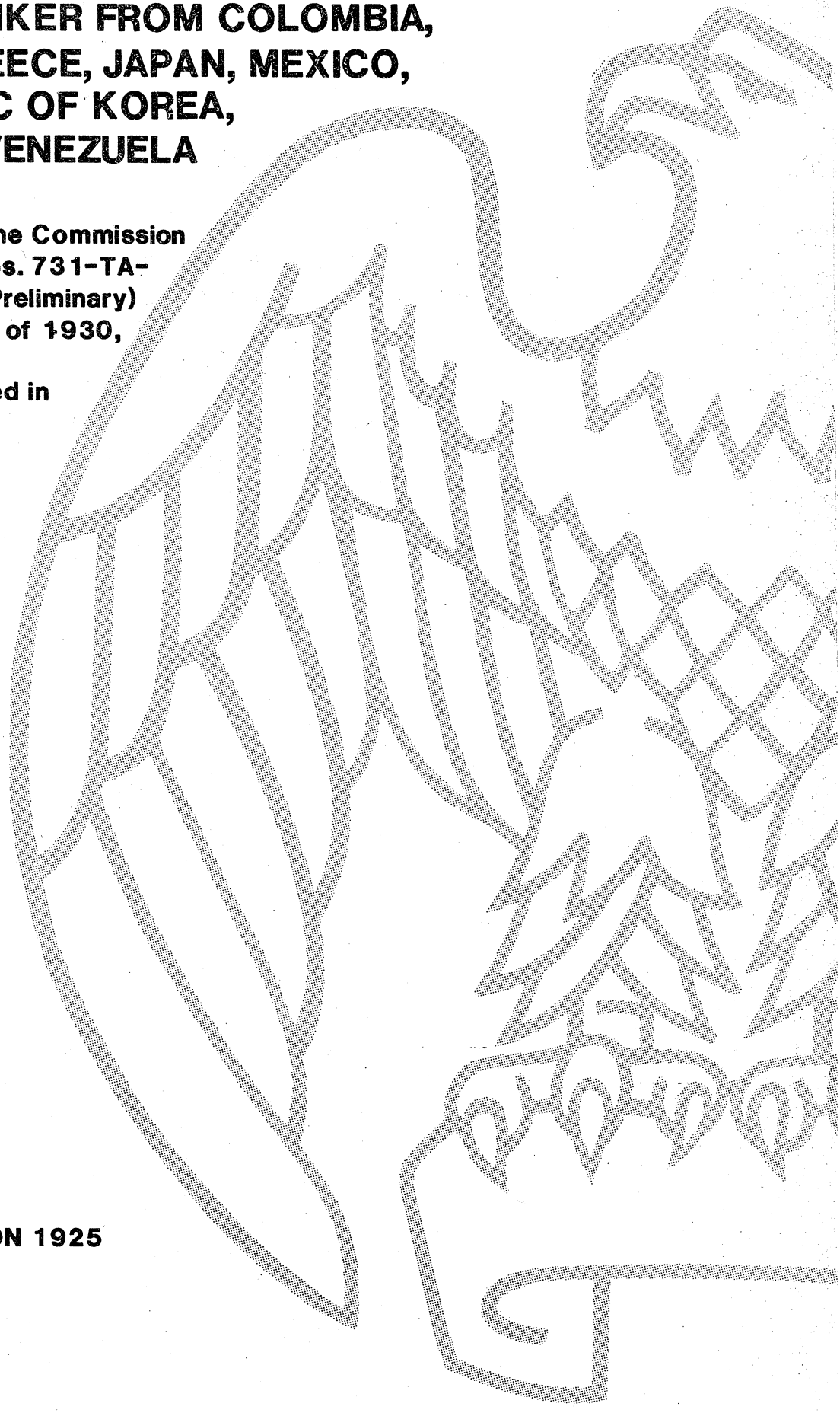
PORTLAND HYDRAULIC CEMENT AND CEMENT CLINKER FROM COLOMBIA, FRANCE, GREECE, JAPAN, MEXICO, THE REPUBLIC OF KOREA, SPAIN, AND VENEZUELA

Determinations of the Commission in Investigations Nos. 731-TA-356 through 363 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 731-TA-356 through 363 (Preliminary)

PORTLAND HYDRAULIC CEMENT AND CEMENT CLINKER FROM COLOMBIA, FRANCE, GREECE, JAPAN, MEXICO, THE REPUBLIC OF KOREA, SPAIN, AND VENEZUELA

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ 3/ pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela of portland hydraulic cement and cement clinker, provided for in item 511.14 4/ of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On October 30, 1986, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of the American Cement Trade Alliance alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of portland

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1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).
2/ Commissioner Eckes determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of portland hydraulic cement and cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela, which were allegedly sold in the United States at less than fair value (LTFV).
3/ Commissioner Stern did not participate in these determinations.
4/ These investigations do not include white, nonstaining portland hydraulic cement, provided for in TSUS item 511.11, or oil well cement, provided for in TSUS item 511.14.

hydraulic cement and cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela. Accordingly, effective October 30, 1986, the Commission instituted preliminary antidumping investigations Nos. 731-TA-357 through 363 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 5, 1986 (51 F.R. 40270). The conference was held in Washington, DC, on November 21, 1986, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRMAN LIEBELER, VICE CHAIRMAN BRUNSDALE, COMMISSIONER LODWICK, AND COMMISSIONER ROHR

We determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of portland hydraulic cement and cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea (Korea), Spain, and Venezuela that are alleged to be sold in the United States at less than fair value (LTFV). 1/ The overall performance of the industry is not only good, but has been improving during the period under investigation. Even taking into consideration the fact that the industry is currently in a recovery phase of the business cycle, and so would tend to show improved performance, we find no reasonable indication of material injury to the domestic industry. In addition, the record provides no reasonable indication that imports from the countries under investigation will increase or otherwise have such an effect on the condition of the domestic industry as to constitute a real and imminent threat of material injury to the industry. 2/

Like Product

As a prerequisite to its material injury analysis, the Commission must define the relevant domestic industry. The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that

1/ Material retardation is not an issue in these investigations and will not be discussed.

2/ See Commissioner Rohr's Additional Views with respect to cumulation and causation.

product . . . ." 3/ In turn, "like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 4/ The "article subject to an investigation" is defined by the scope of the investigation initiated by the Department of Commerce (Commerce). 5/

The Commission's like product determination is essentially factual and is made on a case-by-case basis. The Commission looks for clear dividing lines among products in terms of distinct characteristics and uses. Minor variations in products are insufficient to find separate like products. 6/ The Commission examines factors relating to the characteristics and uses of the subject merchandise, including physical appearance, customer perceptions of the articles, common manufacturing facilities and production employees, channels of distribution, and interchangeability between products.

In addressing the question of whether "semifinished" products are "like" the "finished" product, the Commission considers the necessity for further

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3/ 19 U.S.C § 1677 (4)(A).

4/ 19 U.S.C. § 1677(10).

5/ Commerce has defined the products under investigation to be:

> portland hydraulic grey cement, including clinker. . . . Excluded from this investigation are white, non-staining portland hydraulic cement . . . and oil well cement.

Notices of Initiation, 51 Fed. Reg. 42604-09 (November 25, 1986).

6/ The Commission has also noted the legislative history of the like product definition, which provides in pertinent part:

> The requirement that a product be "like" the imported article should not be interpreted in such a narrow fashion as to permit minor differences in characteristics and uses to lead to the conclusion that the product and article are not "like" each other, nor should the definition of "like product" be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation.

S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

processing, the relative cost of such processing, and the degree of substitutability or interchangeability of the semifinished and finished goods. In addition, the Commission has considered whether the product during the earlier stage of production is used only in the finished product, and whether the unfinished product embodies or imparts to the finished product an essential characteristic.

The articles subject to these investigations are portland hydraulic cement and cement clinker. Portland hydraulic cement is used predominantly in the production of concrete. Concrete is consumed almost wholly in construction. 7/ Portland hydraulic cement is a fungible commodity 8/ consisting mainly of compounds of calcium and silica. The raw materials are ground to a fine powder and sintered in a kiln to form clinker, which is in the form of small pellets. 9/ Clinker is then ground, with the addition of approximately five percent other materials, to form cement. The final grinding step and the materials added are very important in determining the specifications and type of finished cement. 10/ Clinker is an intermediate material used in the production of finished cement, and although it is

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7/ Report of the Commission (Report) at A-4, A-43.

8/ Id. at A-40.

9/ Id. at A-3.

10/ There are both hydraulic cements and non-hydraulic cements. In addition, there are four major categories of hydraulic cements, of which portland hydraulic cement accounts for approximately 95 percent of domestic production. No party has argued that any cement other than portland hydraulic cement as defined in the petition should be considered a like product. The Commission has considered the question of whether these cements are "like" imported portland hydraulic cement, and has previously determined that domestically-produced portland hydraulic cement is like the imported article. E.g., Portland Hydraulic Cement from Australia and Japan, Invs. Nos. 731-TA-108-09 (Preliminary), USITC Pub. No. 1310 (1982). We agree with that determination.

different in appearance and properties from the finished product, it has no other use than in the production of cement. 11/

Petitioner argues that since clinker is an intermediate material in the production of cement, has no independent uses, and constitutes approximately 85 percent of the value of cement, the Commission should conclude that there is a single like product in these investigations. 12/ Respondents argue that there are two separate products, noting that cement and clinker are sold in separate markets, are not interchangeable, are used for different purposes, and are priced differently. 13/

We agree with petitioner's analysis of like product. Most U.S. cement producers have kilns to produce clinker for their own use. A few smaller cement producers have only grinding facilities for converting imported or purchased domestic clinker into cement. Except for sales to other domestic cement producers, which are small relative to total clinker production, there is no independent market for clinker in the United States. 14/ Clinker is totally dedicated to the production of cement and does not appear to have any other use or application. 15/ Further, clinker accounts for approximately 80 percent of the overall cost of the finished cement. 16/ Based on the information gathered in these investigations, we determine that portland hydraulic cement and clinker comprise a single like product. 17/

11/ Report at A-3.
12/ Petition at 20-23.
13/ Transcript (tr.) of the Preliminary Conference at 156 (testimony of Richard O. Cunningham, Esq., counsel for respondent, The Cement Free Trade Association).
14/ Report at A-17.
15/ Id. at A-3-5.
16/ Id. at Appendix D.
17/ Chairman Liebeler notes that even had she found two like products, the clinker producers would still be included in the cement industry. Her discussion of the condition of the industry would therefore not have differed materially from the discussion that follows, infra.

Domestic Industry

Having determined that there is a single like product, we determine that there is one domestic industry, consisting of the U.S. operations of companies producing cement and clinker. 18/ 19/

Regional industry--In appropriate circumstances for a particular product market, the United States may be divided into two or more regional markets and the producers within each market treated as a regional industry. The conclusion that analysis of a regional industry is appropriate requires a demonstration that (1) the subject imports are concentrated in the regional market, (2) producers located within the market sell almost all of their production of the like product in the regional market, and (3) producers outside the market do not supply the demand in the market to any substantial degree. 20/

No party in these investigations has alleged the existence of a regional industry, or argued the appropriateness of a regional industry

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18/ There are 51 cement manufacturing companies in the United States, according to the Bureau of Mines, operating 149 cement manufacturing plants. The Commission sent questionnaire to all 51 companies, and received responses from 37, representing 80.4 percent of total U.S. capacity to produce finished cement, according to the Bureau of Mines. Report at A-10-12.

19/ Commissioner Rohr notes that there is a question whether operations devoted to "finishing" are sufficient to constitute domestic production, or whether they are in essence no more than what importers could be expected to do. This issue has been addressed by the Commission in recent opinions. See Certain Butt-weld Pipe-Fittings from Brazil and Taiwan, Invs. Nos. 731-TA-308 & 310 (Final), Commission Opinion at 8; 64K Dynamic Random Access Memory Semiconductors, Inv. No. 731-TA-270 (Final), USITC Pub. No. 1862 (1986) at 9 n.15 (Views of Commissioner Rohr). There is no question in these investigations that "finishing" operations are extensive, and that the operations of producers involved in grinding clinker to produce cement are extensive, and are thus properly included within the scope of the domestic industry.

20/ 19 U.S.C. § 1677(c).

analysis. 21/ In the absence of such an allegation, the Commission is not required to conduct such an analysis. 22/ Such an analysis is, however, permissible if the Commission deems it appropriate. In these investigations, such an analysis would present analytical and data problems for petitioners, respondents, and the Commission. 23/ Of course, had the parties alleged the existence of regional industries, the Commission would have considered such an analysis, and if the criteria were met and the Commission deemed it appropriate, would have conducted such an analysis, despite the problems.

21/ Petitioner stated at the preliminary conference that it believed analysis on a national industry basis is appropriate. Transcript at 59. We note that in previous cement investigations the petitioners have alleged, and the Commission has found, the existence of a regional industry.

22/ Chairman Liebeler and Vice Chairman Brunsdale determine that in the absence of an argument by the domestic producers that a regional industry analysis should be undertaken, the Commission should not do so on its own to reach an affirmative determination. The regional industry provision is designed to relieve a domestic industry from the burden of demonstrating injury on a nationwide basis. See Gifford-Hill Cement Co. v. USITC, 615 F. Supp. 577, 582 (Ct. Int'l Trade 1985); H.R. Rep. No. 317, 96th Cong., 1st Sess. 73 (1979); S. Rep. No. 249, 96th Cong., 1st Sess. 82-83 (1979). The Commission has limited resources. Without specific pleadings, the Commission would be placed in the position of investigating every conceivable regional industry in the country. Although the Court of Appeals for the Federal Circuit has held that it is permissible for the Commission to weigh conflicting evidence during a preliminary investigation, American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986), finding no regional industry in this case does not involve such a determination. Rather, such a determination is more in line with Congressional intent to "eliminate unnecessary and costly investigations which are an administrative burden and an impediment to trade." S. Rep. No. 1298, 93rd Cong., 2d Sess. 171 (1974). The Commission should avoid speculative inquiries generally, and particularly where, as here, parties have indicated that such speculation would be fruitless.

23/ For instance, individual cement production plants tend to serve an area within a radius of 200 to 300 miles. Imports are generally marketed within a similar radius of the port of entry. The areas served by different plants frequently overlap, with competition between plants at the edges. Thus, the boundaries of the appropriate regional industries would be difficult to define, in keeping with the criteria established by the statute. The same firm may operate cement plants in different parts of the United States, raising the potential for problems in segregating the data specifically for the regions defined.

However, in light of the allegations and circumstances of these investigations, we determine that it is inappropriate to adopt a regional industry analysis.

Related parties--Many of the companies comprising the domestic industry are also significant importers of cement and clinker from the countries under investigation. 24/ No party requested that the Commission exclude the operations of related parties from its analysis. Nonetheless, we have considered whether it is appropriate to exclude the operations of these companies from our analysis, under the related parties provision of the statute. 25/

Consideration of the related parties question involves two steps. The first is to determine whether the domestic producers are importers of the product under investigation or have a corporate relationship to exporters or importers. This condition is satisfied in the instant investigations. Domestic producers account for a significant portion of the imports under investigation.

24/ Report at A-13.

25/ That provision provides:

> When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term "industry" may be applied in appropriate circumstances by excluding such producers from those included in that industry.

19 U.S.C. § 1677(4)(B). Among the factors the Commission has considered in previous investigations in determining whether appropriate circumstances for the exclusion of related parties exist are:

> 1. the percentage of domestic production attributable to the related producers;
> 2. the reasons the domestic producers have chosen to import the product under investigation, i.e. to benefit from the dumping or in order to enable them to continue production and compete in the domestic market; and
> 3. the position of the related producers vis-a-vis the rest of the domestic industry, i.e. whether inclusion or exclusion of the related party will skew the data for the domestic industry.

The second step is to determine whether "appropriate circumstances" exist for excluding the related parties from the definition of the domestic industry. This determination is within the Commission's discretion. The basis for the related parties provision is concern that the relationship of such domestic producers to the exporters or importers and the dumped merchandise gives them an unusual or sheltered position in the market, unlike that of other domestic producers, which could result in an inaccurate assessment of material injury or threat thereof to the domestic industry.

In these investigations, domestic producers accounting for between 30 and 50 percent of the cement imports and virtually all clinker imports from the countries under investigation during the period examined accounted for a significant portion of portland hydraulic cement production. 26/ The exclusion of these producers from the domestic industry would, in our opinion, result in a decided skewing of the data concerning the condition of the domestic industry. 27/ Based on the information of record, we conclude that appropriate circumstances do not exist to warrant exclusion of these producers from the domestic industry.

Condition of the domestic industry

In evaluating the condition of the domestic industry, the Commission considers, among other factors, apparent consumption, domestic production, capacity, capacity utilization, shipments, inventories, employment, and

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26/ Report at A-13.

27/ Commissioner Lodwick and Commissioner Rohr question whether the fact that application of the related parties provision would result in the Comissions analyzing a much smaller industry would be per se a basis for not invoking the provision. They note however that the domestic industry did not request that those members of the industry who import be excluded. They also note that the record contains no information that would suggest that the operations of the non-importing producers are significantly different from those of the industry as a whole.

financial performance. 28/ Based on our evaluation of the record, we determine that there is no reasonable indication that the domestic industry is experiencing material injury. We further find no likelihood that substantial evidence to support a finding of material injury would be developed in the event of a final investigation.

Over the period of investigation both apparent consumption and domestic production have increased steadily. Apparent U.S. consumption of portland hydraulic cement increased 15.5 percent from 1983 to 1984, or from 59.2 million tons to 68.4 million tons, and rose again by 8.2 percent from 1984 to 1985 to 73.9 million tons. Interim data for January-September 1985-1986 indicate that consumption was 4.8 percent greater in 1986 than in 1985. 29/ Apparent consumption of clinker rose from 52.0 million tons in 1983 to 57.4 million tons in 1984 to 60.5 million tons in 1985, or by 15.9 percent 1983-1985. Consumption of clinker declined by 0.3 percent when comparing interim 1985 to interim 1986. 30/

Coincident with the increase in apparent consumption, domestic production of both portland hydraulic cement and clinker rose throughout the period of investigation. Domestic production of portland hydraulic cement rose from 56.3 million tons in 1983 to 62.1 million tons in 1984 to 64.5 million tons in 1985, or by 14.6 percent 1983-1985. 31/ Production of portland hydraulic cement during January-September 1986 was 1.5 percent above that of the corresponding period of 1985. 32/ Domestic clinker production also increased during the course of the investigations, rising by 10.8 percent from 1983-1985

28/ 19 U.S.C. § 1677(7)(C)(iii).
29/ Report at A-13-14.
30/ Id. at A-14.
31/ Id. at A-16, Table 6.
32/ Id.

and by 0.5 percent in interim 1986. The tonnage figures were 50.4 million tons in 1983, 55.1 million tons in 1984, 55.9 million tons in 1985, and approximately 43 million tons in both interim 1985 and 1986. 33/

Moreover, capacity to produce portland hydraulic cement increased throughout the period of investigation. Capacity increased from 80.1 million tons a year in 1983 to 82.2 million tons in 1984, and increased again to 83.5 million tons in 1985, or by 4.3 percent between 1983 and 1985. Partial year capacity in January-September 1985 was 63.2 million tons and increased to 63.5 million tons during the corresponding period of 1986. 34/ Capacity to produce clinker increased from 70.4 million tons in 1983 to 72.2 million tons in 1984, and remained virtually the same in 1985. Interim data for 1985 and 1986 indicate a minimal decline in clinker capacity. 35/ These capacity increases occurred despite the closing of older and less efficient plants during the period of investigation. 36/

Capacity utilization for portland hydraulic cement and cement clinker increased steadily throughout the period of investigation. Capacity utilization rose from 70.3 percent in 1983 to 75.6 percent in 1984 to 77.3 percent in 1985, and reached 77.4 percent in interim 1986. 37/ Clinker capacity utilization rates followed the same trend, albeit at a somewhat higher level, rising from 71.6 percent in 1983 to 76.4 percent in 1984 to 77.4 percent in 1985, and reached 79.7 percent in interim 1986. 38/

33/ Id.
34/ Id. at A-16.
35/ Id.
36/ Id. at A-10.
37/ Id. at A-16.
38/ Id.

The volume of domestic shipments of portland hydraulic cement also rose sharply throughout the period of investigation. Shipments rose from 55.1 million tons in 1983 to 61.3 million tons in 1984 to 63.6 million tons in 1985, and further increased in the interim 1985-1986 comparison from 48.3 million tons to 49.4 million tons. Similarly, the value of shipments rose from $2.8 billion in 1983 to $3.2 billion in 1984 to $3.3 billion in 1985. In the interim 1985-1986 comparison, however, the indicator dipped from $2.6 billion to $2.5 billion. 39/

Inventories are not generally maintained for long, or at high levels, in this industry, because of the high costs of storage. 40/ Inventory levels were stable throughout the period of investigation. 41/ Thus, the information concerning inventory does not suggest that the domestic industry is experiencing material injury.

Although employment and hours worked generally declined over the period of investigation, this decline is largely a result of improved productivity, inasmuch as production steadily increased over the period of investigation, and thus is not an indication of material injury. The average number of production and related workers producing portland hydraulic cement and clinker was 10,150 employees in 1983, rose to 10,359 employees in 1984, and then

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39/ Id. at A-18, Table 7.

40/ Id. at A-4.

41/ U.S. producers' inventory levels for portland hydraulic cement stood at 5.1 million tons in 1983, 5.1 million tons in 1984, 5.4 million tons in 1985. Inventories as of September 30, 1985 were 4.7 million tons as compared with 4.0 million tons September 30, 1986. Id. at A-20. Inventory levels for clinker were roughly 3.9 million tons in 1983 and in 1984, and then increased to 4.3 million tons in 1985. About 4.0 million tons of clinker were held in inventory as of September 30, 1985 and declined to 3.5 million tons by September 30, 1986. Id. at A-21.

declined to 9,723 employees in 1985, and declined further to 9,099 employees for interim 1986 as compared with 9,580 employees for interim 1985. 42/ Whereas the number of workers decreased by roughly 4 percent from 1983-1985, the number of hours worked by employees increased 5.7 percent in the same period. Labor productivity increased nearly 10 percent, from 3.6 tons per hour in 1983 to 3.9 tons per hour in 1985. 43/ When comparing interim 1985 with interim 1986, the total number of employees decreased 5.0 percent and the hours worked decreased 4.3 percent. 44/ Labor productivity again increased during interim 1986, by 5 percent over the corresponding period of 1985. 45/

Our examination of the financial data indicates that the domestic industry is not experiencing material injury, but rather is thriving. Thirty-five U.S. producers provided financial data on their operations producing portland hydraulic cement and cement clinker. These data accounted for over 83.6 percent of U.S. production of portland hydraulic cement in 1985. 46/ Net sales of cement and clinker increased from $2.8 billion in 1983 to $3.2 billion in 1984 to $3.3 billion in 1985. 47/ Data for the interim period ending September 30, 1985, show net sales of $2.5 billion, and a slight increase during the comparable period of 1986. The number of firms reporting operating losses declined during the period of investigation, from seven of 33 firms reporting in 1983, to six of 34 in 1984, and declined again to only three of 35 firms in 1985. In interim 1985, 4 of 35 firms reported operating losses, while in interim 1986 only 3 of 35 firms reported operating losses. 48/

42/ Id. at A-21-22.
43/ Id.
44/ Id. at A-21.
45/ Id.
46/ Id. at A-23.
47/ Id. at A-24.
48/ Id.

Aggregate data for the industry indicate that operating income as a ratio to net sales rose steadily throughout the period of investigation. Operating income rose from 7.3 percent in 1983 to 10.6 percent in 1984 to 11.3 percent in 1985. Operating income also increased from 12.3 percent in interim 1985 to 12.8 percent in interim 1986. 49/

Petitioner argued that because the cement industry is capital intensive and has high fixed costs, net income before income taxes is a better indicator of profitability than is operating income. Operating income reflects only those expenses related to the production and sale of the like product being investigated. Net income before taxes reflects interest expenses incurred to finance capital expenses, whereas this expense is not deducted in calculating operating income. Net income before taxes also reflects extraordinary expenses unrelated to production and sale of the like product under examination. Thus, use of pre-tax net income as an indicator of performance of the domestic industry poses serious problems. Pre-tax net income reflects the decisions of corporate managers whether to issue debt or equity to raise capital. How well an operation is performing is independent of the firm's capital structure. Thus, pre-tax net income may provide a misleading indication of a firm's operating performance, and examination of pre-tax net income may compromise the validity of comparisons over time. Nonetheless, because petitioner raised this argument, the Commission requested interest expense and other income or expense data on an establishment basis, and calculated pre-tax net income for 27 producers, representing over 70 percent

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49/ Id. at A-23.

of 1985 cement production. 50/ The aggregate data indicates that the industry's pre-tax net income margins are lower than operating margins by approximately 4-5 percent, but followed a similar trend. 51/ Our examination of the level and trend of pre-tax net income would not support a finding of material injury.

Petitioner argues, and respondents agree, that cement production is a cyclical industry, closely linked to the construction cycle. Petitioner also argues that the Commission should consider the condition of the industry, and the upturns in performance indicators, in the context of the industry's business cycle, and in comparison to the industry's past performance in prior comparable years. Petitioner contends that the performance of the domestic industry has not fully reflected the increase in U.S. consumption of cement, and that the industry's performance indicators are, therefore, lower than the historically high level of consumption would lead one to expect. The petition suggests that the Commission should compare the current data to data during earlier peaks in the business cycle.

Respondents' position is that the domestic industry is enjoying a recovery of unprecedented proportions, with increasing production, shipments, profits, and a general upturn in all industry indicators, and is not suffering any injury at all, much less material injury. Respondents contend that the current upturn in the cement industry may continue indefinitely, and that the

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50/ Id. at A-23. Such expenses were only collected on an establishment basis, as they are normally maintained on that basis only, rather than on the basis of the product-line relevant to these investigations, which further diminishes the usefulness of the data.

51/ Id. at A-25.

industry may not yet be at a peak in the business cycle. 52/ They also suggest that the Commission cannot find material injury to an industry when the traditional indicators of performance show improvements. 53/

We agree with petitioner's contention that, if an industry is cyclical, the Commission should take into account the cyclical nature of that industry in determining whether there is a reasonable indication of material injury or threat of material injury and whether the subject imports are a cause of either. This does not mean, however, that performance indicators in one cycle are necessarily the appropriate standard against which to judge the industry's performance during the period under investigation. Accordingly, we have considered the significance of the various indicators of the condition of the industry in the context of the cyclical nature of the cement industry.

52/ In connection with this point, we note that the question of where an industry is in its business cycle at any given time, as well as the question of the length of the cycle, is one which is not readily answerable.

53/ With respect to respondent's latter argument, it is clear that Congress intended to give the Commission wide discretion in determining what weight should be accorded various indicators of industry performance depending upon the particular circumstances of each investigation and each industry. H.R. Rep. no. 317, 96th Cong., 1st Sess. 46 (1979) (the significance of the various factors affecting an industry will depend upon the facts of each particular case). See also S. Rep. No. 249, 96th Cong., 1st Sess. 88 (1979) ("the significance to be assigned a particular factor is for the ITC to decide."). Consequently, the Commission is not precluded from determining that an industry is materially injured, or threatened with material injury, by reason of imports, in the face of improvements in certain performance indicators, if other factors warrant such a conclusion.

Commissioner Rohr notes that, in fact, the Commission has made affirmative material injury findings despite the fact that many performance indicators were improving. The novelty in petitioner's claims in these investigations relates to the contention that the standard against which to compare the current performance of a cyclical industry is its performance during the last cycle. Assuming that the industry's performance during the last cycle may be at least one factor in its evaluation of the industry's current performance, the Commission's conclusions are discussed below.

The flaw in petitioner's argument in these investigations is the assumption that current profit margins should be as high as those recorded during 1979, which petitioner identified as the previous peak. Many factors that have an impact on the industry's performance have changed during the intervening years. Most importantly, the previous peak occurred when inflation and nominal interest rates were high. In such circumstances, an industry would have to generate higher returns in order to keep pace with inflation and attract capital. In addition, because accounting costs are not adjusted for inflation, returns are generally greater in a period of high inflation than in a period of low inflation. Therefore, it is inappropriate to compare nominal rates of return over time, between peaks of the business cycle. Today, inflation is low, and interest rates have declined substantially since 1979. The record does not support the conclusion that the failure of the industry to record profit margins equivalent to those allegedly recorded during the previous peak period indicates material injury in these investigations.

In addition, we question the probative value of petitioner's survey data on the financial performance of the industry. Petitioner's data covering 1983 through interim 1986, which represent approximately 55 percent of domestic production, are significantly different from the data collected by the Commission, which cover 83.6 percent of the domestic industry, and petitioner's data show significantly lower profit margins. Petitioner's data for the previous peak period include the operations of only eight firms, accounting for approximately 30 percent of domestic production. Consequently,

we question whether the benchmark of "necessary" performance levels shown by that data is valid. 54/

Finally, petitioner argues that the failure of the industry to record adequate profit levels prevents the industry from undertaking the necessary capital investment to enable it to survive the inevitable downturn in the business cycle. Even if we accept this argument in theory, 55/ 56/ the circumstances of this industry do not support the argument. The information gathered by the Commission indicates that although capital investment has declined during the period under investigation, modernization of the industry has continued. The industry's operating returns were more than adequate to fund that investment. Capacity has increased in the industry, but there appears nonetheless to be additional capacity available to increase production which suggests that the pressing need for further capital investment argued by

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54/ In addition, the information published in Value Line concerning the performance of the cement industry shows current operating margins higher than those indicated by the Commission's data, as well as high operating margins during the previous peak period. However, the Value Line data include profits on operations other than cement and clinker production, and also do not include depreciation expense in computing operating income. Thus, the high operating margins for the previous peak period, since they are computed on a different basis, are not comparable to the Commission's current data, probative, or persuasive.

55/ Chairman Liebeler and Vice Chairman Brunsdale reject the assumption upon which this argument rests, that profits are the only source of capital for investment. If there are profitable investments in the cement industry, the funds could be raised through the capital market. If such opportunities are not available, the funds could not be raised, nor would the industry make the investment out of its own revenues. A decline in profits can, of course, be an indicator of material injury, but not because profits are the only capital available for investment. They do not join the remainder of this paragraph.

56/ Commissioner Lodwick and Commissioner Rohr note that the Commission has itself noted, with respect to certain high-technology industries, the need for relatively high revenues to fund the high levels of research and development necessary for those industries to survive in the future. E.g., Cellular Mobile Telephones from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. No. 1786 (1985).

petitioner does not in fact exist. In addition, to the extent that the industry invested in capacity during the previous peak period, at the then current high interest rates, this is likely to have an adverse effect on the industry's current financial performance. Consequently, the decline in capital investment is at best an ambiguous indicator of the industry's condition in these investigations.

In summary, domestic production, capacity, capacity utilization, and shipments increased during the period of investigation. Although employment declined, labor productivity increased. The domestic industry's profits were also high and increased during the period under investigation. Even taking into consideration the cyclical nature of the industry, we determine that there is no reasonable indication that the domestic industry producing portland hydraulic cement and cement clinker is currently experienceing material injury. In addition, we determine that there is no likelihood that evidence that would establish that the domestic industry is experiencing material injury would be developed if these cases were to proceed.

No reasonable indication of threat of material injury by reason of allegedly LTFV imports

The "threat of material injury" standard "[i]s intended to permit import relief under the . . . antidumping laws before actual material injury occurs." 57/ 19 U.S.C. § 1677(7)(F) sets forth a series of factors the Commission is to consider in analyzing the issue of threat of material injury.

> (F) Threat of Material Injury.--
> (i) In General.--In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant economic factors-

57/ S. Rep. No. 249, 96th Cong., 1st Sess. 89 (1979); H.R. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979).

(I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),
(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,
(V) any substantial increase in inventories of the merchandise in the United States,
(VI) the presence of underutilized capacity for producing the merchandise in the exporting country,
(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury, and
(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to find orders under section 706 or 736, are also used to produce the merchandise under investigation.

(ii) Basis for Determination.--Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.

In these investigations, petitioner argued that the industry is threatened with material injury because, without high levels of profits and capital investment now, during the alleged peak period of the business cycle, the domestic industry will be unable to compete with imports during the

inevitable downturn. 58/ Petitioner argued that, unlike during previous downturns, imports will not decline as U.S. demand declines, because the countries under investigation have both the incentive and the ability to maintain or increase current levels of shipments to the United States.

As discussed in the section concerning the condition of the domestic industry, the industry is currently enjoying high levels of profitability. While these levels may not be as high as those achieved during the previous peak period of the industry's business cycle, we find no indication that they are insufficient to enable the industry to weather the likely downturn. Moreover, we note that the profit margins of the industry were relatively high throughout the period under investigation.

Insofar as the prospect of increased imports from the countries under investigation is concerned, while exports from the countries under investigation appear generally to have been increasingly directed toward the U.S. market, it is likely that this reflects the increased demand in the United States. There is nothing on the record to indicate that imports from the countries under investigation would not, as imports have in the past, decrease in the event consumption declines. In addition, we note that a significant proportion of current imports is attributable to the domestic producers. Domestic producers import cement and clinker at least in part in order to serve markets which could not otherwise be profitably be served from existing production facilities. While such imports may increase, should demand remain strong in the U.S. market, we conclude that such an increase would not threaten the domestic industry with material injury.

58/ Chairman Liebeler and Vice Chairman Brunsdale observe that this argument ignores the role the capital market plays in finding profitable investments. See note 55, supra.

Producers in the countries under investigation would have to either divert exports from other markets, or increase production, in order to increase exports to the U.S. market. There is nothing on the record which would support the conclusion that producers in the countries under investigation are likely to divert exports from other markets to the United States. There does not appear to be significant excess capacity in the countries under investigation. 59/ Some respondents have reported that production capacity is declining. 60/ Moreover, several respondents have indicated that demand in their home markets is increasing, and is projected to increase in the near future. 61/ In addition, information on the record indicates that some of the available capacity in the countries under investigation is not suitable for export production, either due to distance from port facilities and consequent transportation problems, or because the foreign producers cannot produce portland hydraulic cement to U.S. standards. 62/ Since cement and clinker are not generally kept in inventory in large amounts or for long periods of time, there are no significant inventories which could be directed to the U.S. market.

59/ Report at A-33-35.

60/ Post Conference Brief of Onoda Cement Co., Ltd. at 6; Post-Hearing Brief on behalf of Cementos del Mar, S.A., Hispacement, S.A. and Valenciana de Cemetos Portland, S.A., at 2-4.

61/ See Post-Conference Brief of Mitsubishi Mining & Cement Co. Ltd and Ube Industries Inc. at 12-13; Post-Hearing Brief on behalf of Ssangyong Cement Industrial Co. Ltd. at 9-10; Post-Hearing Brief on behalf of Cementos del Mar, S.A., Hispacement, S.A. and Valenciana de Cemetos Portland, S.A., at 6-7; Letter dated November 25, 1986, on behalf of C.A. Venezolana de Cementos and Cementos Caribe, C.A. at 5-6.

62/ Post-Conference Brief on behalf of Titan Cemento Co., S.A. and Heracles General Cement Co., S.A. at 3 & 5; Post-Hearing Brief on behalf of Ssangyong Cement Industrial Co. Ltd. at 11 & n.6; Post Conference Brief of the Mexican Cement Chamber at 19-20.

Finally, in light of our conclusions concerning the profitability of the industry, we concommitantly conclude that imports have not had a suppressive or depressive effect on prices. We are not willing to speculate that, contrary to past experience, imports will have such an effect in the near future. In addition, there is nothing in the record to indicate that the anticipated downturn in the business cycle is so imminent as to leave the industry vulnerable in the foreseeable future to a possible increase in imports. Therefore, we conclude that there is no reasonable indication of threat of material injury to the U.S. industry producing portland hydraulic cement and cement clinker.

ADDITIONAL VIEWS OF COMMISSIONER ROHR

Where, as here, I determine that there is no reasonable indication that an industry is experiencing material injury, the question of causation, i.e., whether material injury is by reason of particular imports, cannot logically arise. However, "material injury" is a legal conclusion which the Commission applies based on its analysis of the condition of the industry. It is possible to look at the condition of the industry and conclude that there is no reasonable indication that imports are having any material effect on that condition. Hence, had I concluded that the condition of the domestic industry did warrant the conclusion of a reasonable indication of material injury, I would not have found there to be a reasonable indication that injury was by reason of imports. It is in that context that I provide this discussion of cumulation and causation.

Cumulation

The Tariff Act of 1930, as amended, provides in pertinent part that:

> the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with the like products of the domestic industry in the United States.

19 U.S.C. § 1677(7)(c)(iv). The Commission has interpreted the statute and its legislative history to mean that imports must satisfy three requirements before cumulation is warranted: imports must (1) compete with both other imports and with with domestic like product; (2) be subject to investigation; and (3) be marketed within a reasonably coincidental time period.

In determining whether the imported products compete with each other and with the like product in the United States market, and whether the marketing of imports is reasonably coincident, the Commission has considered the following factors:

> (1) the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
>
> (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and of the domestic like product;
>
> (3) the existence of common or similar channels of distribution of imports from different countries and the domestic like product; and
>
> (4) whether the imports are simultaneously present in the market.

This list is not exhaustive and no single factor is determinative.

The imports potentially subject to a cumulative assessment are all currently under investigation by Commerce and the Commission. In addition, all of the imports have been sold in the United States market during the period under investigation. The sole question with respect to cumulation in these investigations is whether the imports compete with each other and with the domestic like product so as to make cumulation mandatory under the statute.

In these investigations, there is no question that the imports and the domestic like product compete with each other. Cement is a fungible good. Moreover, imports and the domestic like product share common and similar channels of distribution, and there have been imports from all of the countries under investigation in the United States market during the period under investigation. The primary question with respect to competition is

whether imports from different countries compete with each other in the same geographical marketing areas.

As is noted in the Report, cement has a low value-to-weight ratio. Accordingly, inland transportation costs are an important factor in the final delivered price to a customer. In previous investigations, the Commission has noted that the practical result of this fact is that cement is rarely sold further than 200 to 300 miles from the production facility, and imports are generally marketed within a similar radius of the port of entry. See Portland Hydraulic Cement from Australia and Japan, Invs. Nos. 731-TA-108-09 (Preliminary), USITC Pub. No. 1310 (1982) 12.

Respondents argue that imports from any one country under investigation do not compete with all other imports under investigation in each marketing area in the United States, since imports from any particular country tend to be concentrated in a particular geographic region of the United States. Respondents argue that in order for the Commission to cumulate, it must conclude that imports from each country compete with all other imports. Otherwise, they maintain, the Commission may only cumulate those imports which are actually present in a particular marketing area. 1/

Petitioner contends that while it may be true that imports from a particular country tend to be concentrated in a particular area, imports from

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1/ Respondents cite the Commission's determination not to cumulate imports of heavy-walled rectangular tubing from Singapore and Canada in Certain Steel Pipes and Tubes from the People's Republic of China, the Philippines, and Singapore, Invs. No. 731-TA-292-296 (Preliminary), USITC Pub. No. 1796 (1985). In that investigation, the Commission concluded that tubing from Singapore and Canada did not compete with each other in any meaningful sense, because only a small amount of Canadian tubing was marketed in the geographical areas served by imports from Singapore, and the Canadian product was available in a larger range of sizes. Id. at 16-17.

each of the countries under investigation have been entered into the United States in various, broadly separated, although sometimes overlapping, geographical markets. Moreover, they contend that there is no requirement that all imports compete with all other imports for the Commission to cumulate. In addition, they maintain that since cement is a highly fungible commodity, imports compete indirectly with each other, across geographical marketing areas, by increasing the total available supply and exerting a downward pressure on prices. Petitioner also suggests that if relief is entered against imports from less than all of the countries under investigation, the effect will be to open up markets to other foreign suppliers, who will be left free to dump on the U.S. market.

I am of the opinion that a complete overlap of marketing areas of imports from different countries under investigation is not necessary in order for cumulation to be required under the statute. Even in the case cited by respondents, the Commission noted that the imports there under consideration did not compete in any meaningful sense. Moreover, the facts of this case differ from those in the investigation involving competition of imports of heavy-walled rectangular tubing from Singapore and Canada, where the overlap of imports was almost non-existent. Cement is a fungible product. Imports from different countries are being marketed in geographical areas which overlap at least to some degree; for instance, Japanese imports are marketed largely on the West coast, but Japanese cement has been sold on the East coast and in the Midwest as well, where imports from other countries under investigation are more prevalent. Imports from each country subject to investigation compete in markets in which imports from several other countries

are also present. There is a significant overlap of imports throughout the United States. For the purposes of these preliminary investigations, I have decided to accept petitioner's argument for cumulation of all imports. Consequently, I conclude that the imports under investigation compete with each other, and have cumulatively assessed the imports under investigation. 2/

No reasonable indication of material injury by reason of allegedly LTFV imports

Even if I had concluded that there was a reasonable indication of material injury to the domestic industry, I would not have concluded that there is a reasonable indication that any such injury is by reason of theallegedly LTFV imports. 3/ Imports from the countries under investigation increased during the period under investigation, both absolutely, and as a percentage of apparent domestic consumption. Imports from the eight countries

2/ In addition, I note the inherent practical difficulties in respondents' suggested course. In contrast to previous cement investigations, there is no allegation here that a regional industry exists. Moreover, even if the Commission were to conclude that a regional industry analysis were appropriate, the exact boundaries of the various regions would be difficult to draw. Moreover, the "regions" might not comport precisely with the boundaries of the marketing areas of imports from different countries. Thus, for instance, in the investigation involving imports of cement from Japan and Australia, the Commission determined that the regional industry included all of California, and parts of neighboring states, despite the fact that the imports were sold for the most part in the immediate areas surrounding the ports of entry, Los Angeles, San Diego, San Francisco, and Stockton, California. Nonetheless, respondents would have the Commission cumulate only those imports which are marketed in the same geographical area, and assess their impact on either the domestic producers in that area, or perhaps on the domestic industry as a whole. Such an analysis is fraught with both logical and practical problems, and I have not adopted it here.

3/ Section 771(7)(B) of the Tariff Act of 1930, requires the Commission to determine whether there is a reasonable indication of material injury by reason of allegedly unfair imports by considering, among other factors; (1) the volume of imports of the merchandise which is the subject of the investigation; (2) the effect of imports of that merchandise on prices in the United States for like products; and (3) the impact of imports of such merchandise on domestic producers of like products. 19 U.S.C. § 1677(7)(B).

increased from 1.3 million short tons in 1983 to 6.8 million short tons in 1985, and have already surpassed the 1985 volumes in interim 1986. 4/ The ratio of imports from the eight countries to apparent consumption increased from 2.2 percent in 1983 to 9.3 percent in 1985. 5/ That ratio also showed an increase from 9.1 percent during the period January-September 1985 to 11.9 percent during the comparable period of 1986. 6/

Imports of cement clinker from the countries under investigation increased during most of the period under investigation, both absolutely, and as a percentage of apparent domestic consumption. Imports from the eight countries increased from 630 thousand short tons in 1983 to 3.8 million short tons in 1985. However, in the most recent period, January-September 1986, imports from these countries declined to 2.8 million short tons, as compared with 3.1 million short tons during the comparable period of 1985. 7/ The ratio of imports of clinker from the eight countries to apparent consumption increased from 1.2 percent in 1983 to 6.4 percent in 1985. 8/ That ratio showed a decline from 6.7 percent during the period January-September 1985 to 6.1 percent during the comparable period of 1986. 9/ In addition, I note that the percentage of imports attributable to domestic producers during the period under investigation is significant.

The Commission's analysis of pricing in these investigations was conducted on a regional basis, in light of the dynamics of the cement market,

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4/ Report at A-37. The volume of imports is overstated by an estimated 4 percent because of the inclusion in the import statistics gathered by the Department of Commerce of hydraulic cements other than portland hydraulic cement.
5/ Id. at A-39.
6/ Id.
7/ Report at A-38.
8/ Id. at A-41.
9/ Id.

which make it unfeasible in most circumstances to sell cement or clinker farther than 200 to 300 miles from the production facility. The Commission identified six metropolitan markets where the subject imports competed directly with domestically produced cement. 10/ Prices varied between these markets depending on local conditions, the most important being the condition of the local construction industry and overall business activity. While the pricing data do indicate lower prices for imports in some cases, I note that small differences in transportation distances are known to have a significant effect on the delivered price of cement. I also note that in its most recent investigation of the cement industry, the Commission noted similar pricing trends and found them to be related principally to geographic factors. Petitioner provided no basis for any other conclusion in these investigations, particularly for those markets which were considered in both the most recent investigation and these investigations. Thus, I do not find the reported differences in prices to be significant.

I also evaluated a national weighted average price for cement for each of the countries under investigation. Despite the large variations in prices between local markets and the wide variations in relative importance of different countries in individual markets, each market's relative importance in the weighted average national price for imports from a given country was relatively fixed. It is therefore possible to consider trends in pricing. The weighted average national price for domestic cement declined only slightly during the period examined. Prices of imports from Mexico and Spain followed a similar trend, with stable prices during 1985, and declines during the

10/ Report at A-45.

latter months of 1986. 11/ Prices of imports from Greece showed an opposite trend, with stable prices during 1985, and increases in 1986. 12/ Imports from Columbia, Japan, Korea and Venezuela showed relatively stable prices throughout the period examined. 13/

The suggestion has also been made that the Commission should have conducted a submarket analysis of pricing in these investigations, as was done in the 1983 investigations of cement imports from Australia and Japan. I note that that analysis merely confirmed the Commission's conclusion that whatever underselling appeared in larger market aggregations was the result of geographic and transportation factors rather than the imports under investigaton. In determining that such an analysis is not necessary in these investigtions, I find it significant that petitioner did not argue the need for such an analysis nor provide any information that current conditions have led to any difference in the price effect of imports.

As with petitioner's argument concerning the inadequacy of profits during the current peak in the business cycle, the argument that prices should have increased to higher levels in view of the increase in demand is difficult to evaluate. I note that an extremely large percentage of these imports are accounted for by the domestic producers of cement. It appears, from the information gathered in these investigations, that domestic producers import cement and clinker, at least in part, to keep grinding facilities in operation at lower costs, and in order to serve markets which are farther from production facilities. Title VII of the Tariff Act of 1930 is not intended to

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11/ Report at A-44.
12/ Id.
13/ Id. No prices were reported for imports from France.

guarantee to the domestic industry a particular market share or particular markets. In these investigations, the increase in imports is at least in large part attributable to business decisions on the part of the domestic producers of cement. I also note that, historically, domestic producers have increased their own imports during periods of high demand. In these circumstances, I conclude that there is no reasonable indication that the subject imports at the present time and in the present circumstances could be a cause of material injury to the domestic industry.

Dissenting Views of Commissioner Eckes

I respectfully disagree with my four colleagues in the Commission majority. On the basis of the record in investigation Nos. 731-TA-356 through 363 (Preliminary), I determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of alleged LTFV imports of portland hydraulic cement and cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela.

From my perspective, the following three considerations as a matter of law require the Commission to continue the cement and clinker investigation. First, within the 45-day time period the Commission was unable to conduct the "thorough investigation" of allegations in this petition, as required by law. Second, the available record does not contain "clear and convincing evidence that there is no material injury or threat of such injury." And, third, it is likely that additional evidence will arise in a final investigation to support the petitioner's point of view.

Although there are serious gaps in available data, the Commission already has developed considerable information which supports a preliminary affirmative ruling. The record shows that, over the 45-month period examined, import tonnage from the subject countries quintupled, market penetration quintupled, and in six metropolitan markets for which the Commission collected pricing

data, the delivered prices of imports undersold the domestic product in 160 of 206 pricing comparisons. Also, there is evidence that allegedly dumped foreign cement and clinker suppressed domestic prices and depressed the domestic industry's profitability.

Standard for Review

Because my colleagues' negative preliminary determination is reviewable by the court, it is appropriate to consider at this point the appropriate standard for judicial review. 1/ In American Lamb

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1/ The statutory provisions for making a preliminary determination provide the standards for such determinations. The Commission is directed by Title VII of the Tariff Act of 1930 to determine, based upon the best information available to it at the time of the determination, whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise that is the subject of the investigation. (19 U.S.C. 1673(b)) "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant." (19 U.S.C. 1677(7)(A))

In making its determinations the Commission is required to consider, among other factors, (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of imports of that merchandise on prices in the United States for like products, and (3) the impact of imports of such merchandise on domestic producers of like products. (19 U.S.C. 1677(7)(B)(i))

With regard to a determination of a threat of material injury the Commission considers, among other factors, (1) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States, (2) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level; (3) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise, (4) any substantial increase in inventories of the merchandise in the United States, (5) the presence of underutilized capacity for producing the merchandise in the exporting country, (6) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury, and (7) the potential for product-shifting. (19 U.S.C. 1677(7)(F)).

Co. v. United States the Court of Appeals for the Federal Circuit (hereinafter "CAFC") observed:

> Since the enactment of the 1974 Act, ITC has consistently viewed the statutory "reasonable indication" standard as one requiring that it issue a negative determination . . ., only when (1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation. That view, involving a process of weighing the evidence but under guidelines requiring clear and convincing evidence of "no reasonable indication", and no likelihood of later contrary evidence provides fully adequate protection against unwarranted terminations. Indeed, those guidelines weight the scales in favor of affirmative and against negative determinations. Under the appropriate standard of judicial review, ITC's longstanding practice must be viewed as permissible within the statutory framework.[emphasis in original] 1/

It is clear, then, from the perspective of our reviewing court that the Commission cannot terminate a petition unless the record "as a whole contains clear and convincing evidence that there is no material injury or threat of such injury."[emphasis added] And, the Commission cannot terminate an investigation if there is any likelihood "that contrary evidence will arise in a final investigation."

But, for these standards to apply the Commission must first have conducted a "thorough investigation" based on the best information available. The CAFC in its review in American Lamb refers to the Court of International Trade decision in Budd Co. Railway Division v. United States, in which the CIT noted that the ITC mandate to conduct a "thorough investigation"

> does not limit 'the best information available' to that furnished by the petitioner or by any party-in-interest to the proceedings. The term 'available' as used in the

1/ American Lamb Co. v. United States 785 F.2d 994, 1001 Fed. Cir. 1986).

> statute must be constructed in accordance with its common meaning. In so doing, it is clear that all information that is 'accessible or may be obtained,' from whatever its source may be, must be reasonably sought by the Commission. It is only in this manner that the Commission can comply with the intended congressional mandate to conduct a 'thorough investigation.'[emphasis added] 1/

As I shall show, because of the nature of the cement industry, competition occurs not in a single national market but in several sub-markets across the country. Yet, with this knowledge as developed in earlier Commission investigations on cement, the Commission did not conduct a thorough investigation of competitive conditions in those sub-markets. Nor, in the alternative, did the Commission undertake a thorough investigation of the condition of the domestic industry and the nature of competition in a representative sample of sub-markets.

It is not my intent in making this observation to criticize Commission staff. Rather, within the brief 45-days allowed in the statute for a preliminary determination it is hardly possible to conduct the type of investigation that Commission experience with cement has shown is necessary to settle these issues. The Commission opinions in the previous antidumping investigations and the CIT review reveal the exhaustive pricing analysis conducted by the Commissioners in those investigations. In short, it is my position that the national data collected on the usual indicators of an industry's performance as well as the pricing data obtained for only two years -- not the usual three years and not over the span of the most recent cycle -- in six selected metropolitan markets do

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1/ American Lamb Co. at 1003 citing Budd Co. Railway Division v. United States, 507 F.Supp. 997, at 1003-4 (footnote omitted).

not constitute the best information available to the agency as required by law and as previous investigations and judicial review demonstrate is needed.

Like Product and Domestic Industry

The Commission is required to make its "like product" and "domestic industry" determination on a case-by-case basis. 1/ In its earlier investigations, the Commission concluded that the like product was portland hydraulic cement, a fungible, highly standardized product developed from limestone, clay, and silica. This product chemically reacts to form concrete when combined with water and sand, gravel, or other materials. It is used primarily in the construction of highways and residential and nonresidential buildings. This time the investigation also includes imports of clinker, an intermediate material in the production of cement. It has no independent use and constitutes approximately 95 percent of the value of cement. Also, there is no independent market for clinker. Consequently, I conclude that cement and clinker comprise a single like product in these preliminary investigations.

Because these investigations cover a single like product, it necessarily spans a single domestic industry. According to information developed in the investigation, there are 51 cement manufacturing companies in the United States, operating 149 cement manufacturing plants. 2/

1/ 19 U.S.C. 1677(10); S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

2/ I have not applied the related parties provision of the statute. In these preliminary investigations, the reasons why domestic producers have chosen to import the product under investigation are quite unclear, as is the impact of such practice on the performance of the domestic industry.

However, while there is one cement industry in a legal sense, certain unique characteristics of cement, such as its low value-to-weight ratio which results in high transportation costs and its fungible character, dictate that in an economic and marketing sense the one industry actually is a collection of local or regional industries. 1/ As the report points out, high transportation costs limit the marketing of cement so that a vast majority of cement is sold within a 200-mile radius of storage facilities. 2/

At this point, one should note several other distinctive characteristics of the industry and how its product is sold. The Commission Report notes that "virtually all cement is used in the manufacture of concrete, one of the essential building materials for most types of construction . . . Thus, the demand for cement is highly dependent on general construction activity." 3/ Further, the report notes that "inland transportation costs are an important factor in the final delivered price to a customer, and prices can differ significantly from location to location, even within a single metropolitan area." Finally, about 42 percent of shipments from plants to terminals go by rail and 37 percent by barge or boat. However, trucks transport almost all cement shipments from terminals to final consumers.

1/ On the cement industry as a "collection of regional industries", see Portland Hydraulic Cement from Australia and Japan, Inv. No. 731-TA-108-109 (Preliminary) USITC Pub. 1310 (Nov. 1982) p. 7] (Hereinafter, "Cement Preliminary")

2/ See also Cement Preliminary at A-33. This characterization should not be confused with the statutory provisions which address certain narrowly defined circumstances where a finding of injury to a regional market applies to the domestic industry as a whole.

3/ The characterization of the domestic cement market as being cyclical in nature does not appear to be in dispute. See the Preliminary Conference Transcript at 61, 98, and 107-108.

While my colleagues in the majority and I probably agree in a legal way on the nature of the like product and domestic industry, it is my belief that they have lost sight of the unique characteristics of the cement industry described above. Cement is quite different from other fungible products, such as steel which has a much lower weight to value ratio, as well as many other products considered by the Commission. Consequently, to properly evaluate the condition of the domestic industry and the impact of imports, one must grasp the unique characteristics of this product and the industry, and not routinely apply a mechanistic formula for analyzing injury and causation.

In the 1982 preliminary investigation of Portland Hydraulic Cement from Australia and Japan, I was one of the Commissioners voting to continue the case. I did so partly because of the unique character of the sub-markets and the need to develop better information on underselling, price suppression/depression, and price leadership among other factors. 1/ And, in the subsequent final investigation, in reaching a negative determination, the Commission did not content itself with a regional price analysis. In searching for the point where imports compete with the domestic product in the marketplace, the Commission pushed farther, analyzing data from four distinct market regions within a single metropolitan area. 2/ In its review of that determination, the Court of International Trade found that the Commission's sub-market approach "is not an attempt to vary the requirements" of the statute; . . . it is merely a way of assessing conditions in the regional market." 3/ Nor, did the

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1/ Cement (Preliminary) pp. 18-19.

2/ Portland Hydraulic Cement from Australia and Japan, Inv. Nos. 731-TA-108-109 (Final), USITC Pub. 1440 (Oct. 1983) 12-21.

3/ Gifford Hill Cement Co. v. United States 615 F.Supp. 577, 582 (CIT 1985).

Court opinion restrict this method to regional industry cases.

This previous investigative precedent looms large in my thinking, given the characteristics of this troubled industry. Both the Commission and its reviewing court have acknowledged the compelling need to systematically and thoroughly consider the subtle impact of imports on prices, and the effect of imports on the condition of local producers in a representative number of markets. As Commission staff indicated at the Commission meeting on December 10, 1986, the Commission had collected pricing data for only two years in six marketing areas. The economist assigned to the investigation said, "We requested prices for those port areas on a metropolitan basis, and not a sub-market basis, as was done in the previous investigation, just, basically, because of time constraints and burden of responses." [emphasis added]. 1/ Nor did the Commission have specific information on domestic supply and conditions of competition in the selected metropolitan areas or sub-markets. In short, in 45-days the Commission was unable to conduct the type of careful, systematic investigation that occurred in 1983.

Given these significant gaps and others which I develop in the following sections on material injury, threat of material injury, and causation, it is appropriate to refer again to the CAFC ruling which cites with favor the Court of International Trade's review of the Commission's decision in the Budd investigation. "'In Budd Co. Railway Division v. United States (cite omitted), the court correctly noted that in requiring that ITC's preliminary determination be based on the 'best information available to

1/ See Transcript of Commission Meeting of Dec. 10, 1986, p12 22.

it, ... Congress has prescribed a thorough investigation by the Commission prior to the making of its preliminary determination.'"[emphasis added] 1/

Condition of the Domestic Industry

At first glance, one might think that the domestic cement industry is experiencing economic health. Information collected in the course of our brief investigation shows that from 1983 to 1985 domestic production of portland cement increased from 56.3 million tons to 65.5 million tons. Similarly, production of clinker rose from 50.4 million tons to 55.9 million tons. Capacity utilization also rose for both products over the three-year period of the investigation. On the income statement, these trends turned up in the form of growing sales, gross profits and operating income ratios. And, the number of firms reporting losses did decline.

Careful study of Commission data in the Report, however, suggests that these isolated data may create a mirage. When one looks at employment data, one sees that the number of workers producing cement and clinker has declined about 10 percent from 1983 to 1986. The number of hours worked by production and related workers has also declined in 1986 from the comparable period of 1985. U.S. exports of cement and clinker have continued to fall.

Also, the evidence that domestic firms are responsible for imports of cement and clinker is a further indication of the domestic industry's plight. Petitioner has asserted that foreign cement is underselling the domestic cost of production. And, Commission data verify this point. Imported cement and clinker undersold the average U.S. cost of production in both 1984 and

1/ American Lamb Co. at 1003.

1985, as well as for interim periods in 1985 and 1986. 1/ Certainly, there is nothing in the record which rebuts in a "clear and convincing" manner the notion that some U.S. producers are desperately turning to imports in order to serve their customers and remain competitive with foreign imports. Moreover, the Commission report does not consider the importance of imports to producers seeking to maintain optimum production levels and economies of scale. Nor is there information in the record which segregates the performance trends for grinders and cement producers, or looks at the role of imports for the operations of each of these industry segments.

When one looks beneath the apparently improving profitability data, one quickly notes that it has come from lower costs, not higher prices. According to the Report the cost of goods sold dropped from 84.5 percent in 1983 to 80.7 percent in 1985. For the first nine months of 1986, the comparable figure was 79.8 percent, down from 80.5 percent in the comparable period of 1985. Despite my concerns about the relevance of national data, domestic delivered price data developed in Table 23 plainly suggest recent price declines and price suppression. For the most recent seven months of 1986, these prices were on the average 5 percent below corresponding monthly prices in 1985. For some months in that period, the 1986 prices were as much as 7 percent below corresponding 1985 prices.

Why have costs fallen, and to what extent does increased profitability reflect this belt-tightening? More importantly, in view of petitioner's allegations, to what extent do falling costs mask in profit-and-loss data the harmful effects of price

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1/ Transcript of Commission Meeting, 30-31.

suppression and market share lost to imports? Apparently the cost reductions stem largely from reduced energy and labor costs. At the Commission briefing, the Commission financial analyst on this investigation indicated that based on rough calculations, "the majority of the increase in the profit can be attributed to the reduction in the costs." 1/ While these calculations suggest that falling costs largely explain the increased profitability, such analysis also suggests that allegedly unfair imports may have reduced operating income some $7 million in 1984 and $34 million in 1985 which would have represented a 10 percent reduction in 1985 operating profitability. These calculations were tentative and subject to certain assumptions about domestic market share, pricing, and the like. But, they serve to demonstrate that profit-and-loss data do not provide "clear and convincing" evidence that there is no indication of injury to this industry.

Moreover, another critical issue remains unresolved. Despite these national profit trends, the Commission has no information about the performance of producers in major sub-markets. A significant proportion of the domestic industry could still be experiencing suppressed profit levels. Further, the abovementioned calculations, while rudimentary, are sufficient to indicate a likelihood that more evidence of injury might be developed upon more complete investigation and more careful analysis.

In the post-Conference brief, counsel for the petitioner warned the Commission about overly simplistic analysis based on whether certain numbers were increasing or decreasing. If this were all the

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1/ Transcript of Commission meeting, at 33-34.

Commission were required to do, he indicated, Commission determinations "could be performed by a computer." 1/

Instead, counsel for the petitioner urged the Commission to look closely at the cyclical nature of this industry in analyzing the condition of the industry. He emphasized that cement prices typically rise in times of growing demand; however, during this present recovery the average price was lower than the average value in 1980-1982. 2/ This is an important issue. Regrettably, nowhere in the record of this investigation is there any systematic compilation and analysis of pricing for cement over the full length of the cycle. But based on a comparison with data collected in the 1982-1983 portland hydraulic cement investigation, it is apparent that the current price of cement remains below 1981 levels in certain sub-markets. In the Los Angeles market the average price of cement in 1986 seems to be about 10 percent below 1981 levels. In the San Diego market the price of cement seems about 15 percent below the average price per ton in 1981. 3/ In 1985, almost 15 percent of subject imports of cement and clinker entered through Los Angeles and San Diego.

Because of price suppression and depression, counsel for Petitioner has argued that operating margins "are only half the level experienced during 1978 and 1979, the previous comparable period in the business cycle. In an industry with such high fixed costs, the level of operating income now being achieved is not sufficient to warrant staying in the business of producing cement in the long run." 4/ As I have observed, because the Commission does

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1/ Petitioner's Post-Conference Brief, at 31.
2/ Petitioner's Post-conference Brief at 10.
3/ Transcript of Commission meeting, at 24-25.
4/ Petitioner's Post-conference Brief at 13.

not have and did not collect profitability data for a longer period of time, there is nothing in the record that offers "clear and convincing evidence" to rebut this theory. Quite the contrary, there is information in the record of this investigation which provides considerable support for this allegation. Capital expenditures after increasing by 3 percent from $376.4 million in 1983 to $389.1 million in 1984, declined almost one-third to $263.4 million in 1985. Interim 1986 data show the slide has continued dropping 42 percent from interim 1985 levels. And, there are no data on the life span of operating plants, the rate at which they are being replaced, or the ability of domestic producers to supply near-term market growth in light of decreased capital expenditures.

Counsel for respondents, however, while failing to refute the claim that current profitability was less than half the level experienced during the upside of the cycle in 1978 and 1979, asserted that petitioner resorted to an "erroneous and wholly unsupported legal theory. . . .that a reasonable indication of injury is established because the industry's performance today does not yet match performance achieved during peak years in previous business cycles." 1/ As evidence that this theory had been rejected by the Commission, respondents' counsel cited two preliminary negative ITC determinations neither of which has been fully litigated. Actually, the Department of Commerce terminated the softwood lumber case for reasons unrelated to the ITC injury determination, and the ITC negative determination in Radial Ply Tires for Passenger Cars from Korea 2/ was reversed by the Court of

1/ See Joint Post-Hearing Brief on Behalf of Respondents from France, et. al. at 2-3.

2/ Radial Play Tires for Passenger Cars from the Republic of Korea, Inv. No. 731-TA-200 (Preliminary), USITC Pub. 1572 (Sept. 1982).

International Trade. At the present time, the tires case is again before the CIT as a result of the CAFC's ruling on the standard for preliminary negatives enunciated in American Lamb Co. One of the major issues is how the Commission determines injury to a cyclical industry that is showing operating profits.

Another related issue involves what profit level is needed to establish injury in these investigations. The statute and legislative history suggest no arbitrary threshold for profitability. Nor does the statute and Commission practice suggest that any single factor shall be determinative of material injury. For example, in recent preliminary investigations on urea from the German Democratic Republic, Romania, and the Union of Soviet Socialist Republics, the Commission said: "No single factor is determinative of material injury and, in each investigation the Commission must take into account the particular nature of the industry it is examining." 1/ This echoes the legislative history. 2/ Moreover, the standard for material injury itself is quite low, that is "harm which is not inconsequential, immaterial, or unimportant."

Let me summarize my argument on the condition of the domestic industry. The preliminary investigation has developed information on the national industry, but not on producers in sub-markets where competition with imports actually occurs. In developing and processing this data, the Commission has done less than a "thorough investigation" required by law. Nothing in the record of this investigation is fatal to petitioner's case. Consequently, there is

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1/ Urea from the German Democratic Republic, Romania, and Union of Soviet Socialist Republics, Inv. Nos. 731-TA-338-340 (Preliminary), USITC Pub. No. 1891 (Sept. 1986) at 5.

2/ See, S. Rep. 149, 96th Cong., 1st Sess., 88 (1979).

no "clear and convincing evidence" that would permit the Commission to terminate this investigation under existing law. A final investigation would provide time for the Commission to develop more information on competition in sub-markets, to analyze and process more carefully the data on injury, and to hear testimony from parties and expert witnesses on this controversial, but critical, matter.

Threat of Material Injury

Nothing in the record of these investigations provides "clear and convincing evidence that there is no . . . threat of material injury." Moreover, there is reason to believe that contrary evidence would emerge in a final investigation. Most of the data have not been verified, nor have petitioners had an opportunity to evaluate it.

The Commission sought information on foreign capacity, production, consumption, and exports. But, for country after country, these data are incomplete and contain no information whatsoever about planned increases in production capacity. 1/

1/ For Colombia, there is no information on capacity from 1983-1985. Nor is there any information on Colombian consumption in 1983 and 1985. Nor, does the Commission have export data for 1985, or any information for 1986.

Counsel for the French respondent has supplied data on French capacity, production, consumption and exports for 1983-1985. However, the Commission has no data for 1986.

Counsel for Greek respondent has supplied data on Greek capacity, production, consumption, and exports for three years, 1983--1985, but, again the Commission does not have data for 1986.

Counsel for Japanese respondent has provided similar information on capacity, production, consumption, and exports for three calendar years, 1983, 1984 and 1985. Once again the Commission has no similar data for 1986.

(Footnote continued on next page.)

In the U.S. marketplace, it is clear the cement and clinker imports are coming from non-traditional sources. In 1985 the volume of these imports in 1985 was five times as great as in 1983. Further, they have increased almost 40 percent during the first nine-months of 1986 compared with the same period in 1985. Yet, there is virtually nothing in the record of this investigation about the conditions in the world market for cement. However, the available data suggest that these non-traditional suppliers now have incentive to target the U.S. market. On this point, one only has to look at the share of each country's exports directed to the U.S. market. For each of the countries supplying data, not only did exports to the U.S increase, but the share of total exports coming to the U.S. increased dramatically in 1985 compared with 1984. It appears from available data that consumption trends in some of these foreign producers' home markets are declining, and that these producers may be looking for new markets for their cement. Available data show that inventories of imported cement have

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1/ (Continued)
The Commission has no usable data on Mexico at all. The Commission report states: "Counsel for Mexican interest provided some information with respect to the Mexican industry as a whole. However, the data were fragmentary and not in the format requested nor do the data cover the time period specified."

Counsel for Korean respondent has supplied requested information on capacity, production, consumption and exports. But the Commission does not have data for 1986.

Counsel for Spanish respondent has supplied information on that country's capacity, consumption, and exports for the calendar years 1983, 1984, and 1985. However, counsel did not provide data on Spanish production in any of the three years. Nor, did the Commission have information on 1986.

For Venezuela, counsel supplied some data on capacity, production, consumption and exports to the United States for three years, 1983-1985. However, counsel did not provide any information on exports to third markets. In addition, there is no information on 1986 trends or on plans to increase production and exports.

increased throughout the period, underscoring the indication that U.S. markets are becoming increasingly important to these emerging suppliers.

At the present time available data do not permit the Commission to draw conclusions about the presence or absence of threat of material injury. Too much data is missing. Although imports continued to rise in 1986 from the countries under investigation as a group, the Commission has no data on their 1986 capacity, production, consumption, and exports to the U.S. and other markets. However, as noted above, limited available data do raise important questions about the role of these newly-emerging suppliers in the U.S. market.

Clearly, there are serious gaps in these data. In another investigation, these lacunae might not be as critical as they are in the present investigation, given the peculiar nature of competition in the cement industry. It is self-evident that missing information cannot be the "clear and convincing evidence" required to dismiss the present petition. Nor, based on this inadequate record, can I say there is no likelihood of contrary evidence being developed on threat in a final. It is apparent that most of the respondents will be able to supply more information in a full investigation than they have been able to do in 45 days.

Cumulation

In arriving at my preliminary affirmative determinations, I cumulated imports from the subject countries, pursuant to 19 U.S.C. 1677(7)(c)(iv). It is apparent that products from all respondent countries are subject to investigation and are marketed within a reasonably coincidental time period. At the preliminary conference

it is my understanding that some parties alleged imported cement and clinker did not compete in the same geographical marketing area. If these investigations were to return to the Commission for further investigation, obviously this would be an issue that should be explored more carefully within the context of sub-market analysis.

However, cement is a fungible product; imports from different countries compete to some extent within some markets, and may overlap into others. Further, there is some apparent opportunity for indirect competition between imports in different areas. Thus, I am cumulating for the purposes of these preliminary investigations.

Causation

Conventional indicators of causation -- import trends, market share, pricing and lost sales information -- all require an affirmative preliminary determination in these investigations.

During the three-year period under review, imports of cement from the eight respondent countries rose from 1.3 million tons in 1983 to 6.8 million tons in 1985. Interim data for the first nine months of 1986 showed an increase of 1.8 million tons over the comparable period of 1985. For clinker, imports from the eight respondent countries rose from 630 thousand short tons in 1983 to 3.9 million tons in 1985. Partial year data, however, show a small decline in 1986 over the comparable period in 1985. Imports of cement rose not only in quantity but also in market share. For the eight countries under investigation the U.S. combined market share rose from 2.2 percent in 1983 to 9.3 percent in 1985. In the first nine months of 1986 this market share rose to 11.9 percent, up from

9.1 percent in partial year 1985. Annual data also demonstrate that each country gained market share over the three-year period of the investigation.

It is apparent from the import data that the countries under investigation are primarily emerging suppliers to the U.S. market. Only Mexico with 1.1 percent of the U.S. market in 1983 appears to have been a traditional source of supply, but the Mexican market share more than tripled in the course of the investigation.

With respect to pricing, the trend is unmistakable: Imports are generally underselling domestically produced cement where they compete directly in the market place. As I observed earlier, one cannot make meaningful comparisons of average national selling prices for delivered cement, because high transportation costs apparently prevent imports from competing effectively in certain interior markets and bar domestic production from competition in certain littoral markets. Consequently, to look at national market prices, does not tell much about the terms of competition in isolated market areas. 1/

However, the Commission did develop information on six metropolitan markets where imports compete directly with domestically produced Portland hydraulic cement: Houston, Los Angeles, New Orleans, New York, Phoenix, and San Diego. In all but the Phoenix market, the delivered prices of imported hydraulic cement generally undersold the domestic product. The delivered

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1/ Even if national price data were relevant, available data are seriously flawed. Referring to Table 23 and calculating corresponding import volumes for each country, it is apparent that more than one-half of the volume of these imports for 1985 and 1986 either undersold the domestic product or no price data are available for comparison. This is not the quality of data which supports a negative determination in these preliminary investigations.

price of Venezuelan cement undersold domestic cement in eight of 11 comparisons, all in the New Orleans market. Korean cement undersold the domestic product in 40 of 42 comparisons, all in either the Los Angeles or San Diego markets. Colombian cement undersold in five of five comparisons, all in the Houston market. Japanese cement undersold in 39 of 42 price comparisons, all in either Los Angeles or San Diego. Greek cement undersold the domestic product in five of 10 comparisons in the Houston and New York markets. For Spain the delivered prices of imports undersold in 53 of 63 comparisons, occurring in Houston, Los Angeles, or New York. And, for Mexico there was underselling in seven of 34 comparisons, especially in Los Angeles and San Diego.

The six markets examined for pricing, but not for information on production and the conditions of the domestic industry in those markets, accounted for about 34 percent of total subject imports in 1985. But, the Commission did not utilize sub-market comparisons, and in particular developed no specific data on cement and clinker pricing in Miami, Tampa, and Mobile, accounting for another 40 percent of total subject imports in 1985.

Finally, nothing in the lost sales section offers "clear and convincing evidence" that there is no reasonable indication of material injury or threat of injury by reason of these alleged LTFV imports. According to the Report, the Commission received 322 allegations of price suppression and 163 allegations of lost sales from 16 United States producers. The staff contacted only 15 purchasers regarding 24 of these allegations "in a number of metropolitan areas to get a nationwide sampling of responses." The available responses tend to emphasize the fungible nature of the product and the impact of price on purchasing decisions.

In sum, in making my causation analysis I am mindful of the observations made by the Court of International Trade in its reviews of this agency's decision in the prior cement investigation. In particular, the Court noted, "Where fungible goods are concerned, volume may be the best indicator of lost sales rather than the anecdotal evidence obtained in the typical lost sales study." The Court added that "Sales lost due to underpricing is an important test of injury in the case of fungible goods." 1/ In the present investigation on the same product, those observations still hold true. Imports from these countries have increased dramatically, taking market share away from domestic producers. The record contains abundant information that underselling has increased foreign market share.

Conclusion

Our reviewing courts have established clear standards for judicial review of Commission preliminary negative determinations. According to the guidance provided in Budd Co. Railway Division v. United States, the Commission must conduct a "thorough investigation," not limited to the "best information available" to interested parties. Rather, "it is clear that all information that is 'accessible or may be obtained,' from whatever its source may be, must be reasonably sought by the Commission." Also, according to the recent ruling in American Lamb Co. v. United States, the ITC can terminate a preliminary investigation "only when (1) the record as a whole contains clear and convincing evidence that there is no

1/ Gifford-Hill Cement Co. at 586.

material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."

In my view this cement and clinker case is a classic example of an unwarranted termination, which contradicts the above standards for judicial review. First, the Commission did not undertake a "thorough investigation" of the cement industry seeking data and information required to understand the impact of imported cement and clinker on competition and the conditions of the industry in sub-markets. Because of statutory time constraints and the burden of processing responses, the Commission elected not to conduct the type of careful, systematic investigation that occurred in 1983.

Second, the record of this preliminary investigation does not contain "clear and convincing evidence that there is no material injury or threat of such injury." My colleagues apparently voted negatively because sales, output and profits were rising for domestic producers. They did so on the basis of conflicting and incomplete data in the record that was never subjected, because of time limitations, to the specific comment of parties, or to the careful analysis of Commission staff as would have occurred in a final. As counsel for petitioner correctly noted, if Commission decision-making is to be based on "overly simplistic analysis based on whether certain numbers were increasing or decreasing," Commission determinations could be "performed by a computer."

The standard in this preliminary investigation is not whether the domestic industry was materially injured or threatened with such injury by allegedly dumped imports. Rather, the Commission is asked only to determine whether there is a "reasonable indication" of the above. Consequently, I note that while the record contains some ambiguities -- such as the effect of rising imports on the domestic industry's profitability -- nothing in the general record is fatal

to petitioner's case. Conflicting and confusing evidence is not "clear and convincing" evidence. Indeed, on the issue of causation, available evidence appears quite strong for petitioner.

Third, my colleagues cannot lawfully dismiss this complaint at the preliminary stage because it is impossible for the majority to show that "no likelihood exists that contrary evidence will arise in a final investigation." As my opinion demonstrates, there are serious gaps in the record, particularly on the issue of threat of material injury.

For all these reasons the majority's surprising decision to terminate these investigations prematurely appear to contradict the appropriate standards established in Budd Co. and American Lamb Meat. The Commission does not seem to have diligently searched out and processed data and information available to it. As the Court of International Trade noted in Budd Co., explicit statutory language and legislative history direct the Commission to make a preliminary determination on the basis of best information available, and this requires a "thorough investigation." Implicit in the notion of a thorough investigation is the Commission's responsibility to process, analyze, and assimilate the significance of such data. The results in these cement and clinker cases also raise serious questions about the consistency of the Commission's decision-making and its sensitivity to the case-law precedents and the holdings of its reviewing courts.

Finally, the majority negative determination has much wider significance. It suggests that during periods of improved profitability, many domestic industries will be unable to qualify for relief from injurious foreign unfair trading practices. In short, this decision gives the green light to foreign dumpers.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On October 30, 1986, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of members of the American Cement Trade Alliance. 1/ The petition alleges that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Colombia, France, Greece, Japan, Mexico, the Republic of Korea (Korea), Spain, and Venezuela of portland hydraulic cement and cement clinker, provided for in item 511.14 2/ of the Tariff Schedules of the United States (TSUS), which are allegedly being sold in the United States at less than fair value (LTFV).

Accordingly, effective October 30, 1986, the Commission instituted preliminary antidumping investigations Nos. 731-TA-356 (Preliminary) (Colombia), 731-TA-357 (Preliminary) (France), 731-TA-358 (Preliminary) (Greece), 731-TA-359 (Preliminary) (Japan), 731-TA-360 (Preliminary) (Mexico), 731-TA-361 (Preliminary) (Republic of Korea), 731-TA-362 (Preliminary) (Spain), and 731-TA-363 (Preliminary) (Venezuela) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the alleged LTFV imports of cement and clinker into the United States.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 5, 1986 (51 F.R. 40270). 3/ The conference was held on November 21, 1986, 4/ and the Commission voted on these investigations on December 10, 1986. The statute directs that the Commission make its determinations in these cases within 45 days after receipt of the petition, or by December 15, 1986.

1/ The petition lists the following members of the American Cement Trade Alliance: Allentown Cement Co., Inc., Evansville/Berks County, PA; Coplay Cement Company, Nazareth, PA; Dragon Products Co., Thomastown, ME; Dundee Cement Co., Dundee, MI; Florida Crushed Stone Co., Leesburg, FL; General Portland, Inc., Dallas, TX; Genstar Cement Co./Calaveras Cement, Oakland, CA; Ideal Basic Industries, Denver, CO; Independent Cement Co., Albany, NY; Kaiser Cement, Oakland, CA; Lehigh Portland Cement Co., Allentown, PA; Medusa Corp., Cleveland Heights, OH; and Moore McCormack Cement, Inc., Tampa, FL.

2/ These investigations do not include white, nonstaining portland hydraulic cement, provided for in TSUS item 511.11, or oil well cement, provided for in TSUS item 511.14.

3/ Copies of the Commission's and Commerce's notices are shown in app. A.

4/ A list of witnesses appearing at the conference is presented in app. B.

Previous Commission Investigations Concerning Portland Hydraulic Cement

There have been 11 previous Commission investigations concerning portland hydraulic cement, dating back to 1960. All of these have been antidumping investigations concerning portland hydraulic cement, other than white, nonstaining, portland cement. The first nine investigations were conducted under the provisions of the Antidumping Act, 1921 and the last two were conducted under the provisions of the Tariff Act of 1930. The first six involved cement from Canada, 1/ Sweden, 2/ Belgium, 3/ Portugal, 4/ and the Dominican Republic. 5/ 6/ Four of these six cases resulted in affirmative determinations. The next five investigations, those concerning cement from Mexico 7/ 8/ in 1975 and 1976, the investigation concerning Canada 9/ in 1978, and the investigations concerning Australia and Japan in 1983, 10/ resulted in negative determinations. 11/

1/ Portland Hydraulic Cement from Canada: Determination of No Injury or Likelihood Thereof, (AA1921-12), U.S. Tariff Commission, Mar. 11, 1960.
2/ Portland Cement from Sweden: Determination of Injury, TC Publication 10, Apr. 4, 1961.
3/ Portland Cement from Belgium: Determination of Injury, TC Publication 22, June 2, 1961.
4/ Portland Grey Cement from Portugal: Determination of Injury, TC Publication 37, Oct. 20, 1961.
5/ Portland Hydraulic Cement from the Dominican Republic: Determination of No Injury, TC Publication 54, (AA1921-23), Apr. 18, 1962.
6/ Portland Cement from the Dominican Republic: Determination of Likelihood of Injury, TC Publication 87, Apr. 19, 1963.
7/ Portland Hydraulic Cement, Other than White Nonstaining Cement, from Mexico: Negative Determination of "No Reasonable Indication of Injury" in Inquiry No. AA-1921-Inq. 3, Under the Antidumping Act, 1921, as Amended, ITC Publication 751, December 1975.
8/ Portland Hydraulic Cement from Mexico: Determination of No Injury or Likelihood Thereof in Investigation No. AA1921-161, under the Antidumping Act, 1921, as Amended, Together with the Information Obtained in the Investigation, USITC Publication 795, December 1976.
9/ Portland Hydraulic Cement from Canada: Determination of No Injury in Investigation No. AA1921-84 . . ., USITC Publication 918, September 1978.
10/ Portland Hydraulic Cement from Australia and Japan: Determinations of the Commission in Investigations Nos. 731-TA-108 and 109 (Final) Under the Tariff Act of 1930, Together with Information Obtained in the Investigations, USITC Publication 1414, October 1983.
11/ In addition to these investigations conducted by the Commission, Commerce determined that subsidized portland hydraulic cement from Mexico was being sold in the United States (48 F.R. 43063, Sept. 21, 1983). The Commission was not involved in this investigation because Mexico was not entitled to an injury investigation in countervailing duty cases at that time.

The Product

Description and uses

Portland hydraulic cement consists mainly of compounds of calcium and silica which, when mixed with water, sand, and stone, chemically react to form concrete. Cement clinker is an intermediate material formed in the process and used to produce portland cement. Portland cement is a highly standardized product, prepared from a mixture of limestone, clay, and silica that is crushed and ground to a fine powder by either a wet or dry process. The powdered raw materials are sintered at about 2,700° F. in refractory-lined, cylindrical, steel rotary kilns to make cement clinker, which is in the form of small, grayish-black pellets. Clinker may be stockpiled outside in a dry climate, but must be protected from moisture in areas with varied weather conditions. When the clinker is ground into cement, about 5 percent gypsum and other materials are added to retard the absorption of water and allow for easier handling. The final grinding step and the materials added are very important in determining the specifications and type of finished cement. Clinker is an intermediate material used in the production of finished cement and is quite different in appearance and properties from the finished product. Clinker has no other uses than for the production of cement.

Hydraulic cements are distinguished from nonhydraulic cements by the fact that they will set, or harden, under water; nonhydraulic cement will not set under water. Portland 1/ hydraulic cement is the most important of the four major categories of hydraulic cements, 2/ accounting for about 95 percent of domestic production and, reportedly, for almost all imports in recent years. All cement generally conforms to the standards established by the American Society for Testing Materials (ASTM). General descriptions of the five standard types of portland cement are given by ASTM as follows: 3/

> Type I--For use when the special properties specified for any other type are not required;
>
> Type II--For general use, especially when moderate sulfate resistance or moderate heat of hydration is required;
>
> Type III--For use when high early strength is required;
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> Type IV--For use when a low heat of hydration is required; and
>
> Type V--For use when high sulfate resistance is required.

1/ The name was given in 1824 by Joseph Aspdin, a bricklayer of Leeds, England, to a hydraulic lime that he patented, because when set with water and sand, it resembled a natural limestone quarried on the Isle of Portland in England.
2/ Portland, masonry, pozzolanic, and natural or Roman cement are the four major categories of hydraulic cements.
3/ ASTM designation C-150, petition, vol. 2, exhibit 13.

In 1985, type I and type II portland cement together accounted for 91.3 percent of the quantity of all shipments of portland hydraulic cement from U.S. plants (table 1). Specifications for type I and type II portland hydraulic cement are very similar. In fact, the chemical specifications for types I and II differ only in so far as type I has no specification for several items that are specified for type II. Thus, type II cement meets all the requirements of type I cement and may be used in lieu of type I. In some regions of the country the available raw materials used in the production of portland hydraulic cement are naturally balanced so that type II is obtained as a result of the normal production process. In addition to the standard portland cements, there are a number of special cement blends that consist of portland cement (table 1).

Portland hydraulic cement is used predominately in the production of concrete. Concrete is consumed almost wholly in construction of various types. Chief among these are highway construction using ready-mix concrete and building construction using both ready-mix concrete, concrete blocks, and precast concrete units. In many building applications, concrete is used with steel reinforcement to obtain greater strength and durability. One ton of portland cement is used to make about 4 cubic yards of concrete.

Table 1.--Portland hydraulic cement: Shipments from U.S. plants, 1/ by types of cements, 1985

Type of cement	Quantity	Value	Unit value
	1,000 short tons	1,000 dollars	Per short ton
General use (types I and II).....	73,700	3,699,651	$50.20
High-early strength (type III).....	2,772	151,104	54.51
Sulfate-resisting (type V).....	373	22,645	60.71
Oil well.....	1,942	113,773	58.58
White.....	311	53,756	172.85
Slag and pozzolan.....	802	44,210	55.12
Expansive.....	35	3,380	96.57
Miscellaneous 2/.....	810	53,898	66.54
Total or average.....	80,744	4,142,417	51.30

1/ Includes Puerto Rico.
2/ Includes waterproof, low-heat (type IV), and regulated fast-setting cement. The Bureau of Mines portland cement classification includes some cements that are special blends consisting of portland cement but are technically outside of the portland cement category.

Source: U.S. Department of the Interior, Bureau of Mines, Mineral Industry Surveys, "Cement in 1985," July 31, 1986.

Note.--Data may not add to totals shown because of rounding.

Concrete, being a major material in building construction, competes with structural steel, clay products, building stone, and other materials in various building construction applications. However, in almost every type of structure, regardless of the principal building material used, there are certain basic uses for concrete (foundations, basements, floors, and so forth), for which there is little direct competition. The choice of the principal structural material is governed by many factors, such as cost, personal preference, and building code specifications. Portland cement concrete is one of the most widely used construction materials in the United States. Table 2 shows the types of customers for cement during 1985, in percentages of quantity shipped by domestic producers.

Cement is hygroscopic; that is, it has a tendency to absorb water. Because cement and water form concrete, cement must be handled and stored in a manner which minimizes the possibility of contamination by water. Thus, both domestic producers and importers must use some type of enclosed system or storage silo and relatively sophisticated equipment to handle finished cement.

Petitioner claims that portland hydraulic cement and cement clinker constitute one like product. Clinker is an intermediate product generated during the production of cement. It is unground cement, and has no other use than to be ground into finished cement. Further, petitioner states that most U.S. producers do not sell clinker as a routine matter, and as a result, they do not keep profit and loss data for clinker operations. 1/

Table 2.--Portland hydraulic cement: U.S. producer's shipments as percentage of total shipments, by types of customers, 1985 1/

Type of customer	Percent of total
Building material dealers	5.5
Concrete product manufacturers	12.2
Ready-mix concrete	70.1
Highway contractors	4.6
Other contractors	5.8
Federal, state, and other government agencies	.3
All other	1.5
Total	100.0

1/ Includes cement imported and distributed by domestic producers.

Source: U.S. Department of the Interior, Bureau of Mines, Mineral Industry Surveys, "Cement in 1985," July 31, 1986.

1/ Petition at pp. 20-23.

Production process

There are basically two processes used to blend the raw materials to produce cement, the wet process and the dry process (figure 1). In the wet process, the raw materials are ground, blended, and mixed with water to produce a slurry. This slurry is fed into rotary kilns in which it is heated to induce chemical reactions that convert the raw material into clinker. The wet process is used where some of the raw materials are very moist. It is also the older process, having been used in Europe before the manufacture of portland cement in the United States.

In the dry process, all grinding and blending are done with dry materials in a roller mill. The blended raw meal then goes through a preheater and precalciner in which it is partially calcined by direct firing. The preheated and precalcined meal is then fed directly into a rotary kiln in which it is calcined into clinker. Figure 2 shows some of the new technology used in the dry-process manufacture of portland cement.

Many domestic producers have converted their facilities to the dry process. The main advantage of this process is that it is more energy efficient, since less time is needed for heating. Material travels through the kiln in 15 to 20 minutes, whereas the wet process requires approximately 1-1/2 hours of kiln time. Other economic advantages of the dry process include its use of otherwise waste energy in the preheating process, and some economies of scale resulting from the development of precalciners that allow larger capacity units to be utilized. In addition to converting from the wet to the dry process, many producers in an attempt to cut rising energy costs, have converted their facilities from natural gas and oil to coal.

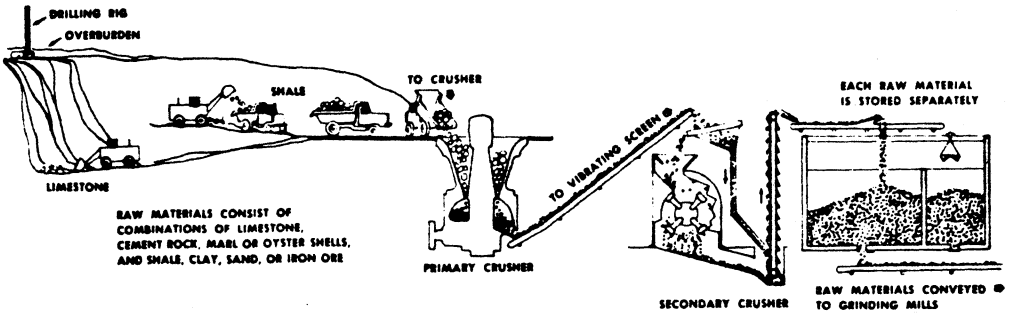
U.S. tariff treatment

U.S. imports of portland hydraulic cement (other than white, nonstaining portland cement) and cement clinker from countries entitled to the column 1 duty rate (most-favored-nation rate) enter free of duty under item 511.14 of the TSUS. The column 2 rate is 6 cents per 100 pounds, including the weight of the container, and is applicable to imports from those communist countries and areas specified in general headnote 3(d) of the TSUS. The Tariff Schedules of the United States Annotated (TSUSA) has separate statistical annotations for cement clinker (item 511.1420) and other cement (511.1440).

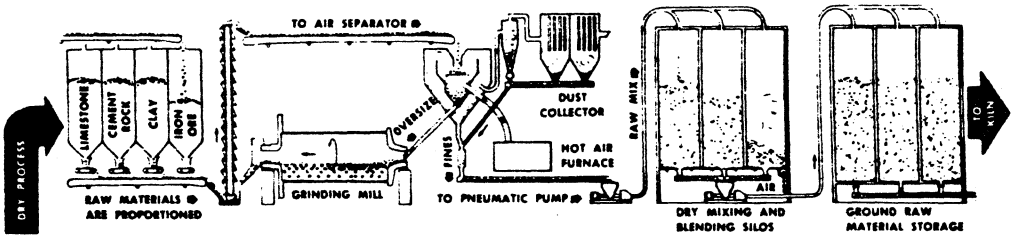
Nature and Extent of Alleged Sales at LTFV

Through a survey of domestic cement producers, counsel for the petitioner obtained information on the price at which portland hydraulic cement from Colombia, France, Greece, Japan, Mexico, the Republic of Korea (Korea), Spain, and Venezuela is being sold in the United States, and petitioner alleged that such sales were at LTFV. In addition, petitioner supplemented its survey data by providing the weighted average Customs unit value to support its LTFV allegations for all countries except France. With respect to France, petitioner based its LTFV calculations on exporter's sales prices.

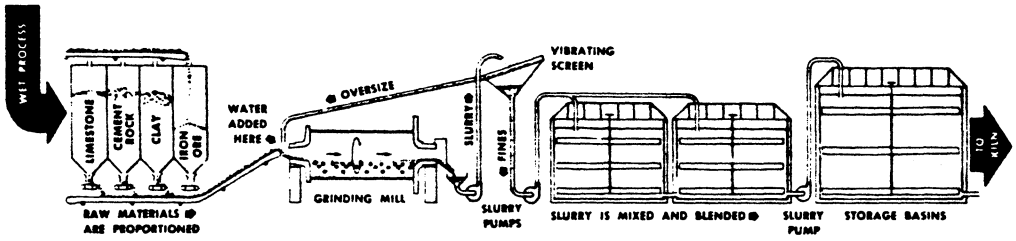
Figure 1.-- **Steps in the manufacture of portland cement**



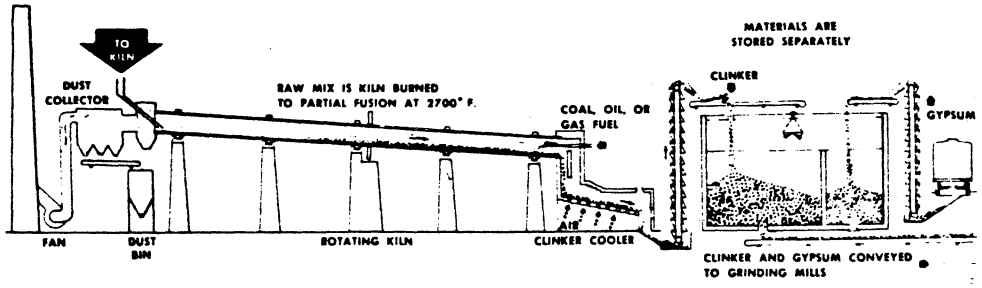
1. Stone is first reduced to 5-in. size, then to ¾ in., and stored.



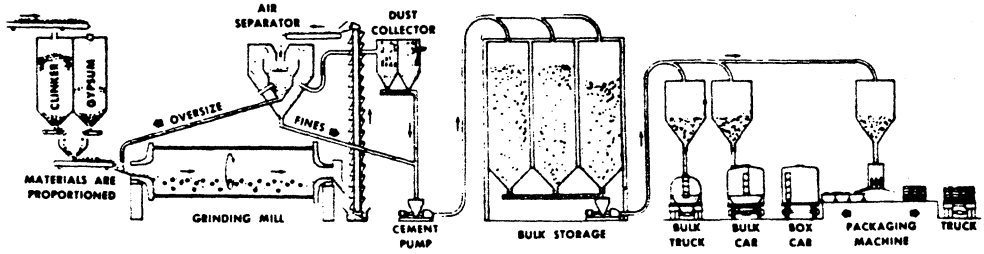
OR **2. Raw materials are ground to powder and blended.**



2. Raw materials are ground, mixed with water to form slurry, and blended.



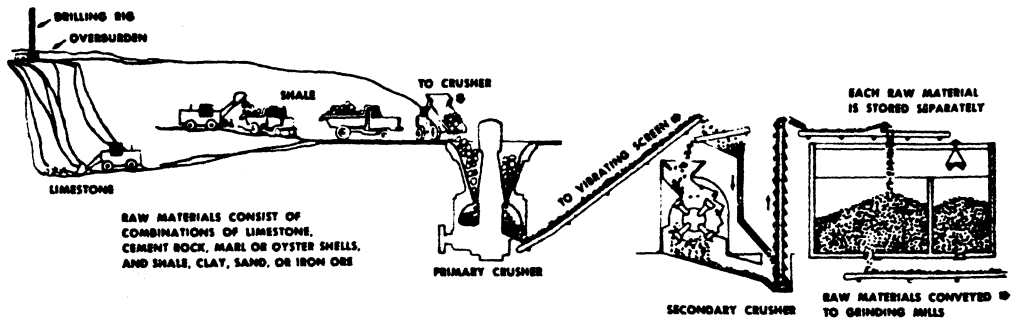
3. Burning changes raw mix chemically into cement clinker.



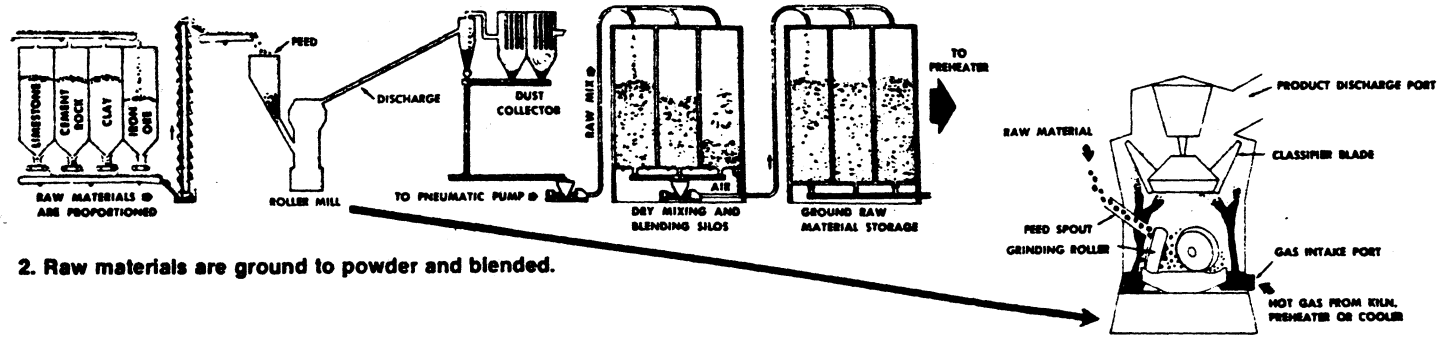
4. Clinker with gypsum is ground into portland cement and shipped.

Source: Portland Cement Association

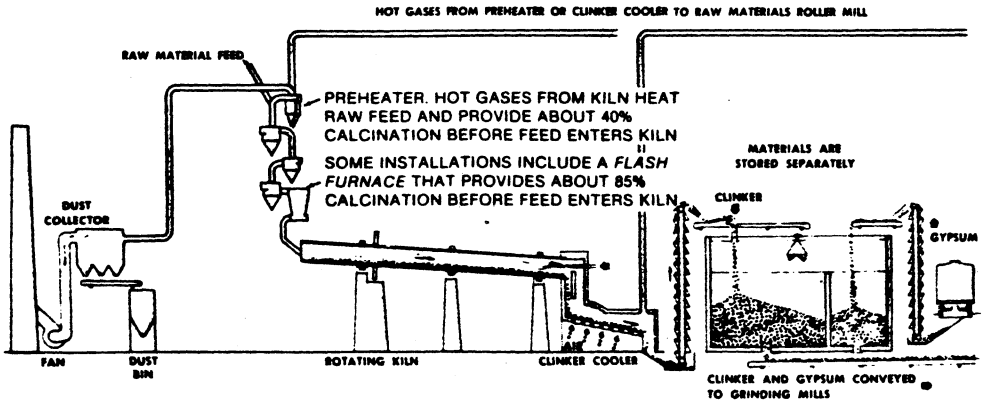
Figure 2.-- **New technology in dry-process cement manufacture**



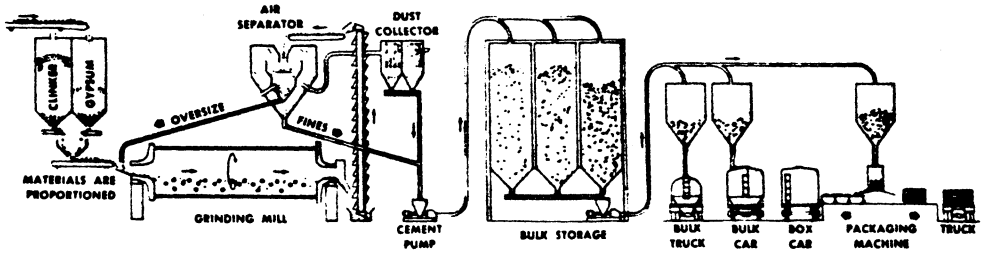
1. Stone is first reduced to 5-in.-size, then to ¾ in., and stored.



2. Raw materials are ground to powder and blended.



3. Burning changes raw mix chemically into cement clinker. Note four-stage preheater, flash furnaces, and shorter kiln.



4. Clinker with gypsum is ground into portland cement and shipped.

Source: Portland Cement Association

Petitioner claimed that weighted average Customs unit values tended to overstate the price of imported portland hydraulic cement because it was the lowest valued cement imported under TSUSA item 511.1440. Petitioner argued that portland hydraulic cement and cement clinker constitute one like product and that LTFV sales of portland hydraulic cement include cement clinker.

Petitioner's results from these calculations, along with alleged LTFV margins, are presented in the following tabulation. 1/

	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
Colombia:			
U.S. price based on:			
Sales price.....	$36.47	$***	***
Customs value.....	36.47	24.76	47.3
	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
France:			
U.S. price based on:			
Exporter's price..	$55.85	$***	***
Exporter's price..	58.28	***	***
	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
Greece:			
U.S. price based on:			
Sales price.....	$36.82	$***	***
Customs value.....	36.82	20.31	81.3
	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
Japan:			
U.S. price based on:			
Sales price.....	$68.79	$***	***
Customs value.....	68.79	38.44	126.7
	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
Mexico:			
U.S. price based on:			
Sales price.....	$37.00	$***	***
Sales price.....	$50.00	$***	***
Customs value.....	37.00	29.55	25.2
Customs value.....	50.00	29.55	69.2
	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
Republic of Korea:			
U.S. price based on:			
Sales price.....	$41.84	$***	***
Customs value.....	41.84	24.88	68.2

1/ Petition, pp. 28-68.

Spain:	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
U.S. price based on:			
Sales price.....	$49.30	$***	***
Customs value.....	49.30	31.84	54.8

Venezuela:	Foreign market value (per ton)	U.S. price (per ton)	LTFV margin (percent)
U.S. price based on:			
Sales price.....	$51.16	$***	***
Customs value.....	51.16	25.97	97.0

The U.S. Market

U.S. producers

The Bureau of Mines, U.S. Department of the Interior, recently updated its two-part directory of hydraulic cement manufacturers and facilities. 1/ Part I of the directory lists 51 cement manufacturing companies and their parent firms, subsidiary companies or divisions, and individual plant locations. Included are producers of gray and/or white portland, masonry, calcium aluminate, portland-pozzolan, and slag cements in 1985. Commission questionnaires were sent to all producers of portland cement on the Bureau of Mines list.

Part II of the Bureau of Mines directory lists 149 cement manufacturing plants alphabetically by State and company. The directory also indicates parent company, nearest town, kind of cement produced, and clinker production process. It includes 12 operations solely for the grinding of imported, purchased, or interplant transfers. The directory does not include new plants under construction or those that were permanently closed prior to publication.

According to the Bureau of Mines, there were 141 active plants producing portland cement in the United States and Puerto Rico in 1985, down from 143 in 1984, but equal to the number of active plants in 1983. 2/ 3/ The Bureau of Mines publications report that there were 131 clinker plants with 278 kilns in 1983, 132 clinker plants with 281 kilns in 1984, and 126 U.S. cement clinker plants with 275 kilns in 1985. A map showing locations of domestic cement plants is included as figure 3.

1/ The Bureau of Mines directory is reproduced in app. C.
2/ U.S. Department of the Interior, Bureau of Mines, Mineral Industry Surveys, "Cement in 1985," July 31, 1986.
3/ U.S. Department of the Interior, Bureau of Mines, Bureau of Mines Minerals Yearbook, Cement, 1983.

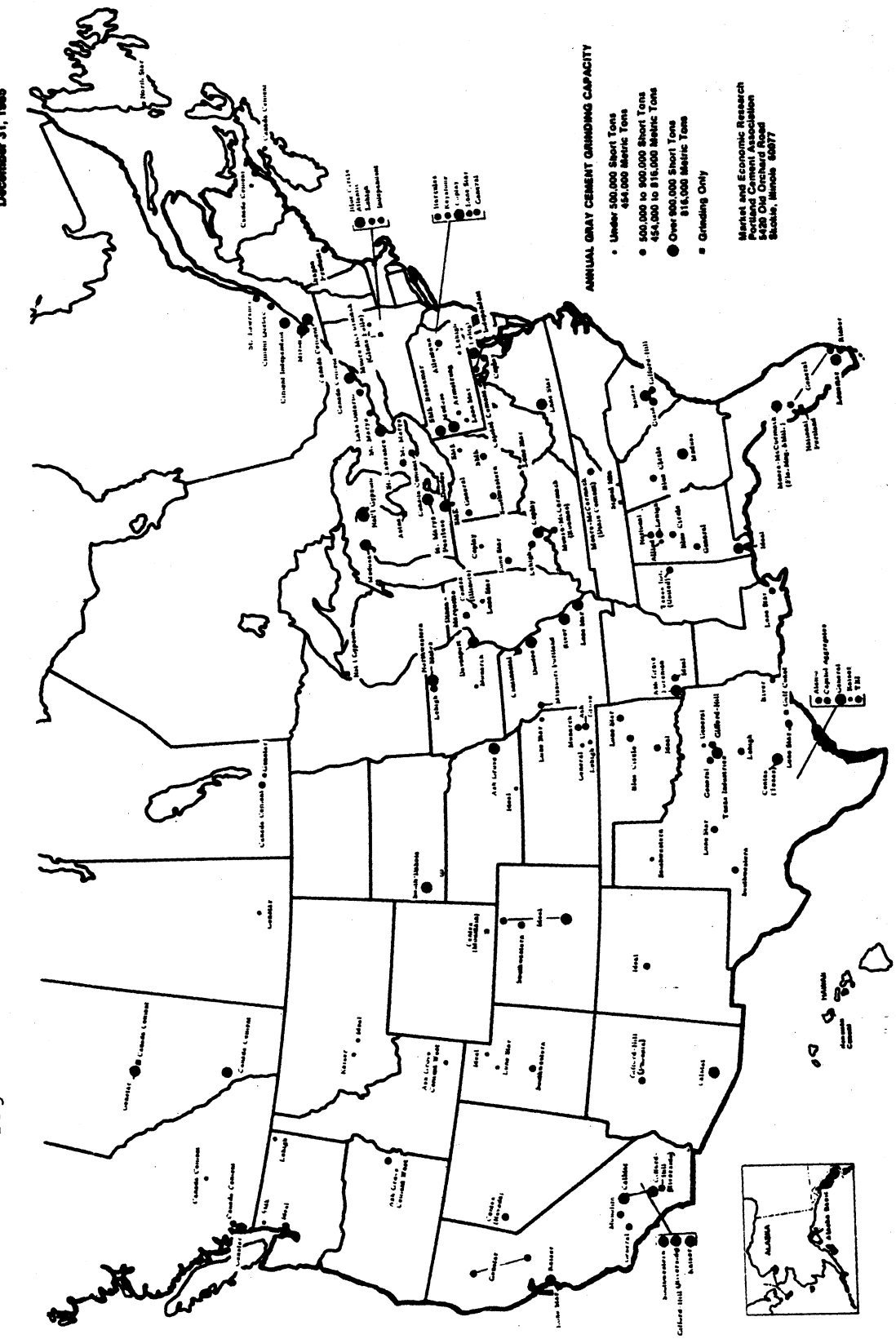


Figure 3.--Locations of U.S. cement plants

Foreign ownership of U.S. cement plants is high and growing. For example, Holderbank, a Swiss firm, is purchasing Ideal Basic Industries. 1/ Also, it was recently announced that Hanson Trust PLC, a British firm, had signed an agreement to acquire Kaiser, and Tarmac PLC, another British firm, is purchasing part of Lone Star's operations. 2/

Questionnaire responses were received from 37 firms that produced portland hydraulic cement and from 35 firms that produced cement clinker during January 1983-September 1986. The questionnaire responses, as shown in table 3, represent 80.4 percent of total U.S. capacity to produce finished portland cement in 1985 as reported by the U.S. Bureau of Mines. 3/ Furthermore, responses to the Commission's producer's questionnaires represent 81.3 percent of the total clinker capacity reported by the U.S. Bureau of Mines.

Firms were asked to indicate whether they support the petition, do not support the petition, or do not wish to take a position in these investigations. Responses to these questions are shown in table 3; 25 firms indicated that they supported the petition. These 25 firms had 54.3 million tons of finished cement capacity (51.9 percent of total U.S. capacity as reported by the Bureau of Mines) and 47.3 million tons of cement clinker capacity (53.3 percent of total U.S. clinker capacity) in 1985.

The top nine firms accounted for 46.6 million tons of cement capacity (44.6 percent of total U.S. capacity) and 41.2 million tons of cement clinker capacity (46.4 percent of total U.S. capacity) in 1985. Five firms with finished cement capacity of 10.6 million tons (10.1 percent of total U.S. capacity) and 8.0 million tons (9.0 percent to total U.S. clinker capacity) in 1985 indicated in their questionnaire responses that they do not support the petition.

U.S. importers

Domestic producers of portland hydraulic cement were alleged to account for most of the imports of cement and cement clinker into the United States. Questions concerning imports by such firms were included in the producer's questionnaire that was sent to all known domestic producers. In addition, about 70 questionnaires were sent to other firms listed on the Customs net import file as importers of portland hydraulic cement or cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, or Venezuela.

1/ Transcript of conference, p. 73.
2/ The Wall Street Journal, Dec. 1, 1986, pp. 40 and 65.
3/ The Bureau of Mines reported total U.S. cement capacity of 104.5 million short tons and total U.S. cement clinker capacity of 88.8 million short tons in 1985. U.S. Department of the Interior, Bureau of Mines, Mineral Industry Surveys, "Cement in 1985," July 31, 1986.

Table 3.--Portland hydraulic cement and cement clinker: U.S. producers, their positions in these investigations, their annual production capacity, and percent of total, 1985

Producer	Position			Annual production capacity of portland hydraulic cement	Percent of total capacity	Annual production capacity of cement clinker	Percent of total capacity
	Y	N	X 1/	1,000 tons		1,000 tons	
*	*	*		*	*	*	*
Total.....				84,015	100.0	72,202	100.0

1/ The code letters indicate the following: Y = Firm supports the petition; N = Firm does not support the petition; X = Firm did not wish to take a position in these investigations.

Source: Compiled from data submitted in response to questionnaires of the United States International Trade Commission.

Imports of portland hydraulic cement reported by U.S. cement producers are shown in table 4 for the eight countries subject to these investigations. U.S. cement producers responding to the Commission's questionnaires reported imports equal to 48.2 percent of total cement imports, 1/ from the eight countries subject to these investigations, in 1983, 45.2 percent in 1984, 39.3 percent in 1985, 34.6 percent during January-September 1985, and 30.8 percent of the quantity imported during January-September 1986. There appeared to be some double reporting of the same merchandise by U.S. producers and U.S. importers; therefore, official import statistics of the U.S. Department of Commerce are used where applicable. Cement clinker has no other use than to be ground into finished cement; consequently, all of the clinker was imported by or for U.S. producers of finished cement.

Apparent U.S. consumption

Table 5 shows the quantity, in thousands of short tons, of U.S. production, exports, imports, and apparent consumption of portland hydraulic cement and cement clinker during January 1983-September 1986.

1/ As reported in official statistics of the U.S. Department of Commerce.

Table 4.--Portland hydraulic cement: Producer's imports, by countries of origin, 1983-85, January-September 1985, and January-September 1986

(In thousands of short tons)

Item	1983	1984	1985	January-September-- 1985	1986
Portland hydraulic cement:					
Imports by U.S. producers from:					
Colombia	***	***	***	***	***
France	***	***	***	***	***
Greece	***	***	***	***	***
Japan	***	***	***	***	***
Mexico	***	***	***	***	***
Republic of Korea	***	***	***	***	***
Spain	***	***	***	***	***
Venezuela	***	***	***	***	***
Total imports	620	1,754	2,687	1,740	2,121

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

As shown in table 5, apparent consumption of portland cement increased 15.5 percent from 1983 to 1984 and 8.2 percent from 1984 to 1985. Apparent consumption of finished cement increased 4.8 percent during January-September 1986 when compared with the corresponding period of 1985. Apparent consumption, reported in table 5, is understated because not all U.S. producers responded to the Commission's questionnaires.

The Bureau of Mines reported apparent consumption of cement as follows: 73.4 million tons in 1983, 84.3 million tons in 1984, and 87.6 million tons in 1985. The Bureau of Mines data are overstated by about 4 percent because masonry cement is reported with portland cement. However, the Bureau of Mines reported a 14.8 percent increase in consumption from 1983 to 1984 and an increase of 3.9 percent from 1984 to 1985, the same trend as shown in the Commission's data. The Bureau of Mines does not report consumption data on a monthly basis; therefore, no 1986 consumption data are available from this source. Table 5 shows that apparent consumption of cement clinker increased 10.4 percent from 1983 to 1984 and 5.5 percent from 1984 to 1985. Apparent consumption of clinker declined slightly, 0.3 percent, during January-September 1986 when compared with the corresponding period of 1985.

Cement clinker is an intermediate material used in the production of finished portland cement. Therefore, data on consumption, production, capacity, and capacity utilization must be evaluated separately for finished portland cement and for cement clinker in order to avoid double counting or other aberrations.

Table 5.--Portland hydraulic cement and cement clinker: U.S. production, exports, imports, and apparent consumption, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
Portland hydraulic cement:					
Production					
1,000 short tons..	56,286	62,144	64,499	48,415	49,130
Exports.....do....	172	139	136	104	122
Imports:					
Colombia.....do....	74	93	453	336	433
France.....do....	1/	0	138	101	106
Greece.....do....	0	0	104	29	560
Japan.....do....	1/	94	835	567	482
Mexico.....do....	630	1,504	1,897	1,485	2,216
Republic of Korea.....do....	43	294	454	347	240
Spain.....do....	478	1,171	1,694	1,167	1,916
Venezuela.....do....	60	721	1,269	997	939
Subtotal.....do....	1,286	3,877	6,844	5,029	6,892
All other.....do....	1,764	2,479	2,741	2,019	2,103
Total imports..do....	3,050	6,356	9,585	7,048	8,995
Apparent consumption 2/ 1,000 short tons..	59,164	68,361	73,948	55,359	58,003
Cement clinker:					
Production					
1,000 short tons..	50,429	55,136	55,878	42,807	43,012
Exports.....do....	0	0	0	0	0
Imports:					
Colombia.....do....	0	131	193	153	202
France.....do....	152	225	414	331	397
Greece.....do....	0	0	407	298	425
Japan.....do....	0	84	291	237	189
Mexico.....do....	264	477	581	482	852
Republic of Korea.....do....	0	0	30	0	0
Spain.....do....	214	523	1,656	1,342	562
Venezuela.....do....	0	294	290	249	186
Subtotal.....do....	630	1,734	3,861	3,092	2,812
All other.....do....	922	496	772	369	335
Total imports..do....	1,552	2,230	4,633	3,461	3,147
Apparent consumption 2/ 1,000 short tons..	51,981	57,366	60,511	46,268	46,159

1/ Less than 500 pounds.

2/ Calculated as production less exports plus imports. Apparent consumption in this table is understated because not all U.S. producers responded to the Commission's questionnaires.

Source: Production and exports compiled from data submitted in response to the Commission's questionnaires. Import data compiled from official statistics of the U.S. Department of Commerce.

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

Consideration of Alleged Material Injury
to an Industry in the United States

U.S. production, capacity, and capacity utilization

The Commission, in its producer's questionnaires, asked for capacity and production data for portland hydraulic cement and for cement clinker. Questionnaire responses were received from 37 producers that, collectively, accounted for 85.3 percent of the finished portland hydraulic cement production and 83.2 percent of the cement clinker production (table 6) reported in 1985 official statistics of the U.S. Bureau of Mines.

Table 6.--Portland hydraulic cement and cement clinker: U.S. production, capacity, and capacity utilization, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
Production:					
Portland hydraulic cement:					
From firms' clinker					
1,000 short tons..	55,015	59,898	60,108	44,970	46,198
From imported clinker					
1,000 short tons..	757	1,731	3,708	2,839	2,515
From purchased clinker					
1,000 short tons..	514	515	683	606	417
Total.....do....	56,286	62,144	64,499	48,415	49,130
Cement clinker.....do....	50,429	55,136	55,878	42,807	43,012
Capacity:					
Portland cement.....do....	80,067	82,180	83,450	63,169	63,511
Cement clinker.....do....	70,445	72,188	72,232	54,039	53,978
Capacity utilization					
Portland cement..percent..	70.3	75.6	77.3	76.6	77.4
Cement clinker.....do....	71.6	76.4	77.4	79.2	79.7

Source: Compiled from data submitted in response to the Commission's questionnaires. These data are understated because not all producers responded to the Commission's questionnaires. However, the data show the same trends as those reported by the Bureau of Mines, and the Commission's data for production of portland cement are 81.5 percent of those reported by the Bureau of Mines in 1983, 82.5 percent in 1984, and 85.3 percent in 1985. The percentages for clinker production are 78.2 percent in 1983, 79.1 percent in 1984, and 83.2 percent in 1985. The Bureau of Mines does not publish monthly production statistics for cement or clinker; consequently, no comparisons could be made for 1986.

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

Responses were received from all major producers and most small to medium size firms. The nine largest producers that responded to the Commission's questionnaires accounted for 54.9 percent of finished cement production in 1985.

There is more U.S. capacity to grind cement clinker into finished portland cement than there is capacity to produce cement clinker. Therefore, many U.S. producers import cement clinker for grinding into finished cement. In addition, some U.S. producers purchase clinker for grinding, and these purchases are often from U.S. importers rather than other producers.

There is some value added in the grinding process and, in table 6, total cement production, including that ground from imported and purchased clinker, is treated as U.S. production. Total production of portland hydraulic cement increased 10.4 percent from 1983 to 1984 and 3.8 percent from 1984 to 1985. Production of portland cement during January-September 1986 was 1.5 percent above that during the corresponding period of 1985.

Cement clinker production increased 9.3 percent from 1983 to 1984 and 1.3 percent from 1984 to 1985. Production of cement clinker during January-September 1986 was 0.5 percent above that during the corresponding period of 1985. Capacity utilization rates for both portland cement and cement clinker increased during January 1983-September 1986.

U.S. producers' shipments

Shipment data reported for portland hydraulic cement and cement clinker are shipments by U.S. firms of material produced in their own manufacturing establishments and do not include shipments of imported cement or clinker or shipments of merchandise purchased from other domestic producers or from importers.

U.S. producers' domestic shipments of portland cement increased 11.7 percent from 1983 to 1984 and 4.0 percent from 1984 to 1985 (table 7). Domestic shipments during January-September 1986 were 1.8 percent above those during the corresponding period of 1985. Intracompany transfers increased from 1983 to 1984 and then decreased slightly from 1984 to 1985. Intracompany transfers increased 12.3 percent during January-September 1986 when compared with the corresponding period of the previous year. Exports of portland cement dropped during 1983-85 and then increased during January-September when compared with exports during the corresponding period of 1985. Exports (primarily to Canada) only accounted for a small fraction (0.2 percent in 1985) of total producers' shipments.

U.S. producers' domestic shipments of cement clinker varied erratically during January 1983-September 1986 (table 8). Intracompany transfers increased 35.1 percent from 1983 to 1984 before dropping 10.9 percent from 1984 to 1985. Intracompany transfers of cement clinker dropped 7.1 percent during January-September 1986 when compared with the corresponding period of 1985. There were no export shipments of cement clinker reported. As previously shown in table 6, most domestically produced cement clinker is used captively by the producer in the production of finished portland cement.

Table 7.--Portland hydraulic cement: U.S. producers' domestic shipments, intracompany shipments, and export shipments, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
	Quantity (1,000 short tons)				
U.S. producers' domestic shipments	51,122	57,113	59,420	45,241	46,063
Intracompany transfers	3,844	4,094	3,997	2,906	3,262
Export shipments	172	139	136	104	122
Total	55,138	61,346	63,553	48,251	49,447
	Value (1,000 dollars)				
U.S. producers' domestic shipments	2,540,063	2,948,637	3,067,660	2,370,826	2,243,548
Intracompany transfers	258,066	270,210	260,806	206,976	196,901
Export shipments	9,776	7,561	7,177	5,505	6,405
Total	2,807,905	3,226,408	3,335,643	2,583,307	2,446,854
	Unit value (per short ton)				
U.S. producers' domestic shipments	$49.69	$51.62	$51.63	$52.40	$48.71
Intracompany transfers	67.13	66.00	65.25	71.22	60.36
Export shipments	56.83	54.39	52.77	52.93	52.50
Average	50.92	52.59	52.49	53.54	49.48

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

Export data as compiled by the U.S. Department of Commerce are shown in table 9. The high unit values of these data indicate that the statistics include specialty cements not included in these investigations. Therefore, the best available information for exports of portland hydraulic cement is that obtained in response to the Commission's questionnaires.

U.S. producers' inventories

U.S. producers' inventories of portland hydraulic cement produced in their own plants increased 0.3 percent from December 31, 1983, to December 31, 1984, and then increased 5.1 percent from December 31, 1984, to December 31, 1985. Inventories as of September 30, 1986, were 14.1 percent below those as of September 30, 1985.

Table 8.--Cement clinker: U.S. producers' domestic shipments, intracompany shipments, and export shipments, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
	Quantity (1,000 short tons)				
U.S. producers' domestic shipments	349	326	372	285	336
Intracompany transfers	1,050	1,419	1,265	944	877
Export shipments	0	0	0	0	0
Total	1,399	1,745	1,637	1,229	1,213
	Value (1,000 dollars)				
U.S. producers' domestic shipments	12,269	9,363	14,084	10,639	10,418
Intracompany transfers	46,742	59,226	52,298	39,461	35,134
Export shipments	-	-	-	-	-
Total	59,011	68,589	66,382	50,100	45,552
	Unit value (per short ton)				
U.S. producers' domestic shipments	$35.15	$28.72	$37.86	$37.33	$31.01
Intracompany transfers	44.52	41.73	41.34	41.80	40.06
Export shipments	-	-	-	-	-
Average	42.18	39.31	40.55	40.76	37.55

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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

As a share of U.S. producers' total domestic production during the preceding year, inventories decreased from 9.1 percent, as of December 31, 1983, to 8.3 percent, as of December 31, 1984, and to 8.4 percent, as of December 31, 1985. The ratio was 7.3 percent, as of September 30, 1985, compared with 6.1 percent, as of September 30, 1986. Data on U.S. producers' end-of-period inventories of portland cement are presented in the following tabulation:

Date	Inventories 1,000 short tons	Percent of total production 1/
Dec. 31--		
1983	5,115	9.1
1984	5,132	8.3
1985	5,395	8.4
Sept. 30--		
1985	4,690	2/ 7.3
1986	4,028	2/ 6.1

1/ As reported in response to the Commission's producers' questionnaires (table 5).
2/ Annualized.

Table 9.--Portland hydraulic cement and cement clinker: U.S. exports, by markets, 1983-85, January-September 1985, and January-September 1986

Market	1983	1984	1985	January-September-- 1985	1986
	Quantity (1,000 short tons)				
Canada	106	72	89	58	46
Mexico	6	3	4	3	1
All other	6	4	5	2	2
Total	118	80	98	63	49
	Value (1,000 dollars) 1/				
Canada	12,183	10,704	18,735	13,724	5,955
Mexico	2,921	1,525	1,477	1,244	315
All other	2,256	1,267	1,266	749	585
Total	17,360	13,496	21,478	15,717	6,855
	Unit value (per short ton)				
Canada	$114.92	$147.83	$211.40	$236.86	$129.22
Mexico	477.25	440.21	378.38	435.07	391.24
All other	360.25	306.47	235.91	426.31	248.14
Average	146.63	168.68	219.40	251.24	139.20

1/ On an F.A.S. value basis.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

U.S. producers' inventories of cement clinker produced in their own plants increased 1.2 percent from December 31, 1983, to December 31, 1984, and increased 10.7 percent from December 31, 1984, to December 31, 1985. Inventories as of September 30, 1986, were 11.7 percent below those as of September 30, 1985.

As a share of U.S. producers' total domestic production during the preceding year, inventories decreased from 7.6 percent, as of December 31, 1983, to 7.1 percent, as of December 31, 1984, and increased to 7.7 percent, as of December 31, 1985. The ratio was 6.9 percent, as of September 30, 1985, compared with 6.1 percent, as of September 30, 1986. Data on U.S. producers' end-of-period inventories of cement clinker are presented in the following tabulation:

Date	Inventories 1,000 short tons	Percent of total production 1/
Dec. 31--		
1983	3,856	7.6
1984	3,901	7.1
1985	4,319	7.7
Sept. 30--		
1985	3,958	2/ 6.9
1986	3,495	2/ 6.1

1/ As reported in response to the Commission's producers' questionnaires (table 5).
2/ Annualized.

U.S. producers' employment and wages

The average number of production and related workers producing all of the establishments' products increased 0.7 percent from 1983 to 1984 before decreasing 5.7 percent from 1984 to 1985 (table 10). Employees producing all products fell 2.3 percent during January-September 1986 when compared with the corresponding period of the previous year. Hours worked decreased 0.8 percent from 1983 to 1984 before increasing slightly (0.6 percent) from 1984 to 1985. Hours worked dropped 4.9 percent during January-September 1986 when compared with the corresponding period of the previous year. Wages paid increased during 1983-85 and during January-September 1986 when compared with the corresponding period of the previous year.

Of the 37 firms that responded to the Commission's questionnaires, 35 firms produced both portland cement and cement clinker, and the remaining 2 firms ground imported or purchased clinker into finished cement. Most of the 35 firms that produced both cement and clinker were unable to separate workers producing clinker from those producing finished portland cement because most of their workers did both. Therefore, the most detailed employment statistics that had any meaning were those for workers producing portland hydraulic cement and cement clinker.

The number of such workers increased 2.1 percent from 1983 to 1984 and decreased 6.1 percent from 1984 to 1985. Workers producing cement and clinker during January-September 1986 decreased 5.0 percent when compared with the corresponding period of the previous year. Hours worked increased 2.9 percent from 1983 to 1984 and increased 2.8 percent from 1984 to 1985. Hours worked producing cement and clinker decreased 4.3 percent during January-September 1986 when compared with the corresponding period of the previous year. Wages paid increased during 1983-85, before decreasing during January-September 1986 when compared with January-September 1985. Production increased during January-September 1986 (table 6), and employment decreased, and there was a 5-percent increase in labor productivity (measured in terms of tons of finished portland cement produced per hour spent producing cement and clinker) during that period.

Table 10.--Average number of production and related workers employed in U.S. establishments in which portland hydraulic cement and cement clinker are produced, hours worked, wages paid, hourly wages, and labor productivity, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	January-September-- 1986
Production and related workers producing:					
All products	14,143	14,236	13,417	13,272	12,964
Portland cement and clinker	10,150	10,359	9,723	9,580	9,099
Hours worked by production and related workers producing:					
All products....1,000 hours	28,168	27,947	28,105	20,664	19,646
Portland cement and clinker 1,000 hours	15,608	16,052	16,499	12,152	11,620
Wages paid to production and related workers producing:					
All products..1,000 dollars	325,280	336,584	339,058	249,470	257,515
Portland cement and clinker 1,000 dollars	194,706	208,725	216,256	157,469	155,110
Hourly wages for production and related workers producing:					
All products	$11.54	$12.04	$12.06	$12.07	$13.11
Portland cement and clinker	$12.47	$13.00	$13.11	$12.95	$13.35
Labor productivity: 1/					
Finished portland cement short tons per hour	3.6	3.9	3.9	4.0	4.2

1/ Includes hours worked producing the clinker necessary to produce the finished portland cement.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Financial experience of U.S. producers

The Commission asked U.S. producers to supply income-and-loss data on (1) their operations of the establishments within which portland hydraulic cement and/or cement clinker are produced, (2) their operations devoted to producing portland hydraulic cement and cement clinker, (3) their operations producing portland hydraulic cement only, and (4) their operations producing cement clinker only. Only 5 producers, accounting for 10.2 percent of total U.S. clinker production in 1985, as reported by the U.S. Bureau of Mines, provided such data separately on cement clinker, and 26 producers, accounting for 53.4 percent of total 1985 production of portland cement, supplied such data separately for portland hydraulic cement. Twenty-four of these

twenty-six producers reported data on portland hydraulic cement that was virtually the same as the data they reported on their operations on portland hydraulic cement and cement clinker combined. Hence, separate income-and-loss data for cement clinker and portland hydraulic cement are not presented in this section.

Thirty-five firms, accounting for 83.6 percent of reported U.S. production of portland hydraulic cement in 1985, furnished usable income-and-loss data for both their operations producing portland hydraulic cement and cement clinker combined and their overall establishment operations. * * * started its operations by purchasing a plant in * * * and a plant in * * * from * * *. * * * commenced its operations by acquiring its * * * plant on * * * from * * *.

Portland hydraulic cement and cement clinker.--Aggregate net sales of portland hydraulic cement and cement clinker increased by 17 percent, from $2.8 billion in 1983 to $3.3 billion in 1985 (table 11). During the interim period ended September 30, 1986, such sales rose slightly by 1 percent, to $2.6 billion compared with $2.5 billion in the corresponding period of 1985. Net sales of cement clinker accounted for less than 0.5 percent of total net sales for the reporting companies. Such sales declined by 15 percent from 1983 to 1985 and rose by 13 percent from the interim period of 1985 to that of 1986. Net sales of portland hydraulic cement followed the same trend as did the total net sales.

Aggregate operating income on portland hydraulic cement and cement clinker operations increased 81 percent, from $207 million in 1983 to $375 million in 1985. Such income increased by 6 percent from $309 million in the interim period of 1985 to $327 million in the interim period of 1986. The industry operating income margins rose from 7.3 percent in 1983 to 11.3 percent in 1985 and further increased to 12.8 percent in the interim period of 1986, compared with 12.3 percent in the corresponding period of 1985. The number of firms reporting operating losses declined from seven in 1983 to three in 1985 and the interim period of 1986.

At the conference and in the post conference brief, the petitioners' counsel said that this industry is capital intensive and has high fixed costs; hence, counsel urged that net income before income taxes be presented in the report to reflect the impact of interest expense incurred by financing the capital required by this industry.

The Commission generally does not request interest expense and other income or expense data on a product-line basis in preliminary investigations since most companies do not maintain their financial records on this basis and find it very time consuming to allocate such expenses on a product-line basis in the short time period available to respond to the Commission's questionnaires in a preliminary investigation. However, such information was requested on overall establishment operations. To show the impact of interest expense, Commission staff compiled income-and-loss data on 27 producers, accounting for 70.6 percent of 1985 cement production and 62.8 percent of 1985

Table 11.--Income-and-loss experience of 35 U.S. producers 1/ on their operations producing portland hydraulic cement and cement clinker, accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Net sales:					
Portland hydraulic cement million dollars..	2,813	3,242	3,304	2,510	2,546
Cement clinker.....do....	13	10	11	8	9
Total net sales million dollars..	2,826	3,252	3,315	2,518	2,555
Cost of goods sold.....do,...	2,389	2,649	2,675	2,026	2,038
Gross profit.....do....	437	603	640	492	517
General, selling, and administrative expenses million dollars..	230	259	265	183	190
Operating income.....do....	207	344	375	309	327
Depreciation and amortization expense included above 1,000 dollars..	228	239	247	188	175
Ratio to net sales:					
Cost of goods sold percent..	84.5	81.5	80.7	80.5	79.8
Gross profit.....do....	15.5	18.5	19.3	19.5	20.2
General, selling, and administrative expenses percent..	8.1	8.0	8.0	7.3	7.4
Operating income.....do....	7.3	10.6	11.3	12.3	12.8
Number of firms reporting operating losses.....	7	6	3	4	3
Number of firms reporting.....	33	34	35	35	35

1/ * * * commenced its operations by purchasing a plant in * * * and a plant in * * * from * * *; and * * * started its operations by purchasing its * * * plant from * * *. As a result, the number of reporting firms increased in each accounting year.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

clinker production, whose net sales of portland hydraulic cement and cement clinker accounted for more than 85 percent of establishment sales. These data on portland hydraulic cement and cement clinker operations and overall establishment operations are presented in table 12 and table 13.

Table 12.--Income-and-loss experience of 27 U.S. producers 1/ on their operations producing portland hydraulic cement and cement clinker, accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Net sales:					
Portland hydraulic cement million dollars..	2,131	2,482	2,575	1,968	1,971
Cement clinker.....do....	12	7	10	7	5
Total net sales million dollars..	2,143	2,489	2,585	1,975	1,976
Cost of goods sold.....do....	1,826	2,021	2,077	1,584	1,565
Gross profit.....do....	317	468	508	391	411
General, selling, and administrative expenses million dollars..	189	215	222	152	152
Operating income.....do....	128	253	286	239	259
Depreciation and amortization expense included above 1,000 dollars..:	182	195	202	155	150
Ratio to net sales:					
Cost of goods sold percent..	85.2	81.2	80.3	80.2	79.2
Gross profit.....do....	14.8	18.8	19.7	19.8	20.8
General, selling, and administrative expenses percent..	8.8	8.6	8.6	7.7	7.7
Operating income.....do....	6.0	10.2	11.1	12.1	13.1
Number of firms reporting operating losses.....	5	4	2	2	2
Number of firms reporting.....	26	27	27	27	27

1/ See footnote on table 11.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The trends for the operating income margins shown in these tables are similar to those for the portland hydraulic cement and cement clinker operations of the 35 producers presented in table 11. Portland hydraulic cement and cement clinker sales of the 27 producers accounted for at least 97 percent of establishment sales of those producers, as reported in response to the Commission's questionnaires (see table 13).

Table 13.--Income-and-loss experience of 27 U.S. producers 1/ on the overall operations of their establishments within which portland hydraulic cement and cement clinker are produced, accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Net sales....million dollars..	2,189	2,568	2,653	2,036	2,037
Cost of goods sold.....do....	1,860	2,081	2,128	1,632	1,617
Gross profit.....do....	329	487	525	404	420
General, selling, and administrative expenses million dollars..	192	218	226	154	154
Operating income.....do....	137	269	299	250	266
Interest expense.....do....	95	109	99	78	63
Other income or (expense), net.....million dollars..	(10)	(28)	(14)	26	20
Net income or (loss) before income taxes million dollars--	32	132	186	198	223
Depreciation and amortization expense included above million dollars..	185	198	205	154	152
Cash flow from operations 2/..	217	330	391	352	375
Ratio to net sales:					
Cost of goods sold percent..	85.0	81.0	80.2	80.2	79.4
Gross profit.....do....	15.0	19.0	19.8	19.8	20.6
General, selling, and administrative expenses percent..	8.8	8.5	8.5	7.6	7.6
Operating income.....do....	6.3	10.5	11.3	12.3	13.1
Net income or (loss) before income taxes.....percent..	1.5	5.1	7.0	9.7	10.9
Number of firms reporting:					
Operating losses.....	5	3	2	2	2
Net losses.....	11	8	5	4	1
Number of firms reporting.....	26	27	27	27	27
Ratio of portland hydraulic cement and cement clinker sales to establishment sales.....percent..	97.9	96.9	97.4	97.0	97.0

1/ See footnote on table 11.

2/ Cash flow is defined as net income or loss before taxes plus depreciation and amortization expense.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Hence, if all interest expense and other income or expense reported for the establishment operations of the 27 producers (table 13) are applied to the operating income reported for portland hydraulic cement and cement clinker operations of those producers (table 12), net income before income taxes and its relationship to net sales would be as follows:

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Net income before income taxes.....million dollars..	23	116	173	187	216
Net sales.....do....	2,143	2,489	2,585	1,975	1,976
Pre-tax net income margin percent..	1.1	4.7	6.7	9.5	10.9

The pre-tax net income margins, although lower, followed a trend similar to the operating income margins.

Overall establishment operations.--Portland hydraulic cement and cement clinker sales accounted for over 80 percent of overall establishment sales, on an aggregate basis, for the reporting companies (table 14). Consequently, the trends for overall establishment net sales and operating income are similar to those for portland hydraulic cement and cement clinker operations during the period under investigation. Establishment sales increased by 23 percent from 1983 to 1985 and by 5 percent from the interim period of 1985 to the interim period in 1986. Establishment operating income more than doubled from 1983 to 1985, and increased by 18 percent from the interim period of 1985 to that of 1986.

The overall establishment operating income margin rose from 4.6 percent in 1983 to 8.6 percent in 1985, and further increased to 10.8 percent in the interim period of 1986, compared with 9.6 percent in the interim period of 1985. Interest expense on the establishment operations were about 4.5 percent of net sales during the period under investigation. Hence, net income margins were lower than operating income margins but showed a similar trend, increasing from 0.4 percent in 1983 to 4.4 percent in 1985 and rising from 6.7 percent in the interim period of 1985 to 7.5 percent in the interim period of 1986.

Ideal Basic Industries, Inc., reported unusual charges of $*** million for a write-down to the estimated recoverable value of the fixed assets of its * * * in the "other income or (expense)" line in 1985. Since these charges are a onetime unusual charge, they are not included in the data shown in table 14.

Table 14.--Income-and-loss experience of 35 U.S. producers 1/ on the overall operations of their establishments within which portland hydraulic cement and cement clinker are produced, accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Net sales....million dollars..	3,292	3,764	4,034	3,030	3,175
Cost of goods sold.....do....	2,848	3,129	3,344	2,501	2,524
Gross profit.....do....	444	635	690	529	651
General, selling, and administrative expenses million dollars..	291	323	345	239	309
Operating income.....do....	153	312	345	290	342
Interest expense.....do....	149	170	178	132	138
Other income or (expense), net.....million dollars..	8	(13)	2/ 10	46	33
Net income or (loss) before income taxes million dollars..	12	129	177	204	237
Depreciation and amortization expense included above million dollars..	256	267	285	216	223
Cash flow from operations 3/..	268	396	462	420	460
Ratio to net sales:					
Cost of goods sold percent..	86.5	83.1	82.9	82.5	79.5
Gross profit.....do....	13.5	16.9	17.1	17.5	20.5
General, selling, and administrative expenses percent..	8.8	8.6	8.6	7.9	9.7
Operating income.....do....	4.6	8.3	8.6	9.6	10.8
Net income or (loss) before income taxes.....percent..	0.4	3.4	4.4	6.7	7.5
Number of firms reporting:					
Operating losses.....	8	6	4	5	2
Net losses.....	14	11	7	7	2
Number of firms reporting.....	33	34	35	35	35
Ratio of portland hydraulic cement and cement clinker sales to establishment sales.....percent..	85.8	86.4	82.2	83.1	80.5

1/ See footnote on table 11.

2/ Ideal Basic Industries, Inc. reported unusual charges of $*** million for write-down to estimated recoverable value of the fixed assets of its * * * plants in the "other income or (expenses)" line in 1985. Since these charges are a onetime unusual charge, they are not included in the data shown in this table.

3/ Cash flow is defined as net income or loss before taxes plus depreciation and amortization expense.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

An official for Ideal Basic Industries stated that the write-down was a direct result of LTFV imports. 1/ Therefore, counsel for the petitioner urged the Commission to consider Ideal Basic's write-down as part of the normal risk of investment in the cement industry. If Ideal's unusual charges of $*** million were included in the aggregate data shown in table 14, the pre-tax net income margin would have been a negative *** percent in 1985. However, even if the unusual charge were included, operating income would not be affected because the "other income or expense" is below the operating income line.

Respondents argue that to the extent there is any injury to the domestic industry, it is with respect to individual companies for reasons totally unrelated to imports. Respondents allege that write-downs by Ideal Basic Industries and Kaiser were because of "mismanagement, including poor investment decisions, and operating problems unrelated to imports." 2/

Investment in property, plant, and equipment.--Thirty-five firms provided data concerning their investment in productive facilities for all products of their establishments, and 33 firms supplied such data for facilities used in the production of portland hydraulic cement and cement clinker. These 33 firms accounted for 84.0 percent of total reported production of portland hydraulic cement and 81.8 percent of total cement clinker production in 1985. As shown in table 15, their aggregate investment in portland hydraulic cement and cement clinker facilities, valued at cost, increased from $5.1 billion in 1983 to $5.4 billion in 1984 and then declined to $5.2 billion in 1985. Such investment increased slightly to $5.2 billion in the interim period of 1986, compared with $5.1 billion in the interim period of 1985. The book value of such investments generally followed a trend similar to that of their original cost.

Capital expenditures and research and development expenses.--Capital expenditures for land, buildings, machinery, and equipment used in the manufacture of all products of the establishment, as supplied by 34 firms, and such expenditures for portland hydraulic cement and cement clinker, as provided by 33 firms, are presented in table 16. Total capital expenditures for the product under investigation increased by 3 percent from $376.4 million in 1983 to $389.1 million in 1984 and then declined by 32 percent to $263.4 million in 1985. Such expenditures further dropped by 42 percent from $208.3 million in the interim period of 1985 to $121.2 million in the interim period of 1986.

Fourteen firms, accounting for 45.9 percent of total U.S. production of portland hydraulic cement and 33.1 percent of total U.S. cement clinker production in 1985, furnished data relating to their research and development expenses in connection with the production of portland hydraulic cement and cement clinker. As shown in table 16, such expenses rose by 55 percent from $4.7 million in 1983 to $7.3 million in 1985 and declined by 32 percent from $5.5 million in the interim period of 1985 to $3.7 million in the interim period of 1986.

1/ Petitioner's post-conference brief, p. 14.
2/ Respondent's joint post-conference brief, pp. 25-29.

Table 15.--Value of property, plant, and equipment of U.S. producers, 1/ accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
All establishment products:					
Original cost million dollars..	5,859	6,207	5,951	6,275	6,283
Book value.....do....	3,953	4,063	3,659	3,864	3,754
Number of firms reporting...	33	34	35	34	34
Portland hydraulic cement and cement clinker:					
Original cost million dollars..	5,126	5,406	5,156	5,134	5,195
Book value.....do....	3,605	3,691	3,303	3,262	3,162
Number of firms reporting...	31	32	33	32	32

1/ See footnote to table 11.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

According to the petitioner, the sharp decline in capital expenditures is directly related to LTFV sales of portland cement and cement clinker in two ways; first, by depressing profits, LTFV imports deny domestic firms the cash flow and credit necessary to finance expenditures; and second, LTFV imports have, according to the petitioner, kept prices below production costs. 1/

Consideration of Alleged Threat of Material Injury

Among the relevant economic factors that may contribute to the threat of material injury to the domestic industry are (1) any increase in production capacity or existing unused or under-utilized capacity in Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, or Venezuela that would be likely to result in a significant increase in exports of portland hydraulic cement or cement clinker to the United States, (2) any substantial increase in inventories of portland hydraulic cement or cement clinker imported from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, or Venezuela in the United States, (3) any rapid increase in U.S. market penetration or the likelihood that penetration will increase to an injurious level, and (4) the probability that imports of portland hydraulic cement or cement clinker will enter the United States at prices that will have a

1/ Petitioner's post-conference brief, pp. 18-19. Costs of production data, compiled from the Commission's producers' questionnaires, are presented in app. D.

Table 16.--Capital expenditures and research and development expenses by U.S. producers, 1/ accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Capital expenditures:					
All establishment products:					
Land and land improvements 1,000 dollars..	18,933	21,629	14,930	10,636	10,375
Building or leasehold improvements 1,000 dollars..	64,276	18,227	33,151	29,486	6,978
Machinery, equipment, and fixtures 1,000 dollars..	336,949	413,558	277,949	215,773	158,567
Total.....do....	420,158	453,414	326,030	255,895	175,920
Number of firms reporting.....	32	33	34	33	33
Portland hydraulic cement and cement clinker:					
Land and land improvements 1,000 dollars..	13,732	11,089	3,921	2,888	2,926
Building or leasehold improvements 1,000 dollars..	61,620	14,871	28,867	27,335	4,161
Machinery, equipment, and fixtures...1,000 dollars..	301,034	363,115	230,580	178,082	114,144
Total.....do....	376,386	389,075	263,368	208,305	121,231
Number of firms reporting.....	31	32	33	32	32
Research and development expenses:					
Portland hydraulic cement and cement clinker 1,000 dollars..	4,724	5,469	7,327	5,546	3,744
Number of firms reporting...	14	14	14	14	14

1/ See footnote on table 11.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

depressing or suppressing effect on U.S. prices of portland hydraulic cement or cement clinker. The available information on foreign capacity, production, and exports of portland hydraulic cement and cement clinker and U.S. importers' inventories of such merchandise is presented below. The issues of import penetration and price suppression/depression are discussed in subsequent sections.

U.S. importers' inventories

From these preliminary investigations two data sets of importers' inventories were collected. One data set was collected from the importer's questionnaire sent to importers who were not believed to be producers of cement or clinker. The other set of data was that submitted by U.S. producers of portland cement or cement clinker who were themselves importers of record.

Some firms that imported cement and clinker (in particular) from more than one country commingled inventories and were unable to state with certainty that the imports were from a particular country. Therefore, those importers were unable to provide precise inventory data. Inventory data for imported and domestically purchased cement and cement clinker are of limited value in these investigations but, nevertheless, are tabulated below. Combined data on U.S. importers' end-of-period inventories of portland cement from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela are presented below:

Date	Inventories 1/ (1,000 short tons)	Share of imports 2/ (percent)
Dec. 31--		
1983	47	2.5
1984	125	2.2
1985	231	2.2
Sept. 30--		
1985	213	3/ 2.0
1986	254	3/ 2.6

1/ Does not include U.S. producer's inventories of imported merchandise.
2/ As reported in response to the Commission's importers' questionnaires.
3/ Annualized.

Importers' inventories of portland cement imported from the countries subject to these investigations increased in quantity from December 31, 1983, to September 30, 1986. The ratio of such inventories to total imports was almost constant, ranging from 2.0 to 2.6 percent.

Combined data on U.S. importers' end-of-period inventories of cement clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela are presented in the following tabulation:

Date	Inventories 1/ (1,000 short tons)	Share of imports 2/ (percent)
Dec. 31--		
1983	23	3.7
1984	32	1.8
1985	40	1.0
Sept. 30--		
1985	70	3/ 2.4
1986	70	3/ 2.5

1/ Does not include U.S. producers' inventories of imported merchandise.
2/ As reported in response to the Commission's importers' questionnaires.
3/ Annualized.

The quantity of clinker end-of-period inventories imported from the countries subject to these investigations increased during December 31, 1983, to September 30, 1986. The ratio of such inventories decreased from 3.7 percent at the end of 1983 to 1.0 percent at the end of 1985, and was virtually constant at the end of September 1986 when compared with the end of September 1985.

U.S. producers reported inventories of their firm's production (presented in the previous section on producers' inventories) and other inventories. The other inventories include inventories of merchandise imported directly by U.S. producers and inventories of merchandise purchased from other producers or from U.S. importers. Such inventories are reported below (in 1,000 short tons):

Date	Inventories of portland cement	Inventories of cement clinker
Dec. 31--		
1983	107	120
1984	202	207
1985	268	318
Sept. 30--		
1985	248	359
1986	254	345

Ability of foreign producers to generate exports

Counsels for the respondent countries were requested to provide information from their respective countries about their cement production capacity, production, domestic consumption, exports to the United States, and exports to other countries for the period January 1983-September 1986. The same potential for double counting cement and clinker exists in foreign data as in U.S. statistics. Therefore, to the extent possible, the data presented below are for finished cement.

Colombia.--Colombia did not participate in these investigations. Therefore, the best available information was that in the petition. 1/ Available data are tabulated below (in thousands of short tons).

Item	1983	1984	1985
Capacity	1/	1/	1/
Production	5,338	5,748	6,294
Consumption	1/	1/	5,300
Exports	603	776	1/

1/ Not available

1/ Petition, vol. 2, exhibit 45.

France.--The following information was provided by counsel for French interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	29,500	29,200	25,500
Production...	27,011	25,048	24,492
Consumption..	25,364	23,788	23,327
Exports to--			
United States...	185	242	456
Other.....	3,064	2,958	2,303

Greece.--The following information was provided by counsel for Greek interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	16,781	16,864	16,967
Production...	14,866	14,281	13,945
Consumption..	6,989	6,835	6,618
Exports to--			
United States...	0	0	650
Other.....	8,648	8,172	7,770

Japan.--The following information was provided by counsel for Japanese interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	142,985	115,006	108,004
Production...	90,706	90,288	84,248
Consumption..	77,728	77,697	74,154
Exports to--			
United States...	0	316	1,076
Other.....	14,183	12,118	8,951

Mexico.--Counsel for Mexican interests provided some information with respect to the Mexican industry as a whole. However, the data were fragmentary and not in the format requested nor do the data cover the time period specified.

Republic of Korea.--The following information was provided by counsel for Korean interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	25,863	25,863	28,509
Production...	22,922	22,523	22,660
Consumption..	19,454	20,399	20,917
Exports to--			
United States...	111	412	406
Other.....	5,457	3,090	2,831

Spain.--The following information was provided by counsel for Spanish interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	37,607	37,637	35,939
Production...	1/	1/	1/
Consumption..	19,783	17,899	18,248
Exports to--			
United States...	451	1,171	1,694
Other.....	13,480	9,004	4,354

1/ Data not provided.

Venezuela.--The following information was provided by counsel for Venezuelan interests (in thousands of short tons):

Item	1983	1984	1985
Capacity.....	6,342	6,443	6,544
Production...	4,641	4,975	5,506
Consumption..	4,162	4,038	3,955
Exports to--			
United States...	176	866	1,279
Other.....	1/	1/	1/

1/ Data not provided.

Consideration of the Causal Relationship Between the Alleged Material Injury or the Threat Thereof and the Alleged LTFV Imports

U.S. imports

According to official statistics of the U.S. Department of Commerce, imports of hydraulic cement increased (on the basis of quantity) 108.4 percent from 1983 to 1984, 50.9 percent from 1984 to 1985, and 27.6 percent during January-September 1986 when compared with the corresponding period of 1985 (table 17).

The leading source of imports in 1985 was Canada, followed by Mexico, Spain, Venezuela, Japan, the Republic of Korea, Colombia, France, and Greece. Commerce's import statistics include imports of all hydraulic cement and are, therefore, overstated with respect to portland cement. However, masonry cement is the most likely other cement to be included in the statistics, and masonry cement has a small market (about 4 percent) when compared with the market for portland cement.

Imports of cement from the countries subject to these investigations are examined in more detail in the section of this report dealing with market penetration. Values reported in table 17 are on a "C.I.F." basis. C.I.F. import value consists of the Customs value plus all freight, insurance, and other charges incurred in bringing the merchandise from the country of exportation to the first port of arrival in the United States. Portland hydraulic cement and cement clinker enter free of duty; therefore, no duty has to be added to the C.I.F. values to obtain landed duty-paid values.

Table 18 presents official U.S. Department of Commerce statistics for imports of cement clinker. As shown in this table, imports of cement clinker increased 43.7 percent from 1983 to 1984 and 107.8 percent from 1984 to 1985. Imports of cement clinker decreased 9.1 percent during January-September 1986 when compared with the corresponding period of the previous year. The leading sources of clinker imports in 1985 were Spain, Canada, Mexico, France, Greece, Japan, Venezuela, Colombia, and the Republic of Korea.

Market penetration by the alleged LTFV imports

As shown in table 19, the ratio of imports of portland cement to apparent consumption for the eight countries subject to these investigations increased from 2.2 percent in 1983 to 5.7 percent in 1984 and 9.3 percent in 1985. The ratio of imports to consumption for these countries increased to 11.9 percent during January-September 1986 compared with 9.1 percent during the corresponding period of the previous year.

The import to consumption ratio for portland cement for each of the eight countries increased during 1983-85. However, the import to consumption ratios for Japan, the Republic of Korea, and Venezuela declined during January-September 1986 when compared with January-September 1985; the ratio for France remained constant; and the ratios for Colombia, Greece, Mexico, and Spain increased during January-September 1986 when compared with the corresponding period of 1985.

Table 17.--Hydraulic cement: U.S. imports, by principal sources, 1983-85, January-September 1985, and January-September 1986

Source	1983	1984	1985	January-September-- 1985	1986
	Quantity (1,000 short tons)				
Mexico	630	1,504	1,897	1,485	2,216
Spain	478	1,171	1,694	1,167	1,916
Venezuela	60	721	1,269	997	939
Japan	1/	94	835	567	482
Republic of Korea	43	294	454	347	240
Colombia	74	93	453	336	433
France	1/	0	138	101	106
Greece	0	0	104	29	560
Subtotal	1,285	3,877	6,844	5,029	6,892
Canada	1,653	2,356	2,556	1,915	1,974
All other	111	123	185	104	129
Total	3,049	6,356	9,585	7,048	8,995
	Value (1,000 dollars) 2/				
Mexico	25,800	59,920	68,692	53,768	76,930
Spain	20,568	40,516	60,207	41,798	68,724
Venezuela	2,139	24,126	42,665	32,815	32,183
Japan	73	3,676	28,964	20,233	16,769
Republic of Korea	4,374	10,760	29,002	23,897	8,126
Colombia	2,775	3,702	14,450	10,574	13,914
France	65	-	6,530	4,575	8,029
Greece	-	-	2,812	1,106	14,584
Subtotal	55,794	142,700	253,322	188,766	239,259
Canada	63,721	93,569	98,384	73,383	76,098
All other	4,905	3,567	9,801	6,696	6,863
Total	124,420	239,836	361,507	268,845	322,220
	Percent of total quantity				
Mexico	20.7	23.7	19.8	21.1	24.6
Spain	15.7	18.4	17.7	16.6	21.3
Venezuela	2.0	11.3	13.2	14.2	10.4
Japan	3/	1.5	8.7	8.0	5.4
Republic of Korea	1.4	4.6	4.7	4.9	2.7
Colombia	2.4	1.5	4.7	4.8	4.8
France	3/	-	1.4	1.4	1.2
Greece	-	-	1.1	.4	6.2
Subtotal	42.2	61.0	71.4	71.4	76.7
Canada	54.2	37.1	26.7	27.2	21.9
All other	3.6	1.9	1.9	1.4	1.4
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 500 short tons.
2/ On a C.I.F. value basis.
3/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

Table 18.--Cement clinker: U.S. imports, by principal sources, 1983-85, January-September 1985, and January-September 1986

Source	1983	1984	1985	January-September-- 1985	1986
	Quantity (1,000 short tons)				
Spain	214	523	1,656	1,342	562
Mexico	264	477	581	482	852
France	152	225	414	331	397
Greece	0	0	407	298	425
Japan	0	84	291	237	189
Venezuela	0	294	290	249	186
Colombia	0	131	193	153	202
Republic of Korea	0	0	30	0	0
Subtotal	630	1,734	3,862	3,092	2,813
Canada	922	485	746	343	335
All other	1/	10	26	26	0
Total	1,552	2,229	4,634	3,461	3,148
	Value (1,000 dollars) 2/				
Spain	6,437	14,860	39,917	32,577	13,920
Mexico	7,373	13,077	16,387	13,390	18,776
France	7,439	9,180	11,789	9,851	11,278
Greece	-	-	9,390	6,888	10,521
Japan	-	3,332	7,840	6,721	4,975
Venezuela	-	7,484	7,022	6,092	4,207
Colombia	-	3,096	5,012	4,066	4,921
Republic of Korea	-	-	735	-	-
Subtotal	21,249	51,029	98,092	79,585	68,598
Canada	17,268	19,407	25,763	12,192	11,814
All other	13	1,227	558	558	0
Total	38,530	71,663	124,413	92,335	80,412
	Percent of total quantity				
Spain	13.8	23.5	35.7	38.8	17.9
Mexico	17.0	21.4	12.5	13.9	27.1
France	9.8	10.1	8.9	9.6	12.6
Greece	-	-	8.8	8.6	13.5
Japan	-	3.8	6.3	6.8	6.0
Venezuela	-	13.2	6.3	7.2	5.9
Colombia	-	5.9	4.2	4.4	6.4
Republic of Korea	-	-	.6	-	-
Subtotal	40.6	77.7	83.3	89.3	89.4
Canada	59.4	21.8	16.1	9.9	10.6
All other	3/	.5	.6	.8	-
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 500 short tons.
2/ On a C.I.F. value basis.
3/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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

Table 19.--Portland hydraulic cement: 1/ U.S. apparent consumption, imports, and ratios of imports to apparent consumption, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
Apparent consumption:					
1,000 short tons..	59,164	68,361	73,948	55,359	58,003
Imports:					
Colombia.....do....	74	93	453	336	433
France.....do....	2/	0	138	101	106
Greece.....do....	0	0	104	29	560
Japan.....do....	2/	94	835	567	482
Mexico.....do....	630	1,504	1,897	1,485	2,216
Republic of Korea.....do....	43	294	454	347	240
Spain.....do....	478	1,171	1,694	1,167	1,916
Venezuela.....do....	60	721	1,269	997	939
Subtotal.....do....	1,285	3,877	6,844	5,029	6,892
All other.....do....	1,764	2,479	2,741	2,019	2,103
Total imports....do....	3,049	6,356	9,585	7,048	8,995
Ratio of imports to apparent consumption:					
Colombia.....percent..	0.1	0.1	0.6	0.6	0.7
France.....do.....	-	.1	.2	.2	.2
Greece.....do.....	-	-	.1	.1	1.0
Japan.....do.....	-	.1	1.1	1.0	.8
Mexico.....do.....	1.1	2.2	2.6	2.7	3.8
Republic of Korea.....do.....	.1	.4	.6	.6	.4
Spain.....do.....	.8	1.7	2.3	2.1	3.3
Venezuela.....do.....	.1	1.1	1.7	1.8	1.6
Colombia, France, Greece, Japan, Mexico, Republic of Korea, Spain, and Venezuela.....percent..	2.2	5.7	9.3	9.1	11.9
All other imports...do....	3.0	3.6	3.7	3.6	3.6
Total imports.....do....	5.2	9.3	13.0	12.7	15.5

1/ This table overstates (by an estimated 4 percent) imports of portland hydraulic cement because of the inclusion in Commerce statistics of other hydraulic cements.
2/ Less than 500 pounds.

Source: Apparent consumption computed from data submitted in response to the Commission's questionnaires (table 5). Import data compiled from official statistics of the U.S. Department of Commerce.

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

As shown in table 20, the ratio of imports to apparent consumption for cement clinker for the eight countries subject to these investigations increased from 1.2 percent in 1983 to 3.0 percent in 1984 and 6.5 percent in 1985. The ratio of imports to consumption for these countries decreased to 6.1 percent during January-September 1986 compared with 6.7 percent during the corresponding period of the previous year.

The import to consumption ratios for cement clinker from Colombia, France, Greece, and Mexico increased during January 1983-September 1986. The import to consumption ratios for Japan, Venezuela, and Spain decreased during January-September 1986 when compared with the ratios during the corresponding period of 1985. Imports of cement clinker from the Republic of Korea were negligible.

Prices

Channels of distribution

Portland hydraulic cement is characterized by a low value-to-weight ratio, and is considered a fungible commodity. Accordingly, inland transportation costs are an important factor in the final delivered price to a customer, and prices can differ significantly from location to location, even within a single metropolitan area. 1/ However, because cement is a homogeneous product, prices charged by cement suppliers in a particular market area to the same class of customer should be similar at any point in time. Likewise, when local supply and demand conditions necessitate a price decrease, prices will equalize between competing firms within a relatively short period, as each tries to maintain its own market share. A price decrease by one firm, therefore, generally results in lower overall market prices, with lower net returns to all cement suppliers.

Cement prices have traditionally been determined through a "base-point" pricing system. Under this system, the cement mill closest to a particular customer is considered that customer's base point, and that mill's price effectively sets the price against which other producers must compete. A delivered price has two components: (1) The f.o.b. mill price and (2) the freight costs. In areas where freight rates are regulated, the only option available to a mill is to reduce the f.o.b. price component--and its gross revenues--in order to compete with the base-point mill. This system produces a result similar to that in which freight equalization is the norm. In the latter, however, revenues are reduced by a producer paying a portion of the freight costs.

1/ In a previous Commission report Portland Hydraulic Cement from Australia and Japan, Investigations Nos. 731-TA-108 and 109, USITC Publication 1414, October 1983, the Commission analyzed data from four distinct market regions in the Los Angeles metropolitan area.

Table 20.--Cement clinker: U.S. apparent consumption, imports, and ratios of imports to apparent consumption, 1983-85, January-September 1985, and January-September 1986

Item	1983	1984	1985	January-September-- 1985	1986
Apparent consumption:					
1,000 short tons..	51,981	57,366	60,511	46,268	46,159
Imports:					
Colombia.....do....	0	131	193	153	202
France.....do....	152	225	414	331	397
Greece.....do....	0	0	407	298	425
Japan.....do....	0	84	291	237	189
Mexico.....do....	264	477	581	482	852
Republic of Korea.....do....	0	0	30	0	0
Spain.....do....	214	523	1,656	1,342	562
Venezuela.....do....	0	294	290	249	186
Subtotal.....do....	630	1,734	3,861	3,092	2,812
All other.....do....	922	496	772	369	335
Total imports....do....	1,552	2,229	4,634	3,461	3,147
Ratio of imports to apparent consumption:					
Colombia.....percent..	-	0.2	0.3	0.3	0.4
France.....do.....	0.3	.4	.7	.7	.9
Greece.....do.....	-	-	.7	.6	.9
Japan.....do.....	-	.1	.5	.5	.4
Mexico.....do.....	.5	.8	1.0	1.0	1.8
Republic of Korea.....do.....	-	-	1/	-	-
Spain.....do.....	.4	.9	2.7	2.9	1.2
Venezuela.....do.....	-	.5	.5	.5	.4
Colombia, France, Greece, Japan, Mexico, Republic of Korea, Spain, and Venezuela.....percent..	1.2	3.0	6.4	6.7	6.1
All other imports...do....	1.8	.9	1.3	.8	.7
Total imports.....do....	3.0	3.9	7.7	7.5	6.8

1/ Less than 0.05 percent.

Source: Apparent consumption computed from data submitted in response to the Commission's questionnaires (table 5). Import data compiled from official statistics of the U.S. Department of Commerce.

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

Because a supplier must grant a larger discount to customers located farther away--and relatively closer to a competing supplier--profit margins to those suppliers are smaller, and distance is an important factor affecting a supplier's willingness and ability to sell to a particular customer. If all suppliers are relatively distant from a customer, the base-point freight rate will be high, resulting in a high delivered price to that customer.

Table 21 shows shipments of bulk portland cement by mode of transportation in 1985. Most shipments to consumers were by truck, 93.2 percent. Shipments to distribution terminals, however, were 42.2 percent by rail, 18.9 percent by truck, and 36.5 percent by barge or boat in 1985. Most highway transport trucks haul about 25 short tons of cement, and a standard railroad car is able to transport about 100 short tons of cement. A standard barge transports approximately 1,500 short tons of dry material.

Table 21.--Portland cement: Shipments from U.S. plants, in bulk, 1/ by types of carriers, 1985

(In thousands of short tons)

Type of carrier	Plant to terminal	Terminal to consumers	Plant to consumers	Total to consumers
Railroad	9,089	1,079	3,464	4,543
Truck	4,073	22,885	48,536	71,421
Barge and boat	7,866	472	158	630
Unspecified	520	6	36	42
Total	21,548	24,442	52,194	76,636

1/ In 1985, 94.5 percent of the shipments of portland cement was in bulk and the remainder (5.5 percent) was in bags.

Source: U.S. Department of the Interior, Bureau of Mines, Mineral Industry Surveys, "Cement in 1985," July 31, 1986.

The actual hauling of cement is generally performed by independent common carriers or by subsidiary trucking firms of ready-mix companies. In the latter case, the ready-mix company is generally invoiced on a delivered price basis, and the subsidiary trucking company is paid by the cement producer for hauling the cement as though it were an independent common carrier. Some ready-mix companies own trucks for transporting cement; in this case, the ready-mix company is generally invoiced on an f.o.b. mill basis.

Producers and importers estimated the shipping costs for sales within a 50-mile and a 200-mile radius from the firm's storage facility. Transportation rates are estimated to be about $7.05 per ton for trucking the cement and $6.90 per ton for rail transportation within a 50-mile radius, or about 10-12 percent of the average delivered price. Trucking rates rise to $17.98 per ton and rail rates increase to $12.25 per ton when the

transportation distance goes up to 200 miles, or about 17-29 percent of the average delivered price. A vast majority of cement is sold within a 200-mile radius of the storage facility. 1/

Domestic demand factors

Virtually all cement is used in the manufacture of concrete, one of the essential building materials for most types of construction. Questionnaire responses indicate that over 70 percent of cement is sold to ready-mix concrete producers. Thus, the demand for cement is highly dependent on general construction activity.

One indicator that may be used to gauge construction activity is the seasonally adjusted index of the value of new construction put in place. The following tabulation shows a threefold movement of this index from 1982 to 1985 and a continuing increase through September 1986:

1982	1983	1984	1985	September 1986
100	271	307	324	337

Cement clinker prices

The Commission requested cement clinker purchase prices from U.S. producers. These prices are for shipments that were either imported or purchased from other domestic producers. The market for clinker is relatively small when compared with the market for cement. Shipment sizes varied greatly but were generally very large; many were in excess of 40,000 short tons.

The delivered price of clinker also varied greatly, depending on the location of the buyer. U.S. firms that purchased clinker from other U.S. producers usually paid higher inland transportation costs than those firms that are importing clinker. The reporting importers of clinker were all located in port cities whereas many of the firms buying from U.S. producers are located inland where additional barge or rail transportation is necessary.

Overall prices for clinker remained relatively stable during the subject period. Only domestic clinker and imports from Mexcio showed measurable price declines during 1985-86. Domestic clinker prices dropped from a range of approximately $40 to $45 per short ton early in 1985 to roughly $26 to $30 per ton in the final months of the subject period. Early 1985 prices for clinker from Mexico were roughly $*** to $*** per ton. This price decreased irregularly to around $*** per ton in the third quarter of 1986. The Commission received prices for imports from all of the countries under investigation with the exception of Korea. These prices generally remained between $*** to $*** per short ton throughout 1985 and 1986 (table 22).

1/ Portland Hydraulic Cement from Australia and Japan, USITC Publication 1414, October 1983, p. A-33.

Table 22.--Cement clinker: National weighted average delivered prices for the United States, by supplying countries, and by months, January 1985 to September 1986

* * * * * * *

National market prices

National prices for cement were constructed from delivered prices in specific localities. The Commission requested price information from U.S. producers and importers for sales made in six distinct market areas. 1/ If a producer or an importer did not trade in one of the designated market areas, that firm was asked to provide prices for the specific geographic areas they serviced. In all, prices were received for 48 different market areas. Prices in the 48 local market areas were used to construct a national weighted average price for each country. The national weighted average price for one country cannot be compared with that of another country because of the large variations in prices between local markets, and because of the wide variation in relative importance of different countries in individual markets. Because each market's relative importance in the weighted average national price of a given country was relatively fixed, it is possible to look at trends in prices (table 23).

Table 23.--Portland hydraulic cement: National weighted average delivered prices for the United States, by supplying countries, and by months, January 1985 to September 1986

* * * * * * *

The weighted average national price for domestic cement fell slightly over the subject period. Domestic prices were generally $58 to $60 per ton during 1985 and the first few months of 1986, but deteriorated to roughly $56 to $58 per ton during March-September 1986. Prices from Mexico and Spain followed a similar trend, with stable prices during 1985 and declining prices

1/ In the context of this discussion, a market area is defined as a relatively narrow geographic area within which delivered price can be examined with little variation in freight charges to customers between the local suppliers. The market areas identified in the questionnaire were Houston TX; Los Angeles, CA; San Diego, CA; Miami, FL; Tampa, FL; and New Orleans, LA. Producers and importers reported prices for the single largest transactions during the last full week of each month from January 1985 to September 1986.

during the latter months of 1986. Imports from Greece followed an opposite trend, with stable 1985 prices and rising prices in 1986. The remaining countries, Colombia, Japan, Korea, and Venezuela had relatively stable prices throughout the subject period. France was the only country for which pricing was not reported. 1/

Metropolitan market prices

The Commission identified six metropolitan markets in which the subject imports competed directly with domestically produced Portland hydraulic cement. The markets identified were Houston, TX; Los Angeles, CA; New Orleans, LA; New York, NY; Phoenix, AZ; and San Diego, CA. The Commission also examined prices in one market in which no imports were present, Denver, CO. 2/ Prices varied between these seven markets depending on local supply-and-demand conditions. Within a market, prices varied between local suppliers, depending on the location of the purchase, the size of the order, and the transportation costs associated with particular purchases.

The Bureau of Mines annually publishes shipment data by State and also by region of several larger States. According to industry sources, the amount of cement demanded in large metropolitan areas tends to follow the amount of shipments into that State or into the designated region of that State. 3/

The staff used this method to estimate the consumption trends in the seven metropolitan markets. The Bureau of Mines also publishes import data by customs districts that were used to estimate the amount of the subject imports into the particular six metropolitan markets in which price comparisons were possible.

Houston market.--Because of the decline in oil prices the overall business activity in this market has also been declining. Published cement-shipment figures for southern Texas show a decline of about 3 percent from 1984 to 1985. Imports into Houston from the subject countries are about 6.4 percent of total imports from these countries and are predominantly from Spain, Colombia, and (to a much smaller scale) Greece. Pricing information shows stable pricing in 1985 for all of the imported sources and also for domestic cement. In 1986, U.S.-produced cement remained between $*** to $*** per ton, the same price as in 1985. Spanish cement prices declined slightly from $*** to $*** per ton in 1985 to $*** to $*** per ton in 1986 (table 24).

Table 24.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, Houston market, by countries, and by months, January 1985 to September 1986

* * * * * * *

1/ * * *.

2/ According to Mr. Thomas Bronson of Ideal Basic Industries, a petitioner operating in the Denver market, there are no imports present in Denver. Transcript of the staff conference, p. 85.

3/ * * *.

Los Angeles market.--In contrast to the Houston market, the Los Angeles regional demand for cement is strong. Shipments into southern California were up more than 10 percent in 1985 over 1984. Imports into Los Angeles from the subject countries are also rising. Los Angeles absorbs about 8.2 percent of U.S. imports from the subject countries. Domestic pricing in Los Angeles is strong; delivered prices rose steadily from $*** to $*** per ton in the beginning of 1985 to over $*** per ton during 1986. Import prices from Korea, Spain, and Japan were stable throughout 1985-86 at about $*** to $*** per ton. The Commission only received prices of Mexican imports in 1986 and they held constant at just over $*** per ton (table 25).

Table 25.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, Los Angeles market, by countries, and by months, January 1985 to September 1986

* * * * * * *

New Orleans market.--Like the Houston market, New Orleans has also suffered the effects of declining oil prices. Shipments of cement into Louisiana have dropped from 1984 to 1985. Imports are relatively high in New Orleans (6.4 percent of the total imports of the subject countries) which may be overstated because New Orleans is also the entry port of cement traveling up the Mississippi River. Domestic prices in New Orleans have declined steadily from over $*** per ton in early 1985 to $*** to $*** per ton in July-September 1986. Imports from Venezuela, the principal import source, had stable prices throughout the period (table 26).

Table 26.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, New Orleans market, by countries, and by months, January 1985 to September 1986

* * * * * * *

New York market. 1/ --Shipments of cement into the New York metropolitan area have increased from 1.4 million tons in 1984 to 1.7 million tons in 1985, or about 23 percent. Imports from the subject countries are 6.6 percent of the total imports from those countries. Pricing in New York for domestic cement dropped steadily from over $*** per ton in the beginning of 1985 to just under $*** per ton in July-September 1986. Spain is the predominant source of imports into New York. Spanish prices initially rose in 1985 from

1/ New York market includes New York City, NY; Long Island counties; Newark, NJ; and other Northern New Jersey ports.

$*** per ton to $*** per ton before declining to $*** per ton at the end of the subject period. Imports from Greece were sporadic but were generally priced at about $*** per ton (table 27).

Table 27.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, New York market, by countries, and by months, January 1985 to September 1986

* * * * * * *

Phoenix market. 1/ --Cement shipment data for Arizona rose 16 percent from 1984 to 1985. This trend reflects rising cement demand in Phoenix, which is the largest metropolitan area in the State. Only Mexican imports are present in the Phoenix market and are 2.9 percent of total imports from the countries under investigation. Domestic prices in Phoenix are strong; prices rose from $*** to $*** per ton in early 1985 to nearly $*** per ton in July-September 1986. Mexican prices dropped from $*** to *** per ton in 1985 to $*** to $*** per ton in the latter part of 1986 (table 28).

Table 28.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, Phoenix market, by countries, and by months, January 1985 to September 1986

* * * * * * *

San Diego market.--San Diego also tends to be a strong market. Shipment trends in southern California, as described for the Los Angeles market, also indicate strong demand in San Diego. Imports in San Diego are 6.2 percent of the total subject imports. However, unlike Los Angeles, where imports are dominated by cement from Korea, imports into San Diego are dominated by those from Mexico. The Mexican facility at Ensenada, Mexico, is the closest of any continental facility to the San Diego market and would presumably have the lowest transportation cost. 2/ Prices are also strong in the San Diego market. Domestic prices were generally $*** to $*** per ton in the period. Mexican prices, which were only reported for 1986, were $*** to $*** per ton. Import pricing from Korea, Japan, and Spain increased from $*** per ton in the beginning of 1985 to $*** per ton in September 1986 (table 29).

1/ Nogales, AZ is the custom district in which Mexican imports enter enroute to Phoenix.

2/ Transcript of the staff conference. p. 187.

Table 29.--Portland Hydraulic cement: Weighted average f.o.b. and delivered prices, San Diego market, by countries, and by months, January 1985 to September 1986

* * * * * * *

Denver market.--Like many metropolitan markets that are located far from an economical water transportation source, there are no imports in the Denver market. Overall consumption in Denver may be slightly down because of the drop in oil prices, but not to the extent of the decline in the Houston market. Shipments of cement into Colorado in 1985 were down 6 percent from the 1984 levels. The weighted average delivered price is strong compared with the national weighted average price. Delivered cement prices in Denver initially rose in 1985 from just over $*** per ton to over $*** per ton. In 1986 prices declined to an average of $*** per ton (table 30).

Table 30.--Portland hydraulic cement: Weighted average f.o.b. and delivered prices, Denver market, by countries, and by months, January 1985 to September 1986

* * * * * * *

Lost sales/price suppression

The Commission received 322 allegations of price suppression and 163 allegations of lost sales from 16 United States producers. The staff contacted 15 purchasers regarding 24 of these allegations in a number of metropolitan areas to get a nationwide sampling of responses. A number of purchasers were unable to determine if they were buying imports because they purchased from domestic producers who also imported. Most purchasers who confirmed lost-sale allegations stated that their decision to purchase the imports was based on a lower transportation cost. These discussions are summarized below:

* * * alleged that their firm lost sales of *** tons of cement to * * * because of Spanish cement. * * * could neither confirm nor deny the allegation. He stated that his firm purchases from a variety of producers and he has no idea if he is buying domestic or imported cement. He further commented that * * * would never purchase a *** ton quantity.

* * * alleged that it lost 3 sales to * * *. These sales were for *** tons per year of Spanish cement in 1984, 1985, and 1986. * * * confirmed these quantities and the fact that * * * purchased from Spain. However, he stated that the price was $*** per ton delivered, not $*** as alleged. The price of $*** was still $*** to $*** below the U.S. price, but * * * argued this was because he imported the cement directly from Spain instead of buying from middlemen.

* * * alleged that it lost a ***-ton sale to * * * because of cement imported from Spain and France. An official from * * * denied the allegation; he stated that his firm buys only domestic cement from * * *.

* * * alleged that it lost a ***-ton order to * * * and that the cement was ultimately purchased from Venezuela. * * * would neither confirm nor deny the allegation stating he would only respond by mail.

* * * provided *** allegations of lost sales to * * *. The allegations totaled over *** tons during 1983, 1984, and 1986, involving cement from Venezuela. * * * could not confirm the lost sales because prices move quickly to meet the lowest quote, and both domestic and import sources are constantly quoting prices. He did state that his firm buys both from domestic and Venezuelan sources.

* * * was * * * of * * * lost-sale allegations. He stated that he has no idea of the origin of the cement he buys because he buys from a domestic producer who also imports.

* * * alleged that it lost a sale of *** tons of cement to * * *. * * * alleged that Mexican cement had driven down the delivered price to $*** per ton in the * * *. * * * confirmed this sale, however, stating that the delivered price was $*** per ton compared with a $*** per ton price from domestic sources. He also stated that much of the price differential was due to a freight advantage enjoyed by the Mexican importer because his import terminal was closer to the market.

* * * could not confirm or deny * * * lost-sale allegation by * * * against Mexican cement. He buys from cement suppliers and has no idea of the country of origin.

* * * alleged that * * * denied them a sale of *** tons of cement because of low-priced Korean imports. * * * denied this allegation; he stated that * * * has never purchased from Korea or ever purchased any quantity that large. He did state, however, that they had purchased some imported cement in recent years.

* * * could neither confirm nor deny * * * allegation. He stated that his firm has bought Mexican cement as the allegation stated, but that pricing is not done on a formal bid basis. He simply shops around until he has found the best price. * * * further stated that price fluctuates widely depending on the type of purchaser you are and your location from shipping facilities.

The * * * allegation investigated from * * * involved *** tons of cement from Spain sold at $*** a ton to * * *. * * * confirmed the purchase, but denied the quantity stating that he would never commit to a quantity that large. He said the alleged price was "in the ballpark". * * * described the market in his area: Spanish cement entered the * * * market at the same time domestic cement manufacturers were attempting to put through a price

increase. Although the Spanish cement was not offered at as low a price as expected, this cement still had a price advantage over domestic cement from * * * because of freight costs. He also said that there was cheap cement available in * * * from Greece but that transportation costs were too high to bring it to * * *.

* * * alleged *** instances of price suppression because of Spanish cement offered to * * *. * * * confirmed the allegations but said the sales prices were somewhat complicated. He was offered comparable prices from Spanish importers from * * * and also from * * *. Because * * * is further from * * * reduced its price a little to reflect the difference in freight rates.

* * * alleged price suppression on *** occasions by Greek imports offered to * * *. * * * confirmed the allegations and informed the staff that domestic prices had risen $*** in 1 year. He further stated that only a few small producers service his area and he used the imported cement from Greece in the * * * to leverage a better price from his suppliers.

* * * alleged *** lost sales to * * * because of Spanish cement. * * * could not confirm or deny any of the allegations without knowing the producers that filed the allegations. He did deny that his firm would ever purchase the large quantities alleged.

* * * alleged that it lost a ***-ton sale to * * *. * * * that the sale was lost to Korean cement offered at $*** per ton delivered, compared with their price of $*** per ton. * * * could neither confirm nor deny the allegation because he was not the purchasing manager at the time. He further stated that * * * had purchased foreign cement only once. * * *. * * * usually purchases from * * * and ships it to * * * by barge.

Exchange rates

During the interval January 1984-June 1986, the quarterly nominal value of the French franc, the Japanese yen, and the Spanish peseta advanced sharply by 25.4 percent, 35.7 percent, and 8.1 percent, respectively, against the U.S. dollars whereas the respective value of the currencies of Colombia, Greece, Korea, Mexico, and Venezuela depreciated 51.3 percent, 27.6 percent, 10.3 percent, 69.7 percent, and 64.6 percent, respectively, relative to the dollar. Quarterly exchange rates and producer price data pertaining to the countries supplying the products covered in these investigations are presented in table 31.

Because inflation in France, Japan, Korea, and Spain was similar to that in the United States over the 10-quarter period, changes in the real value of the respective currency of each country were not significantly different from changes in the nominal value. In contrast, high levels of inflation in Colombia, Mexico, and Venezuela over the same period reduced the devaluation of these currencies in real terms to 19.2 percent, 4.9 percent, and 47.2 percent, respectively, relative to the U.S. dollar--significantly less than the respective apparent depreciations of 51.3 percent, 69.7 percent, and 64.6 percent represented by the nominal devaluation.

Table 31.--Indexes of nominal-exchange-rate equivalents of selected currencies in U.S. dollars, 1/ real-exchange-rate equivalents, and producer price indicators in specified countries, 2/ by quarters, January 1984-June 1986

Period	U.S. Producer Price Index	Colombia			France			Greece			Japan		
		Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/
			--US dollars/peso--			--US dollars/franc--			--US dollars/drachma--			---US dollars/yen---	
1984:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	100.7	105.9	94.0	98.9	102.1	99.8	101.1	105.2	95.2	99.6	99.9	100.6	99.9
July-Sept..	100.4	109.9	88.3	96.6	103.5	92.8	95.7	108.1	88.1	95.0	100.7	94.8	95.2
Oct.-Dec...	100.1	114.4	83.0	94.8	104.4	88.8	92.6	112.2	81.5	91.3	100.4	93.8	94.2
1985:													
Jan.-Mar...	100.0	123.1	77.1	94.8	106.2	83.4	88.5	120.2	76.0	91.4	100.8	89.6	90.4
Apr.-June..	100.1	133.3	67.7	90.1	107.7	88.3	95.0	123.8	75.2	93.0	100.1	92.1	92.1
July-Sept..	99.3	138.7	61.0	85.2	107.8	95.7	103.9	127.4	76.7	98.3	99.0	96.8	96.4
Oct.-Dec...	100.0	142.4	55.7	79.2	106.4	105.3	112.0	141.8	68.7	97.4	96.8	111.5	108.0
1986:													
Jan.-Mar...	98.4	152.0	51.8	80.0	106.4	115.2	124.4	148.9	70.4	106.5	94.4	122.9	117.9
Apr.-June..	96.6	160.7	48.7	81.0	104.3	125.4	135.4	149.5	72.4	112.0	90.5	135.7	127.2

See footnotes at end of table.

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Table 31.--Indexes of nominal-exchange-rate equivalents of selected currencies in U.S. dollars, 1/ real-exchange-rate equivalents, and producer price indicators in specified countries, January-March 1984 = 100, 2/ by quarters, January 1984-June 1986--Continued

Period	U.S. Producer Price Index	Korea			Mexico			Spain			Venezuela		
		Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/	Producer Price Index	Nominal-exchange-rate index 4/	Real-exchange-rate index 3/
			---US dollars/won--			--US dollars/peso--			--US dollars/peseta--			--US dollars/bolivar-	
1984:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	100.7	100.3	99.7	99.3	115.6	93.4	107.2	102.6	101.0	102.8	104.7	100.0	104.0
July-Sept..	100.4	101.2	99.0	98.7	125.4	87.5	109.3	103.9	93.5	96.7	112.9	100.0	112.3
Oct.-Dec...	100.1	101.3	97.0	98.1	138.9	82.3	114.2	105.3	90.6	95.2	119.7	100.0	119.6
1985:													
Jan.-Mar...	100.0	101.3	93.2	94.4	156.7	76.8	120.3	109.1	85.7	93.5	124.0	100.0	124.0
Apr.-June..	100.1	101.3	91.8	92.9	175.0	70.9	124.0	110.8	88.8	98.2	127.8	100.0	127.7
July-Sept..	99.3	101.6	90.2	92.5	189.7	49.7	95.0	111.7	92.5	104.1	130.6	100.0	131.5
Oct.-Dec...	100.0	102.1	89.3	91.1	215.6	37.1	80.1	112.8	97.1	109.5	134.6	100.0	134.6
1986:													
Jan.-Mar...	98.4	101.1	89.7	92.2	262.1	36.1	96.2	112.3	104.8	119.6	140.4	31.8	45.3
Apr.-June..	96.6	99.0	89.7	91.9	303.8	30.3	95.5	112.5	108.1	125.8	144.1	35.4	52.8

1/ Exchange rates expressed in U.S. dollars per unit of foreign currency.
2/ Producer price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of the International Financial Statistics.
3/ The indexed real exchange rate represents the nominal exchange rate adjusted for the relative economic movement of each currency as measured here by the Producer Price Index in the United States and the respective foreign country. Producer prices in the United States decreased 3.4 percent during the period January 1984 through June 1986 compared with a 9.5-percent decrease in Japan, and a 1.0-percent decrease in Korea during the same period. In contrast, producer prices in Colombia, France, Greece, Mexico, Spain, and Venezuela increased 60.7 percent, 4.3 percent, 49.5 percent, 203.8 percent, 12.5 percent, and 44.1 percent, respectively, during the period under investigation.
4/ The Venezuelan bolivar because it had been pegged to the U.S. dollar at a ratio of 6.0 to 1 maintained its nominal value relative to the dollar during the interval January 1984-December 1985 and then depreciated 64.6 percent during January-June 1986.

Source: International Monetary Fund, International Financial Statistics, November 1986.

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For the drachma the trend differed. The real value of the Greek drachma relative to the U.S. dollar decreased during 1984 and then increased irregularly from January-March 1985 through April-June 1986.

By April-June 1986 the real Greek exchange rate had increased to a level that was 12.2 percent above its January-March 1984 level. This compares with a nominal depreciation of 27.6 percent during the period.

APPENDIX A

FEDERAL REGISTER NOTICES

[Investigations Nos. 731-TA-356 through 363 [Preliminary]]

Portland Hydraulic Cement and Cement Clinker from Colombia, France, Greece, Japan, Mexico, the Republic of Korea, Spain, and Venezuela; Import Investigations

AGENCY: United States International Trade Commission.

ACTION: Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-356 through 363 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is

materially retarded, by reason of imports from Colombia (inv. No 731-TA-356 (Preliminary)), France (inv. No. 731-TA-357 (Preliminary)), Greece (inv. No. 731-TA-358 (Preliminary)), Japan (inv. No. 731-TA-359 (Preliminary)), Mexico (inv. No. 731-TA-360 (Preliminary)), the Republic of Korea (inv. No. 731-TA-361 (Preliminary)), Spain (inv. No. 731-TA-362 (Preliminary)), and Venezuela (inv. No. 731-TA-363 (Preliminary)) of Portland hydraulic cement and cement clinker, [1] provided for in item 511.14 of the Tariff Schedules of the United States (TSUS), which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in these cases by December 15, 1986.

For further information concerning the conduct of these investigations and rules of general applications, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR part 207), and part 201, subparts A through E (19 CFR part 201).

EFFECTIVE DATE: October 30, 1986.

FOR FURTHER INFORMATION CONTACT: Tedford Briggs (202-523-4612), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in reponse to a petition filed on October 30, 1986, by counsel on behalf of members of the American Cement Trade Alliance.

Participation in the investigations.

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

[1] These investigations do not include white, nonstaining Portland hydralic cement, providing for in TSUS item 511.11, or oil well cement, provided for in TSUS item 511.14.

Service list

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will provide a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201./16(c) and 207.3), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list) and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on November 21, 1986, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Tedford Briggs (202-523-4612) not later than November 17, 1986, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions

Any person may submit to the Commission on or before November 25, 1986, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary of the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

Authority

These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: October 31, 1986.

Kenneth R. Mason,

Secretary.

[FR Doc. 86-25039 Filed 11-4-86; 8:45 am]

BILLING CODE 7020-02-M

Notices

Federal Register
Vol. 51, No. 227
Tuesday, November 25, 1986

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF COMMERCE

International Trade Administration

[A-301-603]

Portland Hydraulic Cement (Including Cement Clinker) From Colombia; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumpting duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Colombia is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Colombia are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on the ex-factory home market price for portlan hydraulic cement in Colombia, which is a price set by the Colombian Ministry of Economic Development. The price used for foreign market value in this investigation was set in April 1986.

Petitioner based United States price on the weighted-average f.o.b. import price for Colombian cement derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 47.29 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Colombia is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white, non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Colombia are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26550 Filed 11-24-86; 8:45 am]
BILLING CODE 3510-DS-M

[41-427-604]

Portland Hydraulic Cement (Including Cement Clinker) From France; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from France is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action

so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from France are being, or are likely to be, sold in the United States industry.

Petitioner based foreign market value on an ex-factory prices at which two major French producers have been selling portland hydraulic cement in France during 1986.

Petitioner based United States price on the basis of exporter's sales price (ESP) since a vast majority of imports of French cement were made by a related party. Petitioner derives the ESP of French cement by subtracting the costs of transporting the cement from the French factory to the U.S. importer's cement terminal and the costs of operating the terminal from the ex-terminal price.

Based on the above comparison, petitioner alleges dumping margins ranging from 96.65 percent to 105.21 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from France is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from France are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26551 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-484-601]

Portland Hydraulic Cement (Including Cement Clinker) From Greece: Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Greece is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230: telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Greece are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on the reported ex-factory price of cement produced and sold in Greece to home market customers.

Petitioner based United States price on the weighted-average f.o.b. import price for Greek cement, derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 81.29 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the

allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Greece is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white, non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Greece are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26552 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-586-608]

Portland Hydraulic Cement (Including Cement Clinker) From Japan; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Japan is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on the delivered sales price of cement sold in bulk through the first channel of distribution in Japan. Deductions were made for foreign inland freight and handling charges.

Petitioner based United States price on the weighted-average f.o.b. import price for Japanese cement derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 126.66 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Japan is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white, non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Japan are causing material injury, or threaten material injury, to a United States industry. If its

determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26553 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-580-604]

Portland Hydraulic Cement (Including Cement Clinker) From Korea; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement clinker (cement), from Korea is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Korea are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value of an ex-factory home market price of bulk general use cement sold in Korea.

Petitioner based United States price on the weighted-average f.o.b. import price for Korean cement derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 68.17 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Korea is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Korea are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26554 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-201-602]

Portland Hydraulic Cement (Including Cement Clinker) From Mexico; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Mexico is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36),

the petition alleged that imports of the subject merchandise from Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on reported ex-factory prices paid by Mexican customers for cement produced in Mexico.

Petitioner based United States price on the weighted-average f.o.b. import price for Mexican cement, derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges dumping margins ranging from 25.21 percent to 69.20 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Mexico is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydrulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white, non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Mexico are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 26555 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-469-603]

Portland Hydraulic Cement (Including Cement Clinker) From Spain; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Spain is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Spain are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on an ex-factory price of bulk general use cement sold in Spain, excluding charges for value-added tax.

Petitioner based United States price on the weighted-average f.o.b. import price for Spanish cement derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 54.84 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Spain is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Spain are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26556 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-307-601]

Portland Hydraulic Cement (Including Cement Clinker) From Venezuela; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether portland hydraulic cement and cement clinker (cement), from Venezuela is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 15, 1986, and we will make ours on or before April 8, 1987.

EFFECTIVE DATE: November 25, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On October 30, 1986, we received a petition in proper form filed by the American Cement Trade Alliance (ACTA). In compliance with the filing requirements of § 353.36b of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Venezuela are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

Petitioner based foreign market value on an ex-factory price of bulk general use cement sold in Venezuela.

Petitioner based United States price on the weighted-average f.o.b. import price for Venezuela cement derived from Department of Commerce import statistics.

Based on the above comparison, petitioner alleges a dumping margin of 97 percent.

After analysis of petitioner's allegations and supporting data, we conclude that a formal investigation is warranted.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petiton is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on cement and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether the merchandise subject to this investigation from Venezuela is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination no later than April 8, 1987.

Scope of Investigation

The products covered by this investigation are portland hydraulic grey cement, including clinker, provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 511.1440 and 511.1420. Excluded from this investigation are white non-staining portland hydraulic cement provided for in TSUS item 511.11 and oil well cement provided for in TSUS item 511.14.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonproprietary information. We will also allow the ITC access to all privileged and business proprietary information in our files, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 15, 1986, whether there is a reasonable indication that imports of the merchandise subject to this investigation from Venezuela are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-26557 Filed 11-24-86; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-356 through 363 (Preliminary)

PORTLAND HYDRAULIC CEMENT AND CEMENT CLINKER FROM
COLOMBIA, FRANCE, GREECE, JAPAN, MEXICO, THE
REPUBLIC OF KOREA, SPAIN, AND VENEZUELA

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigations on November 21, 1986, in the Hearing Room of the USITC Building, 701 E Street NW., Washington, DC.

In support of the imposition of antidumping duties

Dewey, Ballantine, Bushby, Palmer & Wood--Counsel
Washington, DC
on behalf of--

The American Cement Trade Alliance (ACTA)
Washington, DC

Ideal Basic Industries
Denver, CO

Thomas E. Bronson, President and Chief Executive Officer, and Chairman of ACTA

Kaiser Cement Corp.
Oakland, CA

Walter Ousterman, Chairman of the Board, President, and Chief Executive Officer

Thomas R. O'Connor, Vice President, Corporate Marketing and Sales Planning

Lehigh Portland Cement Co.
Allentown, PA

Alfred C. Strauss, Vice President-Marketing

Moore McCormack Cement, Inc.
Tampa, FL

Richard Kline, President

Medusa Cement Corp.
Cleveland Heights, OH

Robert Henschel, Pricing Manager

Michael H. Stein)
Jane K. Albrecht)--OF COUNSEL

In opposition to the imposition of antidumping duties

Steptoe & Johnson--Counsel
Washington, DC
on behalf of--

The Cement Free Trade Association (CFTA)

Pacific Coast Cement Corp.
Long Beach, CA

John Sweetland, President (CFTA)

Gulf Coast Portland Cement Co.
Houston, TX

James Wakly, Chairman, and
Vice Chairman, Marmac Corp.

Rinker Materials Corp.
West Palm Beach, FL

Alan L. Spessard, Vice President

Falcon Cement Co.
Atlanta, GA

Lone Star-Falcon
Houston, TX

National Cement Co.

Norval Inc.
Long Island City, NY

Essex Cement Co.
Newark, NJ

Continental Cement Company of Florida
Cape Canaveral, FL

Hisplacement, S.A.
Barcelona, Spain

Valenciana de Cementos Portland, S.A.
Valencia, Spain

Cementos del Mar, S.A.
Spain

Richard O. Cunningham)
Robert W. Fleishman)--OF COUNSEL
Susan G. Esserman)

In opposition to the imposition of antidumping duties--Continued

Arnold & Porter--Counsel
Washington, DC
on behalf of--

Venezolana de Cementos
Caracas, Venezuela

Cementos Carbide
Caracas, Venezuela

Robert E. Litan, Economic Consultant

Thomas B. Wilner--OF COUNSEL

Tanaka Ritger & Middleton--Counsel
Washington, DC
on behalf of--

Onoda Cement Co., Ltd.
Tokyo, Japan

H. William Tanaka--OF COUNSEL

Graham & James--Counsel
Washington, DC
on behalf of--

Mitsubishi Mining & Cement Co., Ltd.
Tokyo, Japan

Ube Industries, Ltd.
Tokyo, Japan

Stuart E. Benson--OF COUNSEL

In opposition to the imposition of antidumping duties--Continued

Steptoe & Johnson--Counsel
Washington, DC
on behalf of--

Ssangyong Cement Co., Ltd., and Ssangyong Corp.
Seoul, the Republic of Korea

Olin Wethington--OF COUNSEL

O' Connor & Hannan--Counsel
Washington, DC
on behalf of--

Mexican Cement Chamber
Mexico

Francisco Bunt, President

Grupo Cementos Mexicanos
Mexico

Jose R. Trevino Salinas

Grupo Cementos Apasco
Mexico

Luis Martinez Arguello

Joseph H. Blatchford--OF COUNSEL

APPENDIX C

DIRECTORY OF CEMENT PRODUCERS IN 1985

MINERAL INDUSTRY SURVEYS

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON, D.C. 20241

Donald Paul Hodel, Secretary

Robert C. Horton, Director

For information call:
Wilton Johnson, (202) 634-1184
Riena M. Lacroix (data), (202) 634-1184

DIRECTORY OF CEMENT PRODUCERS IN 1985

Part I--Companies Producing Hydraulic Cement in the United States and Puerto Rico

Part II--Plants Producing Hydraulic Cement in the United States and Puerto Rico

The Bureau of Mines, U.S. Department of the Interior, has updated its two-part 1983 directory of hydraulic cement manufacturers and facilities.

Part I lists 51 cement manufacturing companies, and their parent firms, subsidiary companies or divisions, and individual plant locations. Included are producers of gray and/or white portland, masonry, calcium aluminate, portland-pozzolan, and slag cements in 1985.

Part II lists 149 cement manufacturing plants alphabetically by State and company. Parent company, nearest town, kind of cement produced, and clinker production process are also indicated. Twelve operations solely for the grinding of imported, purchased, or interplant transfers of clinker are included.

The directory does not include new plants under construction or those that were permanently closed prior to publication.

Prepared in the Division of Industrial Minerals, September 30, 1985.

PART I
DIRECTORY OF COMPANIES PRODUCING HYDRAULIC CEMENT
IN THE UNITED STATES AND PUERTO RICO IN 1985

Company	Subsidiary or Division	Plant location
Alaska Basic Industries 1813 East First Ave. Anchorage, AK 99501	----	Anchorage, AK
Allentown Portland Cement Co. 1003 W. 9th Ave., Suite I King of Prussia, PA 19406	----	Evansville, PA
Allied Products Co. P.O. Box 36130 Birmingham, AL 35236	----	Birmingham, AL
Aluminum Company of America 1501 Alcoa Bldg. Pittsburgh, PA 15219	----	Bauxite, AR
Arkansas Louisiana Gas Co. 509 Marshall St. Shreveport, LA 71151	Arkansas Cement Corp. P.O. Box 751 Little Rock, AR 72203	Foréman, AR
Armstrong Cement and Supply Co. RD 2 Cabot, PA 16023	----	West Winfield, P
Ash Grove Cement Co. 8900 Indian Creek Parkway Suite 600 Overland Park, Kansas 66225	---- Ash Grove Cement West Inc. 111 S.E. Madison St. Portland, OR 97214	Chanute, KS Louisville, NB Durkee, OR Inkom, ID Seattle, WA
Ashland Technology, Inc. 522 5th Ave. New York, NY 10036 (subsidiary of Ashland Oil Inc.)	Columbia Northwest Corp. 6100 Channing Way Blvd. Columbus, OH 43216	Zanesville, OH Bellingham, WA
Blue Circle Inc. 2525 Cumberland Parkway NW Atlanta, GA 30339-3928	---- Atlantic Cement Co., Inc.	Atlanta, GA Calera, AL Tulsa, OK Ravena, NY Baltimore, MD
Cal Mat Co 9300 Flair Dr. El Monte, CA 91731	California Portland Cement Div.	Colton, CA Mojave, CA Rillito, AZ

Company	Subsidiary or Division	Plant location
Cementa AB Box 144, S-182 12-Danderyd Sweden (subsidiary of Industri Euroc AB)	Continental Cement Co. P.O. Box 13128 Port Everglades Station Fort Lauderdale, FL 33316	Hannibal, MO
Centex Corp. 4600 Republic National Bank Tower Dallas, TX 75201	Illinois Cement Co. Nevada Cement Co. Centex Cement Corp. Texas Cement Co.	LaSalle, IL Fernley, NV Corpus Christi, TX Buda, TX
Cheney Lime & Cement Co. Allgood, AL 35013	----	Allgood, AL
Cementia Holdings, A.G. Nuschelerstrasse 45 CH-8001 Zurich Switzerland	Davenport Cement Co. P.O. Box 4288 606A Davenport Bank Bldg. Davenport, IA 52808	Davenport, IA
Crane Company 300 Park Ave. New York, NY 10022	Medusa Corp. Medusa Cement Co. P.O. Box 5668 Cleveland, OH 44101	Clinchfield, GA Charlevoix, MI Wampum, PA
Genstar Corp. 3 Embarcadero Ctr., Suite 2500 San Francisco, CA 94111 (subsidiary of Genstar Ltd. of Montreal, Quebec, Canada	Genstar Cement Co. Calaveras Div.	Redding, CA San Andreas, CA
Giant Cement Co. P.O. Box 218 Harleyville, SC 29448	---- Keystone Portland Cement Co. 7292 Park Dr. Drawer A Bath, PA 18014-0058	Harleyville, SC Bath, PA
Gifford-Hill & Co., Inc. P.O. Box 47127 Dallas, TX 75247	---- Phoenix Cement Co. Riverside Cement Co. Riverside Cement Co. Gifford-Hill Cement Co. of Texas	Harleyville, SC Clarkdale, AZ Crestmore, CA Oro Grande, CA Midlothian, TX

Company	Subsidiary or Division	Plant location
Heidelberger Zement AG Berliner Strasse 6 Postfach 104 420 6900 Heidelberg 1 Federal Republic of Germany	Lehigh Portland Cement Co. 718 Hamilton Mall Allentown, PA 18105	Leeds, AL Buffington, IN Mitchell, IN Mason City, IA Independence, KS Union Bridge, MD Cementon, NY York, PA Waco, TX Metaline Falls, WA
H. B. Zachry Co. P.O. Box 21130 San Antonio, TX 78285	Capitol Aggregates, Inc. Capitol Cement Div. 11551 Nacodoches Rd. San Antonio, TX 78233	San Antonio, TX
H. K. Porter Co., Inc. Porter Bldg. Pittsburgh, PA 15219	Missouri Portland Cement Co. 7711 Carondelet Ave. St. Louis, MO 63105	Joppa, IL Sugar Creek, MO
Holderbank Financiere Glaris SA CH-5113 Holderbank AG Switzerland	Dundee Cement Co. 6211 Ann Arbor Rd. Dundee, MI 48131 subsidiary: Santee Portland Cement Corp. 1 Windsor Point Rd. Columbia, SC 29206	Dundee, MI Clarksville, MO Holly Hill, SC
Ideal Basic Industries, Inc. 950 - 17th St. P.O. Box 8789 Denver, CO 80201	Cement Div.	Theodore, AL Okay, AR Boettcher, CO Portland, CO Trident, MT Superior, NB Tijeras, NM Ada, OK Devil's Slide, UT Seattle, WA
Instituto Finanziario Industriale S.p.A. 25, via Marenco Turin, Italy	Hercules Cement Co. Center St. Stockertown, PA 18083	Stockertown, PA

Company	Subsidiary or Division	Plant location
	River Cement Co. 180 Weidman Rd. Manchester, MO 63011	Festus, MO Orange, TX
Kaiser Cement Corp. Kaiser Bldg. 300 Lakeside Dr. Oakland, CA 94612	----	Lucerne Valley, CA Permanente, CA Montana City, MT San Antonio, TX
Lafarge Corp. P.O. Box 324 Dallas, TX 75221	General Portland, Inc. 12700 Park Central Place Suite 2100 Dallas, TX 75251	Los Robles, CA Miami, FL Tampa, FL Fredonia, KS Paulding, OH Dallas, TX Fort Worth, TX New Braunfels, TX
	subsidiary: Citadel Cement Corp. 2700 Cumberland Parkway Atlanta, GA 30339	Demopolis, AL
	Whitehall Cement Manufacturing Co. 5160 Main St., Cementon Whitehall, PA 18052	Cementon, PA
Lake Ontario Cement Ltd. 2 Carlton St. Toronto, Ontario M5B 1J6 Canada	Aetna Cement Corp. P.O. Box 80 Essexville, MI 48732	Essexville, MI
Lone Star Industries, Inc. 1 Greenwich Plaza P.O. Box 5050 Greenwich, CT 06836	Cement and Construction Materials Group	Santa Cruz, CA Greencastle, IN Bonner Springs, KS New Orleans, LA Pryor, OK Nazareth, PA Nazareth, PA Houston, TX Maryneal, TX Roanoke, VA

Company	Subsidiary or Division	Plant location
		Oglesby, IL Cape Girardeau, M Superior, OH Pittsburgh, PA
	Portland Cement Co. of Utah P.O. Box 1469 Salt Lake City, UT 84110	Salt Lake City, U
(joint venture with Adelaide Brighton Cement Holdings Ltd)	Lonestar Hawaii, Inc. 91-055 Kaoni Loop Ewa Beach, HI 96706	Waianae, HI
(joint venture with General Electric Credit Corp.)	Lonestar Florida Pennsuco, Inc.	Miami, FL
(joint venture with the Lafarge Group)	Lone Star Lafarge, Inc.	Norfolk, VA
Marmac Corp. P.O. Box 1774 Parkersburg, WV 26101	Gulf Coast Portland Cement Co. Marmac Corp. 5111 Woodway Dr. Houston, TX 77056	Houston, TX
Monarch Cement Co., The Humboldt, KS 66748	----	Des Moines, IA Humboldt, KS
Monolith Portland Cement Co. 1025 N. Brand Blvd., Suite 201 Glendale, CA 91202	----	Monolith, CA Laramie, WY
Moore McCormack Cement, Inc. P.O. Box 23965 Tampa, FL 33622 (subsidiary of Moore McCormack Resources, Inc., Stamford, CT)	Florida Mining & Materials Corp., Cement Div. Kosmos Cement Co., Inc.	Brooksville, FL Kosmosdale, KY

Company	Subsidiary or Division	Plant location
	The Glens Falls Portland Cement Co., Inc.	Glens Falls, NY Howes Cave, NY
	Dixie Cement Co., Inc.	Knoxville, TN
National Gypsum Co. 4100 First International Bldg. Dallas, TX 75270	Huron Cement Div.	Alpena, MI Superior, WI
National Portland Cement Co. of Florida, Inc. Route 1, Port Manatee Palmetto, FL 33561	----	Bradenton, FL
Northwestern States Portland Cement Co. 12 Second St., NE Mason City, IA 50401	----	Mason City, IA
Passamaquoddy Properties 175 Middle St. Portland, ME 04101	Dragon Products Co	Thomaston, ME
Prairie Materials Sales, Inc. 7601 W 79th St. Bridgeview, IL 60455	Dixon-Marquette Cement, Inc. 6406 Joliet Rd. Countryside, IL 60525	Dixon, IL
Presa S.P.A. Cementeria di Robilante Coroso Giovane Italia 39 15033 Casale Monferrato (AL), Italy and Cementwerke Vigier AG 4708 Luterbach, Switzerland (joint venture)	Alamo Cement Co. 7531 Broadway P.O. Box 6925 San Antonio, TX 78209	Cementville, TX
Puerto Rican Cement Co., Inc. P.O. Box 1349 Ponce, PR 00731	----	Ponce, PR
Rinker Materials Corp. P.O. Drawer K West Palm Beach, FL 33402	Rinker Portland Cement Corp. P.O. Box 650679 Miami, FL 33165	Miami, FL

Company	Subsidiary or Division	Plant location
Riverton Corp. Riverton, VA 22651	----	Riverton, VA
	Capitol Cement Corp. P.O. Box 885 Martinsburg, W.VA 25401	Martinsburg, W.VA
San Juan Cement Co., Inc. GPO 2888 San Juan, PR 00936	----	Dorado, PR
St. Lawrence Cement Inc. 1945 Graham Blvd. Mt. Royal, Quebec H3R1H1 Canada	Independent Cement Corp. P.O. Box 12-310 Albany, NY 12212	Hagerstown, MD Catskill, NY
Signal Mountain Cement Co. 1300 American National Bank Bldg. Chattanooga, TN 37402	----	Chattanooga, TN
Societe Anonyme des Ciments Vicat Tour Gan, Cedex 13 92082 Paris, La Defense France	National Cement Co., Inc. 110 Office Park Dr. Suite 300 Birmingham, AL 25223	Ragland, AL
Societe des Ciments Francais Tour Generale, Quartier Villon Cedex 22 192088 Paris, La Defense France	Coplay Cement Co. Nazareth, PA 18064 Louisville Cement Co.	Coplay, PA Nazareth, PA Lime Kiln, MD Speed, IN Logansport, IN
South Dakota Cement Plant Commission P.O. Box 360 Rapid City, SD 57709	----	Rapid City, SD
Southdown, Inc. 2 Allen Ctr., Suite 2200 Houston, TX 77002-4486	Southwestern Portland Cement Co. 3055 Wilshire Blvd. Los Angeles, CA 90010	Victorville, CA Fairborn, OH Amarillo, TX El Paso, TX Leamington, UT Odessa, TX Lyons, CO
Standard Machine & Equipment Co. 50 West Main St. Uniontown, PA 15401	SME Cement, Inc. Bessemer Cement Co.	Middlebranch, OH Sylvania, OH Bessemer, PA

Company	Subsidiary or Division	Plant location
St. Marys Cement Ltd. 2200 Yonge St. Toronto, Ontario M4S 2C6 Canada	St. Marys Wisconsin Cement, Co.	Milwaukee, WI
	St. Marys Peerles Cement Co. 9333 Dearborn St. Detroit, MI 48209	Detroit, MI
Texas Industries, Inc. 8100 Carpenter Freeway Dallas, TX 75247	TXI Cement Co. United Cement Co.	Midlothian, TX New Braunfels, T Artesia, MS

PART II
DIRECTORY OF PLANTS PRODUCING HYDRAULIC CEMENT IN THE UNITED STATES AND PUERTO RICO IN 1985

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Alabama:				
Allied Products Co.	----	Birmingham	P	W
Blue Circle, Inc.	----	Calera	P-M	D
Cheney Lime & Cement Co.	----	Allgood	M	G
Citadel Cement Corp.	Lafarge Corp.	Demopolis	P-M	D
Ideal Basic Industries, Inc.	----	Theodore	P	D
Lehigh Portland Cement Co.	Heidelberger Zement AG	Leeds	P-M	D
National Cement Co., Inc.	Societe Anonyme des Ciments Vicat	Ragland	P-M	D
Alaska:				
Alaska Basic Industries	----	Anchorage	P	G
Arizona:				
California Portland Cement Co.	Cal Mat Co.	Rillito	P-M	D
Phoenix Cement Co.	Gifford-Hill & Co., Inc.	Clarkdale	P-M-p	D
Arkansas:				
Aluminum Company of America	----	Bauxite	A	D
Arkansas Cement Corp.	Arkansas Louisiana Gas Co.	Foreman	P-M	W
Ideal Basic Industries, Inc.	----	Okay	P-M	W

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process
California:				
California Portland Cement Co.	Cal Mat Co.	Colton	P-M	D
		Mojave	P	D
General Portland, Inc.	Lafarge Corp.	Lebec	P	D
Genstar Cement Co.	Genstar Ltd.	Redding	P-p	D
		San Andreas	P	W
Kaiser Cement Corp.	----	Lucerne Valley	P-p	D
		Permanente	P-p	D
Lone Star Industries, Inc.	----	Davenport	P	D
Monolith Portland Cement Co.	----	Monolith	P	W
Riverside Cement Co.	Gifford-Hill & Co., Inc.	Oro Grande	P	D
		Riverside	P-W	D
Southwestern Portland Cement Co.	Southdown, Inc.	Victorville	P	D-W
Colorado:				
Ideal Basic Industries, Inc.	----	La Porte	P	D
		Portland	P-M	W
Southwestern Portland Cement Co.	Southdown, Inc.	Lyons	P-M	D
Florida:				
Florida Mining & Materials Corp., Cement Div.	Moore McCormack Cement, Inc.	Brooksville	P-M-p	D
General Portland, Inc.	Lafarge Corp.	Miami	P-M	W
		Tampa	P-M	W
Lonestar Florida Pennsuco, Inc.	Lone Star Industries, Inc. and General Electric Credit Corp.	Hialeah	P-M	W
National Portland Cement Co. of Florida Inc.	----	Bradenton	P	G
Rinker Portland Cement Corp.	Rinker Materials Corp.	Miami	P-M	W

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Georgia:				
Blue Circle, Inc.	----	Atlanta	P-M	D
Medusa Cement Co.	Crane Co.	Clinchfield	P-M	D-W
Hawaii:				
Lonestar Hawaii, Inc. and Adelaide Brighton Cement Holdings Ltd.	----	Waianae	P-M	W
Idaho:				
Ash Grove Cement West Inc.	Ash Grove Cement Co.	Inkom	P-M	W
Illinois:				
Dixon Marquette Cement, Inc.	Prairie Materials	Dixon	P-M	D
Illinois Cement Co.	Centex Corp.	La Salle	P	D
Lone Star Industries, Inc.	----	Oglesby	P	D
Missouri Portland Cement Co.	H. K. Porter Co., Inc.	Joppa	P	D
Indiana:				
Lehigh Portland Cement Co.	Heidelberger Zement AG	Buffington Mitchell	A P	D D
Lone Star Industries, Inc.	----	Greencastle	P-M	W
Louisville Cement Co.	Societe des Ciments Francais	Logansport Speed	P-M P-M	W D
Iowa:				
Davenport Cement Co.	Cementia Holdings AG	Buffalo	P-M	D
Lehigh Portland Cement Co.	Heidelberger Zement AG	Mason City	P	D
Monarch Cement Co., The	----	Des Moines	P-M	W
Northwestern States Portland Cement Co.	----	Mason City	P-M	D

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Kansas:				
Ash Grove Cement Co.	----	Chanute	P-M	W
General Portland, Inc.	Lafarge Corp.	Fredonia	P-M	W
Lehigh Portland Cement Co.	Heidelberger Zement AG	Independence	P-M	D
Lone Star Industries, Inc.	----	Bonner Springs	P-M	W
Monarch Cement Co., The	----	Humboldt	P-M	D
Kentucky:				
Kosmos Cement Co., Inc.	Moore McCormack Cement, Inc.	Kosmosdale	P-M	D
Louisiana:				
Lone Star Industries, Inc.	----	New Orleans	P-M	W
Maine:				
Dragon Products Co.	Passamaquoddy Properties	Thomaston	P-M	W
Maryland:				
Coplay Cement Co.	Societe des Ciments Francais	Lime Kiln	P	W
Atlantic Cement Co., Inc.	Blue Circle Inc.	Baltimore	S	wg
Lehigh Portland Cement Co.	Heidelberger Zement AG	Union Bridge	P-M	D
Independent Cement Corp.	St Lawrence Cement	Hagerstown	P-M	D

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2
Michigan:				
Aetna Cement Corp.	Lake Ontario Cement Ltd.	Essexville	P-M	G
Dundee Cement Co.	Holderbank Group	Dundee	P-p	W
Medusa Cement Co.	Crane Co.	Charlevoix	P-M	D
National Gypsum Co., Huron Cement Div.	----	Alpena	P-M	D
St. Marys Peerless Cement Co.	St. Marys Cement Ltd.	Detroit	P-M	W
Mississippi:				
United Cement Co.	Texas Industries, Inc.	Artesia	P-M	W
Missouri:				
Continental Cement Co.	Cementa AB	Hannibal	P-M	W
Dundee Cement Co.	Holderbank Group	Clarksville	P-p	W
Lone Star Industries, Inc.	----	Cape Girardeau	P-M	D
Missouri Portland Cement Co.	H. K. Porter Co., Inc.	Sugar Creek	P	D
River Cement Co.	IFI S.p.A.	Festus	P-M	D
Montana:				
Ideal Basic Industries, Inc.	----	Trident	P-M	W
Kaiser Cement Corp.	----	Montana City	P-M	W
Nebraska:				
Ash Grove Cement Co.	----	Louisville	P-M	D
Ideal Basic Industries, Inc.	----	Superior	P	W
Nevada:				
Nevada Cement Co.	Centex Corp.	Fernley	P	D

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Pennsylvania:				
Armstrong Cement & Supply Corp.	----	West Winfield	P-M	W
Coplay Cement Co.	Societe des Ciments Francais	Coplay	P-M	G
		Nazareth	P	D
		Nazareth	P	G
Hercules Cement Co.	IFI S.p.A.	Stockertown	P	D
Keystone Portland Cement Co.	Giant Cement Co.	Bath	P-M	W
Lehigh Portland Cement Co.	Heidelberger Zement AG	York	W-M	W
Lone Star Industries, Inc.	----	Nazareth	P-M	D
		Pittsburgh	P-M	W
Medusa Cement Co.	Crane Co.	Wampum	P-M	D
Allentown Cement Co.	----	Evansville	P-M	D
SME Cement, Inc.	Standard Machine & Equipment Co.	Bessemer	P	W
Whitehall Cement Manufacturing Co.	Lafarge Corp.	Cementon	P-M	D
Puerto Rico:				
Puerto Rican Cement Co., Inc.	----	Ponce	P	W
San Juan Cement Co., Inc.	----	Dorado	P	W
South Carolina:				
Giant Cement Co.	----	Harleyville	P-M	W
Gifford-Hill Cement Co. of South Carolina	----	Harleyville	P	D
Santee Portland Cement Corp.	Dundee Cement Co. (Holderbank Group)	Holly Hill	P-M-p	W

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
South Dakota:				
South Dakota Cement Plant Commission	----	Rapid City	P-M	W-D
Tennessee:				
Dixie Cement Co., Inc.	Moore McCormack Cement, Inc.	Knoxville	P-M	D
Signal Mountain Cement Co.	----	Chattanooga	P-M	W
Texas:				
Alamo Cement Co.	Presa S.P.A. Cementeria di Robilante and Cementwerke Vigier AG	San Antonio	P-M	G
Capitol Aggregates, Inc.	H. B. Zachry Co.	San Antonio	P-M	W
Centex Cement Corp.	Centex Corp.	Corpus Christi	P-M	W
General Portland, Inc.	Lafarge Corp.	Dallas	P-M	W
		Fort Worth	P	W
		New Braunfels	P	D
Gifford-Hill Cement Co. of Texas	Gifford-Hill & Co., Inc.	Midlothian	P	W
Gulf Coast Portland Cement Co.	Marmac Corp.	Houston	P	W
Kaiser Cement Corp.	----	San Antonio	P-M	D
Lehigh Portland Cement Co.	Heidelberger Zement AG	Waco	P-W-M	W-D
Lone Star Industries, Inc.	----	Houston	P	G
		Maryneal	P-M	D
River Cement Co.	IFI S.P.A.	Orange	P	G

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Texas: (Continued)				
Southwestern Portland Cement Co.	Southdown, Inc.	Amarillo	P-M	W
		El Paso	P-M	D
		Odessa	P-M	D
Texas Cement Co.	Centex Corp.	Buda	P-M	D
Texas Industries, Inc.	----	Midlothian	P-M-p	W
TXI Cement Co.	Texas Industries, Inc.	Hunter	P	D
Utah:				
Ideal Basic Industries, Inc.	----	Devil's Slide	P-M	W
Southwestern Portland Cement Co.	Southdown, Inc.	Leamington	P	D
Portland Cement Co. of Utah	Lone Star Industries, Inc.	Salt Lake City	P	W
Virginia:				
Lone Star Industries, Inc.	----	Roanoke	P-M	D
Lone Star Lafarge, Inc.	Lone Star Industries, Inc., and the Lafarge Group	Norfolk	A	D
Riverton Corp.	----	Riverton	M	G
Washington:				
Columbia Northwest Corp.	Ashland Oil, Inc.	Bellingham	P-M	W
Ideal Basic Industries, Inc.	----	Seattle	P	W
Lehigh Portland Cement Co.	Heidelberger Zement AG	Metaline Falls	P-M	D
Ash Grove Cement West Inc.	Ash Grove Cement Co.	Seattle	P-M	W
West Virginia:				
Capitol Cement Corp.	Riverton Corp.	Martinsburg	P-M	W

State and company	Parent company	Nearest town	Kind of cement produced 1/	Process 2/
Wisconsin:				
National Gypsum Co., Huron Cement Div.	----	Superior	P	G
St. Marys Wisconsin Cement, Inc.	St. Marys Cement Ltd.	Milwaukee	P-M	G
Wyoming:				
Monolith Portland Cement Co.	----	Laramie	P	W

1/ A=Calcium Aluminate. M=Masonry. P=Gray Portland. W=White Portland. S=Slag. p=Portland Pozzolan.
2/ G=Grinding plant only. D=Dry. W=Wet. wg=Water Granulation.

APPENDIX D

ANALYSIS OF COSTS OF PRODUCTION DATA PROVIDED BY U.S. PRODUCERS

The Commission requested U.S. producers to provide their domestic costs of production, by plant, for cement clinker, as well as for portland hydraulic cement. The costs requested for the production of cement clinker were for raw materials, direct labor, energy costs, depreciation, and variable and fixed factory overhead. The costs identified with the production of portland hydraulic cement were the costs of imported cement clinker, and domestically produced cement clinker, and the variable and fixed costs of the conversion (production) of cement clinker into portland hydraulic cement. Firms were asked to report these costs of production and the corresponding quantities of the respective products produced in each plant.

Some firms did not provide the itemized costs requested in the questionnaire. Total unit production and weighted average unit costs of cement clinker and portland hydraulic cement produced by 92 plants and 102 plants, respectively, are presented in table D-1. These plants accounted for 94 percent of total production of cement clinker and 98 percent of total production of portland hydraulic cement in 1985, as reported in response to the Commission's questionnaires.

Weighted average production costs per short ton of cement clinker declined by 1 percent, from $32.84 in 1983 to $32.52 in 1985. During the interim periods ended September 30, the production costs per short ton dropped from $33.02 in 1985 to $31.39 in 1986, or by 5 percent. Production of cement clinker rose by 10 percent during 1983-85 and increased by 3 percent during the interim periods of 1985-86.

The production cost per short ton varied widely among the reporting plants. The high and low production costs per short ton for cement clinker, identified by plant and firm, are presented in table D-2.

The * * * plant of * * * reported high costs per short ton of cement clinker because the firm had very low production in * * * and also included costs associated with the shut down of clinker-producing operations. The * * * plant of * * * and the * * * plant of * * * reported much higher costs per short ton of cement clinker because of a low volume of production during 1983-85 and no production in the interim period of 1986. The * * * plant of * * * reduced its cement clinker production by *** percent starting in * * * 1985 and shifted over to imported cement clinker, resulting in higher unit costs in 1985. * * * imported more cement clinker and also reduced its production, which resulted in higher unit costs in 1985 and the interim period of 1986.

* * * * * * *

Weighted average production costs per short ton of portland hydraulic cement fell by 2 percent, from $39.20 in 1983 to $38.44 in 1985, and declined by 3.5 percent during the interim periods, from $39.04 in 1985 to $37.68 in 1986. Production of portland hydraulic cement increased by 14 percent during 1983-85 and was at about the same level during the interim periods of 1985-86.

The production cost per short ton of portland hydraulic cement varied widely among the reporting plants. The high and low quantity production costs per short ton for portland hydraulic cement, identified by plant and firm, are presented in the table D-3.

Table D-1.--Portland hydraulic cement and cement clinker: Production costs for accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Cement clinker:					
Weighted average cost dollars per short ton..	$32.84	$32.75	$32.52	$33.02	$31.39
Production 1,000 short tons..	47,617	52,146	52,309	38,926	40,209
Number of reporting plants.....	90	93	92	92	92
Portland hydraulic cement:					
Weighted average cost dollars per short ton..	$39.20	$38.84	$38.44	$39.04	$37.68
Production - 1,000 short ton..	55,743	61,370	63,429	47,462	47,550
Number of reporting plants.....	101	102	102	101	99

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table D-2.--Cement clinker: High and low production costs, by firm and plant, 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Production cost of cement clinker:					
High:					
Cost dollars per short ton..	$71.66	$85.89	$89.73	$100.17	$62.81
Plant.....	* * *	* * *	* * *	* * *	* * *
Firm.....	* * *	* * *	* * *	* * *	* * *
Low:					
Cost dollars per short ton..	$20.75	$20.46	$19.84	$18.00	$18.98
Plant.....	* * *	* * *	* * *	* * *	* * *
Firm.....	* * *	* * *	* * *	* * *	* * *
Number of plants reporting cost per short ton of $25.00 or less.....	18	15	16	16	13

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table D-3.--Portland hydraulic cement: High and low production costs, by firm and plant, 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Production cost of portland hydraulic cement:					
High:					
Cost dollars per short ton..	$78.73	$92.06	$84.75	$115.25	$73.03
Plant.....	* * *	* * *	* * *	* * *	* * *
Firm.....	* * *	* * *	* * *	* * *	* * *
Low:					
Cost dollars per short ton..	$24.83	$24.32	$24.55	$22.52	$23.19
Plant.....	* * *	* * *	* * *	* * *	* * *
Firm.....	* * *	* * *	* * *	* * *	* * *
Number of plants reporting cost per short ton of $30.00 or less.....	10	12	12	12	12

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The percentage distribution of the elements of cost of production as a share of total production costs of cement clinker and portland hydraulic cement is presented in table D-4.

Energy costs, which represented the major cost component of producing cement clinker, declined from 36.1 percent in 1983 to 33.4 percent in the interim period of 1986. The second largest cost was fixed factory overhead, which increased from 17.9 percent in 1983 to 18.7 percent in the interim period of 1986. During the same periods, direct labor costs declined from 14.8 percent to 13.6 percent; depreciation fell from 10.3 percent to 9.9 percent * * *. Raw material costs increased from 10.3 percent in 1983 to 11.8 percent in the interim period of 1986, and variable factory overhead costs increased from 10.6 percent in 1983 to 12.6 percent in the interim period of 1986.

The costs of cement clinker accounted for over 75 percent of total cost of production for portland hydraulic cement during the period covered by the investigations. The share of imported cement clinker used by domestic cement producers increased from 1.8 percent in 1983 to 4.3 percent in 1985. During the same period, the share of domestically produced cement clinker fell from 76.5 percent to 73.2 percent. During the interim periods, the share of imported cement clinker declined from 4.6 percent in 1985 to 3.9 percent in

Table D-4.--Cement clinker and portland hydraulic cement: Percentage distribution of specified elements of cost of production, accounting years 1983-85, and interim periods ended Sept. 30, 1985, and Sept. 30, 1986

Item	1983	1984	1985	Interim period ended Sept. 30-- 1985	1986
Cement clinker:					
Raw materials	10.34	10.64	11.41	11.23	11.83
Direct labor	14.84	14.23	13.61	13.67	13.57
Energy costs	36.07	35.91	34.72	34.68	33.44
Depreciation	10.31	10.01	10.49	10.56	9.87
Variable factory overhead	10.56	11.15	11.77	11.74	12.61
Fixed factory overhead	17.88	18.06	18.00	18.12	18.68
Total	100.00	100.00	100.00	100.00	100.00
Number of reporting plants	82	84	84	84	84
Portland hydraulic cement:					
Costs for cement clinker:					
Imported	1.76	2.08	4.33	4.55	3.87
Domestically produced	76.50	76.47	73.23	73.03	73.54
Variable production costs	14.12	13.98	14.50	14.49	14.29
Fixed production costs	7.62	7.47	7.94	7.93	8.30
Total	100.00	100.00	100.00	100.00	100.00
Number of reporting plants	91	91	90	89	88

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

1986, and the share of domestically produced cement clinker rose from 73.0 percent to 73.5 percent. Variable production costs of portland hydraulic cement averaged about 14 percent, whereas fixed production costs averaged about 8 percent.