *Id.* at Tbl. 4.8.

<sup>326/</sup> *See* 19 U.S.C. § 2252(c)(1)(B)(ii).

<sup>327/</sup> **Exh. 6-B**, Cambria Shifts Quartz Processing from Canada to Dakota, The Minnesota Star Tribune at 7.

exports will imminently be diverted to the U.S. market. At the outset, the Prehearing Report notes that “{t}here are no known import restraints on QSP in third-country markets.” 328/

Furthermore, foreign producers report that projected capacity will decline in 2026 relative to 2024, with slab and fabricator producers from all countries combined reporting a reduction in capacity of over six million square feet. 329/ Furthermore, both foreign slab producers and foreign fabricators report that their projected share of shipments that will be exported to the United States will drop in 2026 relative to 2024. 330/ Specifically, slab producers from all countries combined anticipate that 57.7 percent of their 2026 shipments will be comprised of exports to the United States, compared to 62.9 percent in 2024. Similarly, fabricators report a reduced focus on the United States with an anticipated 79.0 percent of shipments in 2026 being exported to the United States compared to 80.7 percent in 2024, the last full year of the POI. 331/ Thus, exports to the U.S. markets are likely to continue to decline. 332/

Notably, fabricators account for only a fraction of total exports. The large majority of imports of QSP are in the form of slabs, which support downstream fabrication in the United States. 333/ The relative weight of slab imports as compared to pre-fabricated or cut-to-size imports is not poised to change in the clearly imminent future. Thus, fabricators will be positioned to continue to be successful while there remains sufficient, diverse availability of slabs in the market.

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328/ Prehearing Staff Report at 1.36.

329/ *Id.* at Tbl. 5.15.

330/ *Id.* at Tbls. 5.15 and 5.16.

331/ *Id.* at Tbls. 5.15 and 5.16.

332/ *See* 19 U.S.C. § 2252(c)(1)(B)(iii).

333/ Prehearing Staff Report at Tbl. 2.4 (showing that imports of fabricated slab were 2 percent or less of total import quantity in every year of the POI).

## CONCLUSION

For all of the foregoing reasons, the Commission should make a negative determination and terminate this investigation. The domestic industry is not experiencing serious injury substantially caused by imports, nor is it threatened by serious injury substantially caused by imports.

Respectfully submitted,

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