

ANHYDROUS SODIUM METASILICATE FROM FRANCE

**Determination of the Commission
in Investigation No. 731-TA-25
(Preliminary) Under the Tariff Act
of 1930, Together With the
Information Obtained in the
Investigation**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Data which would disclose confidential operations of individual concerns may not be published and therefore have been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-25 (Preliminary)

ANHYDROUS SODIUM METASILICATE FROM FRANCE

Determination

On the basis of the record in investigation No. 731-TA-25 (Preliminary), the Commission unanimously determines that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury 1/ by reason of imports from France of anhydrous sodium metasilicate, provided for in item 421.34 of the Tariff Schedules of the United States (TSUS), which are allegedly sold or likely to be sold at less than fair value (LTFV).

Background

On May 15, 1980, the U.S. International Trade Commission and the Department of Commerce each received a petition from PQ Corp., Valley Forge, Pa., alleging that anhydrous sodium metasilicate is being, or is likely to be, sold in the United States at less than fair value. Accordingly, the Commission instituted a preliminary antidumping investigation 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 France of anhydrous sodium metasilicate, provided for in item 421.34 of the TSUS, allegedly sold or likely to be sold at less than fair value. The statute directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case by June 30, 1980.

1/ Chairman Alberger found reasonable indication of material injury only.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's Office in New York City, and by publishing the notice in the Federal Register of May 29, 1980 (45 F.R. 36228). A public conference was held in Washington, D.C, on June 13, 1980.

In arriving at its determination, the Commission has given due consideration to the information provided by the Department of Commerce, to all written submissions from interested parties, and to information adduced at the conference and obtained by the Commission's staff from questionnaires, documented personal interviews, and other sources, all of which have been placed on the administrative record of this preliminary investigation.

On June 4, 1980, the Department of Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. Notice to such effect was published in the Federal Register of June 10, 1980 (45 F.R. 39324). The product scope of the Commerce investigation is the same as that instituted by the Commission.

Views of Chairman Bill Alberger and
Vice Chairman Michael J. Calhoun

Determination and conclusion of law

On the basis of the record developed in investigation No. 731-TA-25 (Preliminary), we determine that there is a reasonable indication that an industry in the United States is materially injured 1/ by reason of imports from France of anhydrous sodium metasilicate, allegedly sold or likely to be sold at less than fair value (LTFV).

Discussion

In this investigation, we consider the relevant domestic industry to be comprised of the four firms currently producing anhydrous sodium metasilicate (ASM) in the United States. Section 771(4) of the Tariff Act of 1930 (19 U.S.C. 1677(4)) provides, in part, guidance for determining what constitutes a domestic industry as follows:

(A) In general.--The term 'industry' means the domestic producers as a whole 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 product.

(D) Product Lines.--The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided.

1/ Commissioner Calhoun found both material injury and threat thereof. 3

Further, Section 771(10) (19 U.S.C. 1677(10)) provides:

The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.

ASM, the imported product alleged to be sold at LTFV, is a sodium silicate product made primarily for use by the detergent industry. Sodium metasilicate is used by the detergent industry as a source of alkali, one of the main cleaning components of detergent. Sodium metasilicate in either its Sodium Metasilicate Penthydrate form (SMP) or ASM form is more desirable than other sources of alkali because of such inherent characteristics as better wetting powers and better neutralization of acidic soils. However, the SMP and ASM forms of sodium metasilicate are not interchangeable in most formulations of detergent. Though both have a sodium metasilicate base, they are manufactured by different processes and provide different properties for the users. It is my view that they are separate and distinct, and that injury can and should be assessed by analysis of the production and profitability of ASM operations as the like product and relevant product line.

Indication of material injury

France is the only known source of ASM imports to the United States and all such imports are produced by Rhone-Poulenc. In 1976 only a small amount of imported ASM from France appeared on the U.S. market. Since that time, import levels have increased consistently and substantially. In addition, the importers have expanded from their initial marketing area from the Northeast U.S. to new markets throughout the country.

From 1977 to 1979, shipments of ASM by domestic producers have declined by 7.5 percent. Domestic capacity to produce ASM has declined 21 percent over the same period. Declining demand was given as the reason for the closing of one domestic ASM plant in 1978. The Commission staff confirmed 9 instances of lost sales from information supplied by U.S. producers. In every instance, price was the reason purchasers gave for switching to the imported product. Purchasers did not substantiate the claims by importers that quality differences were critical in decisions to switch from the domestic product to the imported product.

The petitioner noted that it sells ASM in two distinct markets, namely the large volume contract market and the spot market. Imported ASM and the domestic product compete in the spot market. Though smaller than the large volume contract market, the spot market comprises a substantial amount of the domestic commercial market for ASM. It is this market where small order customers purchase lesser quantities and pay list price for ASM. All sales lost to importers have occurred in this spot market. Both petitioner and Rhone-Poulenc agree that there is currently no market penetration by imports in the large volume contract market.

In a price comparison between domestic and imported ASM, alleged LTFV imports consistently undersold the domestic market by \$1.40 to \$4.85 per 100-pound unit during the 1977-1979 period. Increases in the ASM raw material costs have exceeded all price increases made by the petitioner since January 1, 1977. Further, the rise in the general industrial commodities price index has also exceeded the price index rise of sodium metasilicate, the basic ingredient of ASM.

Based on declining domestic shipments, sharply increasing imports from France, clear price underselling, lost sales on the basis of price at margins of underselling roughly equal to the alleged LTFV margins, evidence of price suppression, declining profits and employment, and rising inventories, it is clear that this case should continue. There is a reasonable indication of material injury 1/ to the domestic industry producing ASM by reason of imports of such product from France alleged to be sold at LTFV.

Findings of fact 2/

The following findings of fact are relevant to our determination in the investigation. To the extent data are available, these findings contain our analysis of the statutory criteria required by section 771(7)(B) and (C) of the Tariff Act of 1930.

Volume of imports

1. Imports from France of Anhydrous Sodium Metasilicate (ASM) increased from a small amount in 1976 to a significant level in 1977, and in 1978 almost tripled their 1977 mark. In 1979, French imports doubled their 1978 level.
2. ASM imports from France have taken an increasing share of a declining domestic market during 1977-1979.

1/ Commissioner Calhoun voted for both material injury and threat thereof.

2/ We concur generally with the analysis made by the Acting Director of Operations and include his statement for informational purposes at the end of our opinion at page 9-10.

The effect of imports on prices

3. During the period 1977-79 ASM imports from France consistently undersold the domestic product by \$1.40 to \$4.85 per 100 pound unit in the spot market. (Report, at pp. A-26-29; table 8) (Public version A-19-23, table 8)

4. The alleged LTFV margins, which ranged from 22 to 46 percent during the period 1977-80, account for most, if not all, of the underselling of the U.S. product by Rhone-Poulenc, the French producer and sole exporter to the U.S. market. (Report, at pp. A-2, 28) (Public version pp. A-1, 19)

5. Prices of PQ Corp.'s product have risen by 29 percent since January 1, 1977, while raw material costs have risen by 52 percent and the general industrial commodities price index has risen by 42 percent during the same period. (Transcript of public conference, June. 13, 1980, at p. 10)

Impact on the affected industry

6. Between 1977 and 1979 U.S. ASM capacity fell by 21 percent, commercial shipments by domestic producers declined by 7.5 percent, domestic producers' inventories rose irregularly, industry employment declined, and 78-79 industry profit ratios fell. (Report at pp. A-12-16, 19-22; tables 1, 3, 5, and 6) (Public version pp. A-8-11, 13-15; tables 1, 3, 5, and 6)

7. The Commission was able to confirm that in 9 specific cases, sales totalling about 2.3 million pounds in quantity and \$376,000 in value were lost by domestic producers to the alleged LTFV imports. Purchasers gave price as the reason for switching from domestic ASM to the imported product. None of the firms gave quality as the reason. (Report at pp. A-24-26) (Public version at p. A-18, 19)

8. A majority of the purchasers contacted by the Commission stated that lower priced imported ASM was a factor in moderating the price of the domestic product. (Report, at p. A-26) (Public version p. A-19)

9. No information was obtained by the Commission with respect to investment, return on investment or cash flow.

10. Information on wages obtained by the Commission was not complete. Wages paid to production and related ASM workers for each period during 1977 to March 1980 was not reported by all producers.

SUPPORTING STATEMENT BY THE ACTING DIRECTOR OF OPERATIONS FOR AN AFFIRMATIVE
PRELIMINARY DETERMINATION ON ANHYDROUS SODIUM METASILICATE FROM FRANCE
(INVESTIGATION NO. 731-TA-25 (PRELIMINARY) 1/

I. Recommendation

On the basis of my review of the information developed during this investigation, I recommend that the Commission determine that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of the importation of anhydrous sodium metasilicate from France that is allegedly sold in the United States at less than fair value. The question of material retardation of the establishment of an industry in the United States is not an issue in this investigation as there are four companies producing anhydrous sodium metasilicate in the United States.

II. The industry

The industry in the United States is composed of four U.S. firms producing anhydrous sodium metasilicate (hereafter referred to as ASM). In 1979 they collectively produced 165 million pounds of ASM. A substantial portion of their production is used captively by the U.S. producers in the production of other products.

III. Material injury

(1) U.S. imports of ASM from France are all alleged to be at LTFV prices, and all are produced by Rhone-Poulenc. Imports from France, the only known source of U.S. imports of ASM, increased from a minimal amount in 1976 to a significant level in 1977, and in 1978 almost tripled from the 1977 levels. Imports of alleged LTFV imports of ASM from France more than doubled in 1979 from their 1978 levels.

(2) U.S. producers' commercial shipments of ASM declined by 7.5 percent from 1977 to 1979.

(3) U.S. industry capacity to produce ASM in 1979 declined 21 percent from its 1977 level.

(4) Two U.S. producers supplied the Commission with a list of purchasing firms from which they allegedly lost sales of ASM to alleged LTFV imports from France. The Commission staff was able to confirm nine lost sales totaling approximately 2.3 million pounds, with an estimated value of \$376,000. In all nine lost sales, price was given by the purchasers as the reason for switching to the imported product. Arguments that quality differences between the domestic producer's product and the imported product accounted for the switch to the imported material were not supported by the purchasers' responses. Lost sales confirmed by the staff, although heaviest in the Northeastern States, were present in other parts of the United States as well.

(5) A price comparison of domestic and imported ASM allegedly sold at LTFV indicated that imports consistently undersold the domestic product by \$1.40 to \$4.85 per 100-pound unit during the 1977-79 period. The alleged LTFV margins,

¹/ We concur generally with this analysis made by the Acting Director of Operations and include it at the end of our opinion for informational purposes.

ranging from 22-46 percent during the period 1977-80, could have accounted for most, if not all, of the margins of underselling of the U.S. product by Rhone-Poulenc. The underselling of the U.S. product has occurred in all parts of the United States in which Rhone-Poulenc sells the alleged LTFV merchandise.

IV. Threat of material injury

(1) While apparent U.S. consumption of ASM was declining in the commercial, captive and total markets from 1977 through 1979 U.S. imports of ASM from France accounted for an increasing share of the declining U.S. market. Such imports increased as a share of the U.S. aggregate market from less than 1 percent in 1977 to nearly 5 percent in 1979.

(2) Alleged LTFV imports are currently being marketed in the New York Metropolitan area; Miami, Florida; and in Los Angeles and San Francisco, California. The importer has announced plans to enter the Midwest market through Chicago, Illinois.

STATEMENT OF REASONS OF COMMISSIONERS
GEORGE M. MOORE AND CATHERINE BEDELL

On the basis of the information available in investigation No. 731-TA-25 (Preliminary), we 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 the importation from France of anhydrous sodium metasilicate, provided for in item 421.34 of the Tariff Schedules of the United States, allegedly sold or likely to be sold at less than fair value.

The following findings and conclusions, which are based on the record in this investigation, support our determination.

Domestic industry

The first question which we must answer concerns what is the industry against which the impact of the subject imports must be assessed. The term "industry" is defined in section 771(4) (A) of the Tariff Act of 1930 (19 U.S.C. 1677(4) (A)) as meaning "the domestic producers as a whole 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 product." The term "like product" is further defined in section 771(10) of the Tariff Act as meaning "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation"

In the present case we find the industry to consist of the four U.S. firms producing anhydrous sodium metasilicate (hereinafter ASM). 1/ Each of

1/ See Commission Report in investigation No. 731-TA-25 (Preliminary), at p. A-10 (see public version, at p. A-7).

these firms is vertically integrated, and each internally consumes a part of its own ASM production in the formulation of detergent mixtures for its laundry products division. 1/

The question of reasonable indication of material injury

Section 703(a) of the Tariff Act directs that the Commission "shall make a determination, based upon the best information available to it at the time of the determination" Section 771(7) (A) defines the term "material injury" to mean "harm which is not inconsequential, immaterial, or unimportant." And sections 771(7) (B) and (C) direct that the Commission, in making its determination, 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 such 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. In light of these directives, we base our decision on the findings of fact and conclusions of law discussed below.

Volume of Imports. With regard to the volume of imports, the record shows that ASM imports from France increased from *** pounds in 1976 to *** pounds in 1977, *** pounds in 1978, and *** pounds in 1979. 2/ Imports were *** pounds and *** pounds in January-March 1979 and 1980, respectively. 3/ All the ASM imports from France are manufactured by Rhone-Poulenc, S.A., of Paris. 4/

1/ Commission report, at p. A-10 (public version, at p. A-7).

2/ Commission report, at p. A-17 (public version, at p. A-12).

3/ Id.

4/ Commission report, at p. A-2 (public version, at p. A-1).

ASM imports from France took an increasing share of a declining U.S. ASM market during 1977-79. Such imports increased as a share of the U.S. aggregate market (including captive use by the U.S. producers) from *** percent in 1977 to *** percent in 1979. 1/

Thus, during the period 1977-79 there has been a marked increase in the volume of ASM imports from France and these imports have accounted for an increasing share of U.S. ASM consumption.

Effect of imports on prices. The record shows that during the period 1977-79 ASM imports from France consistently undersold the domestic product by \$1.40 to \$4.85 per 100 pound unit in the spot market. 2/ The alleged LTFV margins, which ranged from 22 to 46 percent during the period 1977-80, account for most, if not all, of the underselling of the U.S. product by Rhone-Poulenc. 3/ Such underselling of the U.S. product occurred in the four U.S. market areas for which the Commission received price data. 4/

Furthermore, information indicates that prices of PQ Corp.'s product have risen by 29 percent since January 1, 1977, while raw material costs have risen by 52 percent and the general industrial commodities price index has risen by 42 percent during the same period. 5/

In view of the relatively large LTFV margins and margins of underselling and of the declining U.S. market for ASM, it is appropriate to infer at this time that such sales have had a suppressing and/or depressing effect on domestic ASM prices, notwithstanding some price increases by domestic manufacturers.

1/ Commission report, at p. A-23 (public version, at p. A-17). See also table 7, at p. A-24 (public version, at p. A-17).

2/ Commission report, at pp. A-26-28 (public version, at pp. A-19-20).

3/ Commission report, at p. A-28 (public version, at p. A-19).

4/ Table 8 of Commission report, at p. A-27 (public version, at p. A-20).

5/ Transcript of public conference, Jun. 13, 1980, at p. 10.

Impact of imports on domestic producers. The record shows that between 1977 and 1979 U.S. ASM capacity fell by 21 percent, 1/ commercial shipments by domestic producers declined by 7.5 percent, 2/ inventories rose irregularly by 5 percent, 3/ employment declined by 31 percent, 4/ and profits declined. 5/ Furthermore, the Commission was able to confirm at least 9 sales, totalling about 2.3 million pounds in quantity and \$376,000 in value, lost to the alleged LTFV imports. 6/ Purchasers gave price as the reason for switching. 7/ None of the firms gave quality as the reason. 8/ A majority of the purchasers contacted stated that lower priced imported ASM was a factor in moderating the price of domestic ASM. 9/

The record thus shows that domestic ASM producers have lost sales to the alleged LTFV imports for reasons of price and there is information indicating that the prices of the alleged LTFV imports have depressed and/or suppressed domestic ASM prices.

Conclusion

On the basis of the information available to the Commission at this time, we believe that there is a reasonable indication of material injury to a domestic industry by reason of imports from France of anhydrous sodium metasilicate provided for in item 421.34 of the TSUS.

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- 1/ Commission report, at p. A-12 (public version, at p. A-8).
 - 2/ Commission report, at p. A-15 (public version, at p. A-10).
 - 3/ Commission report, at p. A-18 (public version, at p. A-13).
 - 4/ Table 5 in Commission report, at p. A-19 (public version, at p. A-13).
 - 5/ Commission report, at p. A-21 (public version, at p. A-14); and table 6, at p. A-22 (public version, at p. A-15).
 - 6/ Commission report, at p. A-24 (public version, at p. A-18).
 - 7/ Commission report, at p. A-25 (public version, at p. A-18).
 - 8/ Commission report, at p. A-25 (public version, at p. A-19).
 - 9/ Commission report, at p. A-26 (public version, at p. A-19).

VIEWS OF COMMISSIONER PAULA STERN

INTRODUCTION

In this preliminary investigation I have found that a reasonable indication of material injury or threat of such injury due to alleged less-than-fair-value (LTFV) imports of anhydrous sodium metasilicate (ASM) from France does exist. This is not to say that contradictory information did not abound. Discrepancies related not only to the central issue of the effects of the alleged LTFV imports on the health of the domestic industry, but also to issues that set the parameters of the investigation -- the designation of the imports under consideration and the identity of the domestic industry. I have followed the Congress's directive concerning "best available information" 1/ in arriving at decisions on each of these matters in this preliminary investigation. Should this case return to the ITC for a final determination, my final judgment based on additional information available at that time may not be the same.

THE IMPORTED PRODUCT

The Commerce Department initiated this case in regard to "anhydrous sodium metasilicate from France" falling under TSUS item 421.34. However,

1/ In a preliminary investigation the Congress has directed the Commission to make its determination on the basis of the "best available information." See Sec. 733(a) of the Tariff Act of 1930. This section was added by the Trade Agreements Act of 1979 (P.L. 96-39) which took effect on January 1, 1980.

Rhone-Poulenc S.A. (Rhone-Poulenc), the foreign producer, 2/ contends that most grades of ASM imported into the United States are not competitive with the U.S. product. 3/ The best available information indicates that all grades of ASM are competitive with the U.S. product. 4/ I, therefore, have made my assessment of reasonable indication of injury in this case by examining the role of all ASM imports in the U.S. market.

THE DOMESTIC INDUSTRY

The impact of allegedly dumped imports may be measured against the industry producing a "like product," if data are available permitting "the separate identification of production in terms of such criteria as production process or producers' profits." 5/ In this case the best available information indicates that on the whole ASM serves different uses than sodium metasilicate pentahydrate (SMP), the next most similar product. Moreover, the production process for ASM requires different

2/ Almost all French ASM is supplied by Rhone-Poulenc. Also, France supplies virtually all the ASM imported into the United States.

3/ At the conference, the sales manager for Rhone-Poulenc, Inc. of N.J. reported that in 1977 these "non-competitive" grades represented 100 percent of Rhone-Poulenc's sales, in 1978 eighty-six percent, and in 1979 forty-seven percent. (See Conference Transcript, pp. 47-48.)

4/ Staff Report, p. A-19.

5/ See Sec. 771(4)(A)(D) and Sec. 771(10) of the Tariff Act of 1930. These sections were added by the Trade Agreements Act of 1979 (P.L. 96-39) which took effect on January 1, 1980.

machinery than that used to manufacture SMP. 6/ Also, the staff was able to obtain separate data related to ASM production. Therefore, my analysis in this case focused on the effects of alleged LTFV imports on domestic producers of ASM.

There are four U.S. producers of ASM -- PQ Corporation (PQ), Stauffer Corporation (Stauffer), Diamond-Shamrock Co. and Mayo Co. -- all of whom are vertically integrated. To a greater or lesser degree, they all produce ASM for their own "captive" consumption as well as for non-captive sales. For some companies commercial (non-captive) sales are, in turn, divided between large contracts and retail sales in the so-called "spot market." To date, imports of ASM have been competing only with U.S. sales in the spot market. Since imports are packaged in 100-pound bags and large users of ASM prefer bulk shipments, it is questionable whether imports could seriously compete for large volume contract sales. Imports obviously do not compete with captive sales.

CONDITIONS IN THE INDUSTRY

Demand for ASM in the United States has been declining. In 1977 total U.S. apparent consumption of ASM was 196 million pounds. By 1979,

6/ Staff Report, p. A-2.

it had fallen roughly eleven percent to 175 million tons. The drop in demand is related to changes in the U.S. markets using ASM. 7/ During the past few years substitutes for ASM, principally caustic soda and soda ash, have become economically attractive. Also, the record of the investigation 8/ indicates that changes in the institutional laundry business have reduced the demand for ASM even further. In the past, hotels, hospitals, schools and similar institutions sent their laundry to commercial laundries for cleaning. These laundries utilized ASM in formulating their detergents. Recently, many institutions have established their own "on-premises laundries" utilizing finished detergents which are not ASM-based. These developments appear to have affected captive consumption of ASM more than non-captive consumption. Between 1977 and 1979 intracompany use of ASM declined about 24 percent, whereas non-captive consumption fell only about four percent. This background is important to evaluate fairly the relationship between the economic health of the domestic ASM industry and the LTFV imports that are the subject of this investigation. 9/

7/ ASM provides a source of alkali for detergent formulations.

8/ Prehearing statement on behalf of Rhone-Poulenc by Donohue & Donohue, June 12, 1980, pp. 17-18.

9/ The Committee on Ways and Means has directed the ITC to "take account of evidence presented to it which demonstrates that the harm attributed by the petitioner to the . . . dumped imports is attributable to other factors," such as "contraction in demand or changes in patterns of consumption." Committee on Ways and Means, Report on the Trade Agreements Act of 1979, Report No. 96-317, 96th Cong., 1st Sess., July 3, 1979, at p. 47.

A glance at the aggregate economic data available for this industry reveals an industry experiencing economic difficulty. From 1977-1979 production fell roughly fifteen percent from 195 million pounds to 165 million pounds and shipments fell about thirteen percent. During the same period, capacity followed a similar trend, declining in 1979 to 237 million pounds, 21 percent below the 1977 level. Employment dropped 33 percent from 152 workers in 1977 to 105 workers in 1979. Meanwhile, inventories rose five percent from 1977 to 1979. 10/

A closer look at the data, however, provides a more realistic view of the industry's condition. Specifically, the closure of Stauffer's Skaneateles plant accounts for the declines noted above in employment and capacity, and almost all of the drop in production. (It also largely explains why industry capacity utilization, which fell slightly between

10/ Other data available were not particularly illuminating. Wages rose slightly from 1977 to 1978, and after the Stauffer plant closing dropped slightly in 1979. Exports are not important to this industry due to prohibitive shipping costs. (See Staff Report, p. A-13.)

1977 and 1979 from 65 percent to 63 percent, rose from 1978 to 1979 to 70 percent.) These negative indicators cannot be attributed to imports because the large decline in Stauffer's shipments was almost entirely in shipments for captive consumption. The recent changes in ASM consumption patterns and the closing of the Stauffer plant do not, however, explain the full decline in shipments. Shipments to the non-captive market dropped several percentage points further than demand in that market.

The Trade Agreements Act of 1979 directs the Commission to evaluate "all relevant economic indicators which may have a bearing on the state of the U.S. industry" that is alleged to be impacted by alleged LTFV imports. Factors to be examined include, but are not limited to: (1) actual and potential declines in output, sales, market share, profits, production, return on investments and utilization of capacity; (2) factors affecting domestic prices; and (3) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise

capital and investment. 11/ However, the record of this investigation does not include information on an industry-wide basis on productivity, return on investments, cash flow, growth, ability to raise capital and investment. More critically, the financial data on the record have not been particularly helpful. 12/

IMPACT OF THE IMPORTS

Indications of actual material injury by reason of LTFV imports are not clear-cut. However, the causal factors that often link alleged LTFV imports to such injury are clearly present.

11/ See Sec. 771(7)(C)(iii) of the Tariff Act of 1930. This section was added by the Trade Agreements Act of 1979 (P.L. 96-39) which took effect on January 1, 1980.

12/ Profit data were obtained from only two companies on the basis of various arbitrary allocation methods, covering 50 percent of production. Methods used by each company differed, particularly in regard to the valuation of intracompany ASM consumption. Profit data were not obtained from one of the largest ASM producers.

Imports growth and penetration. -- From 1977 to 1979 the volume of imports of ASM from France increased significantly in absolute terms and relative to U.S. consumption. Imports of ASM from France rose from a negligible amount in 1976 to a substantial quantity in 1977, and then almost tripled in 1978. In 1979 ASM imports from France increased over 100 percent from the 1978 levels. ^{13/} Furthermore, these imports accounted for an increasing share of the declining U.S. market for ASM during this period. In 1977 they represented less than one percent of total U.S. ASM consumption as compared to more than three percent in 1979. In the non-captive market where imports and the domestic product actually compete, the import/consumption ratio has risen at a more rapid rate than in the total ASM market, from less than one percent in 1977 to more than four percent in 1979.

Price considerations. -- Imports consistently and substantially undersold U.S.-produced ASM from 1977 to 1979. Prices of imports were \$1.40 to \$4.85 per 100-pound unit below U.S. prices in the spot market during this period. The alleged LTFV margins, from 22 to 46 percent during the 1977-1979 period, would account for most, if not all, of the underselling. For at least one member of the industry -- the petitioner, PQ -- the comparative pricing information points toward price suppression. The record indicates that PQ's raw materials costs rose twice as fast as its prices from 1977-1979.

^{13/} While imports did decline in the first quarter of 1980 as compared to the first quarter of 1979, it is not clear that this decline will continue.

This price information is particularly significant because the record shows that purchasers of ASM shift suppliers in reaction to what would appear to be small price differences -- two to four cents a pound. 14/ The Commission confirmed nine lost sales alleged by the petitioner valued at roughly \$376,000. In all nine instances the purchasers reported that price was the reason for switching to the imported product.

The Congress has pointed out that the "significance of the various factors affecting an industry will depend upon the facts of each particular case." 15/ To assess the impact of lost sales, underselling and price suppression on the domestic ASM industry, data are required on the profits of the industry because the other factors examined above do not provide a clear picture. For reasons discussed above, meaningful financial data were not obtained. If the Commission receives this case as a final investigation, financial data for all the companies, consistently allocated and broken out for captive and market sales should be provided.

14/ Since most ASM is sold by the truckload (roughly 40,000 pounds), small price differences per pound translate to sizeable amounts on a per-order basis. (See Transcript of Conference, at p. 7.)

15/ Committee on Ways and Means, House Report No. 96-317, 96th Cong., 1st Sess., July 3, 1979, at p. 46.

THREAT

The severe data limitations have led me to conclude that the aggregate economic indicators may not fully reflect present adversity due to alleged LTFV imports. But the regional pattern of import penetration coupled with a more individual analysis of available information indicates that a threat of material injury due to imports does exist. 16/ In 1976 and 1977 virtually all imports entered through the port of New York, but in 1978 some imports began to enter through the port of Miami. In 1979, Rhone-Poulenc began to ship to Los Angeles and San Francisco as well. In that year most of the imports still entered through New York, with small but roughly equal percentages imported through Miami, Los Angeles and San Francisco. Recently, Rhone-Poulenc began to ship to Chicago. 17/ and 18/

The company with the greatest stake in the Northeast market is the petitioner. The petitioner makes the largest sales on the spot market, where imports are competing, and is the only company with a plant in the

16/ The criteria which I believe should be satisfied before treating a regional industry as the domestic industry for the purposes of the law are: (1) the producers in the geographic area in question must make almost all of their sales within the region's markets, (2) the market must not be served to any substantial degree by domestic producers from other areas, and (3) the industry in question should constitute a significant segment of the national industry. The record in this case does not show that these conditions have been met, and I am, therefore, not making my determination on a regional basis.

17/ The record indicates that it is Rhone-Poulenc's practice to market its products near ports of entry.

18/ Information provided by the petitioner indicates that the import/consumption ratio in the Northeast was ten to fifteen percent in 1979.

Northeast 19/ to service that market. Data on the health of PQ's Northeast operations reveal serious economic difficulties that may not be attributable to the general drop in ASM demand. Since alleged LTFV imports have only recently begun to compete with the domestic industry outside the Northeast, the strength of the industry outside the Northeast, even if not yet materially affected, may become so within the immediate future.

In this case, the situation that has developed in the Northeast may be indicative of the vulnerability of the domestic industry in the face of large volumes of alleged LTFV imports. 20/ The industry as a whole is already operating at less than full capacity (70 percent) and further import penetration could decrease production even more. Lost sales already have been reported not only in the Northeast, but in other parts of the country as well. Even if the declining demand is halted or reversed as predicted by some industry sources, the alleged LTFV imports at substantially lower prices than U.S. products could fill any new demand that develops. 21/ Rhone-Poulenc's 1979 prices undersold U.S. products in all parts of the country.

19/ As noted above, Stauffer closed its Skeneateles, New York plant in 1978.

20/ Diamond-Shamrock, which does its major business in the Central United States, took part in the conference to "express concern for future" business in that area.

21/ The industry informed the Commission that the prices of soda ash and caustic soda, the principal substitutes for ASM, are becoming less competitive with ASM. As a result, demand for ASM is expected to stabilize and then to increase.

While more information is needed concerning the importance of the spot market to the overall viability of domestic ASM production, at this preliminary juncture it appears that the industry is -- and will continue to be -- vulnerable to injury. The question that needs to be addressed is whether the pattern of import penetration evident in the 1977-1979 data will continue, thus becoming a cause of material injury.

In examining threat of material injury, the Senate Finance Committee states that "demonstrable trends -- for example, the rate of increase of the . . . dumped exports to the U.S. market, capacity in the exporting country to generate exports, the likelihood that such exports will be directed to the U.S. market taking into account the availability of other import markets . . . will be important."

Information presented in this investigation supports the view that the broader distribution of imported ASM which began in 1979 will continue. In fact, Mr. Molteni, sales manager for Rhone-Poulenc, stated at the conference ". . . what we are attempting to do . . . is to sort of spread out ourselves a little bit so we don't concentrate in any one area which is usually the reason why you get a petition, where we have grabbed in any geographical area too high a portion." But it should be noted that Rhone-Poulenc has the capacity to continue to increase its exports and to direct such exports to the entire United States market. Information provided by Rhone-Poulenc shows that in 1979 its capacity utilization rate

for the production of the grade of ASM which is most popular in the United States was roughly 76 percent, leaving 24 percent excess capacity.

22/ There is also existing excess capacity for production of its other grades of ASM, which Commission information indicates compete with United States ASM.

In addition to this actual excess capacity, it is important to look at Rhone-Poulenc's international sales pattern to obtain a complete picture of the potential for increased alleged LTFV imports to the United States. Rhone-Poulenc sells ASM in 49 countries. Data submitted in this investigation shows that sales volumes to other countries (unlike those to the United States which have consistently risen) fluctuate radically from year to year. From 1978 to 1979, Rhone-Poulenc sales to many of its major and minor markets in Europe and elsewhere dropped significantly. 23/ At the same time that sales to these countries dropped, sales to the United States, Rhone-Poulenc's largest market outside Europe, doubled. Figures on actual excess capacity, therefore, underestimate potential Rhone-Poulenc exports of ASM since exports to

22/ In the first four months of 1980 this rate increased to 86 percent, but confidential information indicates that this figure may not be representative.

23/ Rhone-Poulenc's total export sales to all countries declined substantially between 1978 and 1979.

other countries in one year may be shipped to the United States another year. 24/

The geographic pattern of the import penetration raises the specter of material injury from alleged LTFV imports. An affirmative determination that an industry is likely to be injured by LTFV imports must, according to the Senate Finance Committee, rest on evidence showing that the likelihood is "real and imminent." 25/ The Report states further that "economic factors which may indicate that a threat of material injury is present vary from case to case and industry to industry. The ITC will continue to focus on the conditions of trade and competition and the nature of the particular industry in each case."

For the final investigation more information will be needed concerning the ability of Rhone-Poulenc to utilize existing idle capacity, comparative prices for French ASM in Rhone-Poulenc's different export markets, and projected demand for ASM in various countries over the next few years. However, based on the best information now available

24/ Rhone-Poulenc puts a limit on potential increased exports to the United States. The company has informed the Commission that it has a self-imposed quota on its shipments to the U.S. At this point in the investigation the significance of such a quota commitment cannot be assessed. (See prehearing brief of Donohue & Donohue on behalf of Rhone-Poulenc, at p. 24.)

25/ S. Rept. No. 96-249, 96th Cong., 1st Sess. (89) 1979.

concerning the state of the U.S. industry, the rapid growth of imports, Rhone-Poulenc's capacity utilization, and the possibility that increased exports could be directed to the entire United States, I determine there is a reasonable indication that the ASM industry in the United States is threatened with material injury by reason of the alleged LTFV imports.

CONCLUSION 26/

Growing imports, increasing market penetration, lost sales and underselling are striking. What has emerged is a picture of an industry whose non-captive segment is stagnant and facing an uncertain future. Based on the record available, the possibility that there is material injury cannot be dismissed at this point. Furthermore, there is a reasonable indication that the threat of material injury due to subject imports is real and imminent.

26/ Commissioner Stern concurs in the Findings of Fact stated in the "Views of Chairman Bill Alberger and Vice Chairman Michael J. Calhoun," with the exception of Finding No. 6. For reasons stated above in footnote 12/, Commissioner Stern does not believe that the figures obtained on industry profits are meaningful.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On May 15, 1980, PQ Corp., Valley Forge, Pa., filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that anhydrous sodium metasilicate (ASM) (the class or kind of merchandise described in the petition) is being, or is likely to be, sold in the United States at less than fair value. Accordingly, the Commission on May 23, 1980, instituted a preliminary antidumping investigation 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 France of anhydrous sodium metasilicate, provided for in item 421.34 of the Tariff Schedules of the United States (TSUS), allegedly sold or likely to be sold at less than fair value. The statute directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case by June 30, 1980.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and the Commission's office in New York City, and by publishing the notice in the Federal Register on May 29, 1980 (45 F.R. 36228). 1/ A public conference was held in Washington, D.C., on June 13, 1980, at which all interested parties were afforded the opportunity to present information for consideration by the Commission.

Nature and Extent of Alleged Sales at Less Than Fair Value

The petition states that there is one French manufacturer and exporter of ASM, Rhone-Poulenc, S.A., Paris, France. The petition alleges that sales at less than fair value have continued from 1977 to the present, with dumping margins of 46 percent in 1977, 43 percent in 1978, 39 percent in 1979, and 22 percent in 1980. 2/ PQ Corp. informed the Commission that the sharp decline in the alleged dumping margins from 1979 to 1980 is primarily due to declining ocean shipping rates.

On June 4, 1980, the Department of Commerce issued a notice announcing that it had found the petition to be properly filed within the meaning of its rules and that it was instituting an investigation. Notice to such effect was published in the Federal Register of June 10, 1980 (45 F.R. 39324). The scope of the Commerce investigation is the same as that of the Commission investigation.

1/ A copy of the Commission's notice of investigation and conference is presented in app. A. The Department of Commerce's notice of initiation of antidumping investigation is presented in app. B. A-1

2/ Letter to the Commission dated June 5, 1980.

The Product

Description and uses

Anhydrous sodium metasilicate, which is primarily used in the detergent industry, is one of several sodium silicates produced and used commercially. Sodium silicate products are manufactured by fusing sand (silica) and soda ash (sodium carbonate) at high temperatures in large furnaces that are similar to glassmaking furnaces. The particular type of sodium silicate produced is determined by the ratio of sand to soda ash charged to the furnace. In order to prevent damage to the furnaces from alternating heating and cooling periods, the furnaces must be operated continuously, 24 hours a day, 7 days a week. Sodium silicates may be noncrystalline solids or integral mixtures of compounds; however, ASM, the subject of this investigation, is a definite crystalline chemical compound having the chemical formula Na_2SiO_3 . Sodium metasilicate pentahydrate (SMP), a closely related product, contains five molecules of water and has the formula $\text{Na}_2\text{SiO}_3 \cdot 5\text{H}_2\text{O}$. Although other hydrated forms are possible, the anhydrous and pentahydrate forms constitute the major commercial forms of sodium metasilicate.

An additional process is necessary to convert the basic sodium silicate into ASM. ^{1/} This process involves * * *. The following diagram (supplied by PQ Corp.) shows the basic flow patterns for the raw materials and the finished product.

The methods of manufacture for anhydrous and pentahydrate forms of sodium metasilicate are significantly different. As shown in the process diagram for ASM and as discussed in more detail above, the * * *
* * *. Besides the extremely high cost of energy required to produce this product, in the form of fuel to drive off the moisture, the initial capital expenditure to purchase and install a * * * is in excess of * * *.

Nearly all the sodium metasilicate consumed in the United States is used by the detergent industry as a "builder" for detergents. It provides a source of alkali, one of the main cleaning components in a detergent. Other sources of alkali which are used are soda ash, caustic soda, and sodium orthosilicate, all of which are less expensive per pound of alkali (expressed in terms of Na_2O content) than sodium metasilicate. Detergent manufacturers are therefore willing to pay a premium to obtain other properties present with sodium metasilicates, whether ASM or SMP. These properties include better wetting powers, better neutralization of acidic soils, better saponification (the process of reacting alkali with fats to form a soap), increased emulsification, superior deflocculation, optimum sudsing action, prevention of soil redeposition, uniform buffering (the ability of a solution to resist changes in acidity, which is expressed as units of pH), and corrosion inhibition of the metal parts in both process equipment and household washers.

^{1/} Information on the production process was submitted by the petitioner, PQ Corp.

Anhydrous Sodium Metasilicate Process Diagram

* * * * *

Once a detergent manufacturer has decided to use sodium metasilicate, its form is determined on the basis of such factors as--

1. The type of work being processed (metal cleaning; concrete cleaning; industrial uniforms or ladies' lingerie);
2. The amount and type of soil involved;
3. Water-supply hardness (mineral content) and water temperature;
4. The washing equipment to be used; i.e., will the detergent be mopped on a floor or placed in a large industrial washing machine with heavy agitation.

If all properties were the same for the pentahydrate and anhydrous forms, the detergent manufacturer would probably choose ASM because it is less expensive per pound of alkali. ASM contains almost twice as much alkali as SMP, and since it contains no water the transportation cost per pound of alkali is significantly less than the cost for SMP. However, there are certain desirable properties of SMP that can lead a detergent manufacturer to choose this higher cost product. Some of these properties are as follows:

1. SMP has a faster rate of solution than ASM. This difference is very significant in colder water.
2. SMP has a lower bulk density. For a detergent compounder, this means that a given weight of SMP will go further toward filling a box than the same weight of ASM.
3. SMP melts in its own water of hydration at about 70°C in contrast to ASM, which has no water of hydration. This means that above this temperature it develops a tacky consistency, which is of value in certain industrial processes.
4. SMP has slightly better surfactant absorption properties than ASM.
5. SMP has an endothermic heat of solution (i.e., it absorbs heat rather than gives off heat when it dissolves), which can be a safety advantage for operators preparing solutions of sodium metasilicate.
6. SMP remains stable at higher humidities than does ASM.

In the laundry industry two other criteria are evaluated when making the decision as to which form of sodium metasilicate to use: product cleaning and product damage. ASM is superior in product cleaning because of the higher Na_2O and SiO_2 content; SMP is superior in terms of nondestruction of fabrics (product damage).

The formulation of a detergent is a very complicated process with many variables which must be considered. Each of the raw materials used in the formulation must be able to perform a specific function separately as well as in conjunction with the other raw materials. For example, in some highly alkaline cleaners, caustic soda beads are used in conjunction with ASM. SMP could not be used in this case because of the hygroscopicity of the caustic bead, which would draw the moisture out of the SMP and cause the two products to bond together. There would be a solid detergent block instead of a free-flowing detergent.

Federal specifications for sodium metasilicate have been issued and are included in appendix C. These specifications list two types of sodium metasilicate: SMP and ASM.

All evidence submitted to the Commission indicates that the SMP and ASM forms of sodium metasilicate are two distinct and separate products which are manufactured by different processes and which provide different properties for the end users. Although the major end use for both products is in detergents, they are not interchangeable in all formulations.

U.S. tariff treatment

Anhydrous sodium metasilicate and sodium metasilicate pentahydrate are included with certain other silicate products in the provision for all sodium silicates in item 421.34 of the TSUS. The column 1 (most-favored-nation) rate of duty for such imports is 1.1 percent ad valorem, which represents the full effect of a concession (effective January 1, 1980) granted at the recently concluded Tokyo round of Multilateral Trade Negotiations. The column 2 rate of duty is 3 percent ad valorem. Prior to January 1, 1980, the column 1 and column 2 rates of duty were 0.15 cent per pound (effective January 1, 1972) and 0.375 cent per pound, respectively. Imports of sodium silicates have been designated as eligible articles under the Generalized System of Preferences.

U.S. Market

Since the four largest U.S. producers of sodium metasilicate are vertically integrated and captively consume part of their own production, there are two U.S. markets for measuring apparent U.S. consumption. The commercial U.S. market excludes captive consumption of ASM and SMP by the U.S. producers, while the total U.S. market includes all commercial shipments of sodium metasilicate and U.S. producers' captive consumption of their own output.

The total U.S. market for sodium metasilicates declined by 30 million pounds from 1977 to 1979, as shown in the following tabulation (in thousands of pounds):

	<u>Commercial market</u>	<u>Captive consumption</u>	<u>Total market</u>
1977-----	* * *	* * *	340,063
1978-----	* * *	* * *	318,281
1979-----	* * *	* * *	310,560

The smaller commercial market declined by * * * pounds from 1977 to 1978, but rebounded to * * * pounds in 1979.

Although captive consumption by U.S. producers accounted for * * * to * * * percent of the total market for sodium metasilicate, the commercial and total markets for SMP are nearly the same, indicating very little captive consumption of this product. In contrast, statistics illustrate large intracompany consumption of ASM during 1977-79. Apparent U.S. consumption of ASM in the commercial market declined by 19 percent from * * * pounds in 1977 to * * * pounds in 1978, but rebounded to * * * pounds in 1979, as shown in the following tabulation (in thousands of pounds):

Year	<u>Commercial market</u>		<u>Total market</u>	
	<u>ASM</u>	<u>SMP</u>	<u>ASM</u>	<u>SMP</u>
1977-----	***	***	196,059	144,004
1978-----	***	***	182,144	136,137
1979-----	***	***	175,321	135,239

Apparent U.S. consumption in the SMP markets in 1977-79 suffered a slight decline.

According to industry sources, the decline in apparent consumption of sodium metasilicates is due primarily to the partial replacement of ASM in detergent formulations by less expensive sources of alkali, such as caustic soda or soda ash. Prices of these products have not increased as rapidly in recent years as prices of ASM thus the detergent formulators are currently favoring these economically attractive substitutes for ASM wherever possible. However, the U.S. industry expects that the situation will change as prices for caustic soda and soda ash continue to rise and become competitive with ASM prices.

U.S. producers

There are currently four U.S. producers of ASM. Their names and the locations of their production facilities are as follows:

- (1) PQ Corp., Rahway, N.J., South Gate, Calif., and Utica, Ill.
- (2) Diamond Shamrock Corp., Dallas, Tex.
- (3) Stauffer Chemical Co., Joliet, Ill.
- (4) Mayo Products Co., Division of Pennwalt Corp., Smyrna, Ga.

All the U.S. producers are vertically integrated. They internally consume part of their own production of ASM to formulate detergent mixtures for their laundry product divisions. Furthermore, each of the four U.S. producers manufactures SMP. A fifth company, Chemical Products Corp., Cartersville, Ga., manufactures SMP but not ASM.

PQ Corp. is the only privately owned multinational company among the U.S. producers. A major manufacturer of soluble silicates since 1831, PQ also manufactures other industrial chemicals and glass beads. The company also has a laundry division, which formulates cleaning products for commercial and institutional textile care and industrial cleaning. PQ is the * * * U.S. producer of ASM, accounting for an estimated * * * percent of U.S. production in 1979, and is the * * * in the commercial U.S. market, accounting for * * * percent of commercial sales of ASM in 1979. PQ reported to the Commission that, * * *.

Stauffer Chemical Co. is the * * * ASM producer, accounting for * * * percent of total U.S. production in 1979, but it captively consumes * * * its ASM production in its detergent-compounding operations. Stauffer manufactures all its ASM products at its Joliet, Ill., plant, * * *. In late 1978, Stauffer closed its Skaneateles Falls, N.Y., ASM plant.

Diamond Shamrock is the * * * U.S. producer of ASM; it accounted for * * * percent of U.S. production in 1979. Diamond Shamrock's sales in 1979 were equivalent to * * * percent of its ASM production, * * *. Mayo Products Co., the * * * U.S. producer of ASM (it accounted for * * * percent of U.S. production in 1979), was acquired by Pennwalt Corp. in 1979.

U.S. importers

The largest U.S. importer of ASM is Rhone-Poulenc, Inc., Monmouth Junction, N.J., a wholly owned subsidiary of the French producer and exporter, Rhone-Poulenc, S.A., Paris, France (the ninth largest chemical group in the world). For the past several years Rhone-Poulenc, Inc., has accounted for more than * * * percent of all U.S. imports of ASM from France. In late 1979, it discontinued * * *.

Rhone-Poulenc, Inc., is a medium-sized, rapidly growing company which also manufactures and markets chemicals and other products produced and processed in its own plants in the United States. Founded in 1948, this subsidiary markets a variety of products including chemicals, pesticides, animal health products, fragrances, photographic and graphic arts materials,

metal castings and stampings, and information services. In addition to its main offices in Monmouth Junction, N.J., the company has offices and manufacturing facilities throughout the United States.

Consideration of Injury or Likelihood Thereof

In its antidumping petition, PQ Corp.'s allegations of injury were directed exclusively to the ASM market. There were virtually no imports of SMP entering the United States during 1977-79. Therefore, this report considers the ASM market exclusively.

U.S. capacity, production, and capacity utilization

U.S. capacity to produce ASM declined from 301 million pounds in 1977 to 292 million pounds in 1978 and then fell sharply to 237 million pounds in 1979, representing a net decline of 21 percent from the 1977 level (table 1).

* * * * *

As could be expected, U.S. production of ASM declined by 15 percent, from 195 million pounds in 1977 to 165 million pounds in 1979. Capacity utilization for the ASM industry declined slightly from 65 percent in 1977 to 63 percent in 1978, but rose to 70 percent in 1979 largely because of the significant reduction in available capacity. Although first-quarter comparisons for 1979 and 1980 are set forth in table 1, ASM industry production scheduling practices tend to cast a shadow on any conclusions drawn from them.

Diamond Shamrock was the only U.S. producer to * * *. Largely owing to the closure of Stauffer's Skaneateles Falls plant, capacity utilization for that firm's ASM facilities * * *. PQ experienced * * * in production, from * * * pounds in 1977 to * * * pounds in 1979, and an * * *. Accordingly, capacity utilization for PQ's production facilities * * *.

As shown in table 2, production and capacity utilization at PQ's Rahway plant * * * slightly from 1977 to 1978, but then * * * in 1979. PQ has alleged that the market for the Rahway facility in the Northeastern States has eroded because of increased imports from France. Rhone-Poulenc's imports of ASM have been concentrated in the northeastern region. * * *. The Utica, Ill., plant appears * * *.

Table 1.--Anhydrous sodium metasilicate: U.S. capacity, production, and capacity utilization, by firms, 1977-79, January-March 1979, and January-March 1980

Year and firm	Capacity	Production	Capacity utilization
	1,000 pounds	1,000 pounds	Percent
1977:			
PQ Corp-----	***	***	***
Diamond-Shamrock Corp-----	***	***	***
Stauffer Chemical Co-----	***	***	***
Mayo Products Co-----	***	***	***
Total-----	301,400	195,270	65
1978:			
PQ Corp-----	***	***	***
Diamond-Shamrock Corp-----	***	***	***
Stauffer Chemical Co-----	***	***	***
Mayo Products Co-----	***	***	***
Total-----	292,000	185,145	63
1979:			
PQ Corp-----	***	***	***
Diamond-Shamrock Corp-----	***	***	***
Stauffer Chemical Co-----	***	***	***
Mayo Products Co-----	***	***	***
Total-----	237,400	165,165	70
Jan.-Mar. 1979:			
PQ Corp-----	***	***	***
Diamond-Shamrock Corp-----	***	***	***
Stauffer Chemical Co-----	***	***	***
Mayo Products Co-----	***	***	***
Total-----	51,850	34,614	67
Jan.-Mar. 1980:			
PQ Corp-----	***	***	***
Diamond-Shamrock Corp-----	***	***	***
Stauffer Chemical Co-----	***	***	***
Mayo Products Co-----	***	***	***
Total-----	53,350	39,108	73

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

Table 2.--Anhydrous sodium metasilicate: PQ Corp.'s capacity, production, and capacity utilization, by plants, 1977-79

Year and plant	Capacity 1/	Production	Capacity utilization
	1,000 pounds	1,000 pounds	Percent
1977:			
Rahway-----	***	***	***
Utica-----	***	***	***
South Gate-----	***	***	***
1978:			
Rahway-----	***	***	***
Utica-----	***	***	***
South Gate-----	***	***	***
1979:			
Rahway-----	***	***	***
Utica-----	***	***	***
South Gate-----	***	***	***
* * *			

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

U.S. producers' commercial and captive shipments

As shown in table 3, U.S. producers' commercial shipments of ASM declined irregularly from * * * pounds in 1977 to * * * pounds in 1979; or by 7.5 percent. Captive shipments were stable at about * * * pounds in 1977 and 1978, but declined * * * pounds in 1979, or by 24 percent. The large decline is directly attributable * * *. Total U.S. shipments of ASM declined from * * * pounds in 1977 to * * * pounds in 1979, or by 13 percent.

* * * * *

U.S. imports

The only known source of U.S. imports of ASM are from France, and Rhone-Poulenc, S.A., Paris, France, is the only known French producer of this product. The Commission received questionnaires from two importers (Rhone-Poulenc, Inc., and Pariser Ind.) accounting for * * * of U.S. imports from France of the product under investigation.

Table 3.--Anhydrous sodium metasilicate: U.S. producers' commercial shipments, captive shipments, and total shipments, by firms, 1977-79, January-March 1979, and January-March 1980

	Commercial shipments	Captive shipments	Total shipments	Ratio of captive shipments to total shipments
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>Percent</u>
1977:				
PQ Corp-----	***	***	***	***
Diamond Shamrock Corp--	***	***	***	***
Stauffer Chemical Co---	***	***	***	***
Mayo Products Co-----	***	***	***	***
Total-----	***	***	***	***
1978:				
PQ Corp-----	***	***	***	***
Diamond Shamrock Corp--	***	***	***	***
Stauffer Chemical Co---	***	***	***	***
Mayo Products Co-----	***	***	***	***
Total-----	***	***	***	***
1979:				
PQ Corp-----	***	***	***	***
Diamond Shamrock Corp--	***	***	***	***
Stauffer Chemical Co---	***	***	***	***
Mayo Products Co-----	***	***	***	***
Total-----	***	***	***	***
Jan.-Mar. 1979:				
PQ Corp-----	***	***	***	***
Diamond Shamrock Corp--	***	***	***	***
Stauffer Chemical Co---	***	***	***	***
Mayo Products Co-----	1/	1/	1/	1/
Total-----	***	***	***	***
Jan.-Mar. 1980:				
PQ Corp-----	***	***	***	***
Diamond Shamrock Corp--	***	***	***	***
Stauffer Chemical Co---	***	***	***	***
Mayo Products Co-----	1/	1/	1/	1/
Total-----	***	***	***	***

1/ Not available.

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

Imports of ASM from France increased from * * * pounds in 1976 to * * * pounds in 1977, and then almost tripled to * * * pounds in 1978, as shown in the following tabulation:

	Quantity (pounds)
1976-----	***
1977-----	***
1978-----	***
1979-----	***
Jan.-Mar.--	
1979-----	***
1980-----	***

In 1979, ASM imports from France increased more than 100 percent from the 1978 level to * * * pounds. During January-March 1980, imports of ASM from France declined compared with those in the corresponding period of 1979. However, it is too early to tell whether this declining trend in imports will continue throughout 1980. Counsel for Rhone-Poulenc, Inc., advised the Commission that * * * .

Rhone-Poulenc, Inc., advised the Commission that it has warehouse facilities to service ASM imports in Miami, Los Angeles, San Francisco, Chicago, and New Brunswick, N.J. These regional warehouses service and facilitate the sale of ASM in their particular regional markets. Table 4 shows that through the end of 1978, * * * of Rhone-Poulenc's imports of ASM were entered through the Port of New York; they were marketed in the Northeastern United States. However, in 1979, * * * percent of Rhone-Poulenc's ASM imports were marketed in that area. * * * .

Table 4.--Anhydrous sodium metasilicate: U.S. imports for consumption, by ports of entry, 1976-1979

(In thousands of pounds)						
Year	New York	Miami	Los Angeles	San Francisco	Total	
1976-----	***	***	***	***	***	***
1977-----	***	***	***	***	***	***
1978-----	***	***	***	***	***	***
1979-----	***	***	***	***	***	***

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

U.S. exports

Exports of ASM increased from * * * pounds in 1977 to * * * pounds in 1979. These sales represented only *** percent of domestic production in 1977, and *** percent in 1979. The largest exporter has been * * * , accounting for more than * * * of total U.S. exports. * * *. During January-March 1980, only an estimated * * * pounds of ASM was exported from the United States (by * * *).

Inventories

Inventories of ASM held by domestic producers rose from * * * million pounds in 1977 to * * * million pounds in 1978, and then declined to * * * million pounds in 1979 (app. D). The highest level of inventories during this period was held by * * *, which accounted for an average of * * * percent of the total each year. * * * was second largest in inventory holdings, accounting for * * * percent of the total during 1977-79.

Employment and wages

The total number of persons employed at establishments producing ASM declined from 517 in 1977 to 399 in 1979, and then rose slightly to 405 during January-March 1980 (table 5). In 1977, production and related workers engaged in producing ASM totaled 152; however, by March 1980 this number dropped by one-third to 102 persons.

* * * * *

Table 5.--Average number of employees, total and production and related workers engaged in the production of all products and anhydrous sodium metasilicate, 1977-79, January-March 1979, and January-March 1980

Item	1977	1978	1979	January-March--	
				1979	1980
Average number of employees in the reporting establishments:					
All persons-----	517	509	399	392	405
Production and related workers engaged in the production of--					
All products-----	373	370	293	291	299
Anhydrous sodium metasilicate---	152	152	105	97	102

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

Wages paid to production and related workers making ASM were not reported by all producers for each period during January 1977-March 1980. However, the Commission staff estimates that these wages increased from * * * in 1977 to * * * in 1978, and then, * * * , * * *. Wages paid during January-March 1980 were * * *--20 percent higher than in the corresponding period of 1979--and covered 5 percent more workers than in the corresponding period of 1979.

Profit-and-loss experience of domestic producers

The Commission requested profit-and-loss data from all four U.S. producers of ASM. Usable data were received from two domestic producers: PQ Corp. and Diamond Shamrock, which accounted for * * * percent of total U.S. production of ASM and * * * percent of U.S. commercial shipments of ASM in 1979. However, since the data submitted by these two firms are their best estimates and were compiled by using various arbitrary allocation methods, they are limited in their usefulness as a measure of profitability. Furthermore, the companies used different valuation methods in reporting intracompany ASM consumption. * * *.

PQ Corp. submitted profit-and-loss data on a plant-by-plant basis and on a total individual ASM product-line basis. * * *. The total product-line profit margins presented in the following tabulation are * * *.

(1,000 dollars)				
Item	1977	1978	1979	
Net sales-----	***	***	***	***
Net operating profit-----	***	***	***	***
Ratio of net operating profit to net sales-----	***	***	***	***

As set forth in table 6, total ASM sales by the two companies * * * from * * * million dollars in 1977 to * * * million in 1979. However, the quantity sold * * * from * * * units (one unit equals 100 pounds) to * * * units in 1978, and then * * * units in 1979, which was * * * the 1977 level. The * * * in value of sales was primarily due to the * * *. Aggregate net operating profit * * * from * * * million in 1977 to * * * million in 1979, or by * * *. In the same period, the ratio of net operating profit to net sales * * * percent in 1977 to * * * percent in 1978, * * * percent in 1979. All the * * * in profitability are due to * * * ASM performance during the period, * * *.

During 1977-79, PQ's ASM operations * * * percent in net operating profit, and the ratio of net operating profit to net sales for its ASM operations * * * in 1977 to * * * in 1979. Diamond Shamrock's profitability * * *, as its ratio of net profit to net sales * * * percent in 1977 to * * * percent in 1979. Diamond Shamrock informed the Commission that * * *. * * *.

Table 6.--Selected financial data for 2 U.S. producers on their anhydrous sodium metasilicate operations, by firms and by plants, 1977-79

Year and firm	Quantity sold	Net sales	Cost of goods sold	Gross profit or loss	General, administrative, and selling expenses	Net operating profit or (loss)	Ratio of cost of goods sold to net sales	Ratio of net operating profit or (loss) to net sales
	100-pound units			1,000 dollars			Percent	Percent
1977:								
PQ Corp.:								
South Gate plant	***	***	***	***	***	***	***	***
Rahway plant	***	***	***	***	***	***	***	***
Utica plant	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1978:								
PQ Corp.:								
South Gate plant	***	***	***	***	***	***	***	***
Rahway plant	***	***	***	***	***	***	***	***
Utica plant	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1979:								
PQ Corp.:								
South Gate plant	***	***	***	***	***	***	***	***
Rahway plant	***	***	***	***	***	***	***	***
Utica plant	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1979:								
PQ Corp.:								
South Gate plant	***	***	***	***	***	***	***	***
Rahway plant	***	***	***	***	***	***	***	***
Utica plant	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1/ * * *								

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

* * * * *

It should be noted that neither PQ nor Diamond Shamrock used uniform allocations in presenting their ASM financial pictures. If this investigation should proceed to a final determination, the staff will attempt to provide uniform industry financial data. Financial data on PQ's and Diamond Shamrock's pentahydrate operations are presented in app. E.

Consideration of the Causal Relationship Between Alleged LTFV Imports and the Alleged Injury

Market penetration of alleged LTFV imports

U.S. imports of ASM from France captured an increasing share of a declining U.S. market during 1977-79. Such imports increased as a share of the total U.S. market, including captive use by the U.S. producers, from * * * percent in 1977 to * * * percent in 1979 (table 7). Imports from France increased their share of the commercial U.S. market, which excludes captive use by the U.S. producers, from * * * percent in 1977 to * * * percent in 1979. It should be noted that the total U.S. market declined by more than 10 percent during 1977-79, while the commercial market suffered only a * * * percent decline.

Table 7.--Anhydrous sodium metasilicate: U.S. producers' shipments and apparent consumption for the commercial and total markets, and imports for consumption, 1977-79, January-March 1979, and January-March 1980

Year	Shipments	Imports	Apparent consumption	Ratio of imports to apparent consumption
	Pounds	Pounds	Pounds	Percent
Commercial market:				
1977-----	***	***	***	***
1978-----	***	***	***	***
1979-----	***	***	***	***
Jan.-Mar.--				
1979-----	1/ ***	***	1/ ***	1/ ***
1980-----	1/ ***	***	1/ ***	1/ ***
Total market:				
1977-----	***	***	196,059,400	***
1978-----	***	***	182,143,500	***
1979-----	***	***	175,321,000	***
Jan.-Mar.--				
1979-----	1/ ***	***	1/ 38,734,300	1/ ***
1980-----	1/ ***	***	1/ 38,912,000	1/ ***

1/ Data for January-March 1979 and January-March 1980 do not include 1 U.S. firm that accounted for * * * percent of U.S. producers' commercial market shipments and * * * percent of total shipments (including captive shipments) in 1979.

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

Lost sales

* * * supplied the Commission with a list of 18 firms to which they allegedly lost sales of ASM because of alleged LTFV imports from France. The Commission contacted 11 of the purchasing firms, which accounted for a majority of the total alleged lost sales, and was able to confirm 9 lost sales ^{1/} totaling 2.3 million pounds with an approximate value of \$376,000. Details of the lost sales are as follows:

<u>Purchasing company</u>	<u>Actual lost sales</u>	
	<u>Quantity</u> <u>(pounds)</u>	<u>(Value)</u>
* * *	***	***
* * *		
* * *	***	***
* * *		
* * *	<u>1/</u>	<u>1/</u>
* * *		
* * *	***	*** (E)
* * *		
* * *	***	*** (E)
* * *		
* * *	***	***
* * *		
* * *	***	*** (E)
* * *		
* * *	***	***
* * *		
* * *	***	*** (E)
* * *		
Total	2,311,000	375,863

^{1/} Confirmed that * * * switched to Rhone-Poulenc, but the amount of purchase was unconfirmed.

In all nine instances, price was given by the purchasers as the reason for switching to the imported product. The purchasing companies estimated

^{1/} These figures represent only 8 of the 9 lost sales.

that they saved from 2 to 4 cents per pound of ASM by buying the imported product. None of the companies alleged any quality product differences between the domestic and imported products. * * *. It should be noted that a majority of the purchasers contacted stated that the lower priced imported ASM was a factor in moderating the prices of domestic ASM.

Prices of ASM

PQ Corp. advised the Commission that it sells ASM in two distinct markets. The first market is the large-volume contract market, where PQ contracts yearly with large-volume customers for ASM. The second market is the spot market, where customers purchase lesser quantities and pay list price for ASM. In 1979 PQ Corp. sold approximately * * * million pounds of ASM to spot market customers which represented * * * percent of PQ's commercial shipments. Both Rhone-Poulenc, Inc., and PQ agree that currently there is no import penetration in the large-volume contract market. However, the spot market is the area where Rhone-Poulenc and the domestic producers compete.

During the course of the investigation, Rhone-Poulenc stated that they market different grades of ASM, and that only certain grades of ASM were competitive with U.S. products. However, all evidence available to the Commission at this time indicates that all grades of ASM are competitive. Accordingly there are no breakouts of Rhone-Poulenc's different ASM grades in table 8.

PQ has one nationwide list price for the spot market and sells all its ASM f.o.b. point of shipment, while Rhone-Poulenc's prices sometimes differ on the basis of geographical area. As set forth in table 8, Rhone-Poulenc maintained a price of \$13.75 (per 100-pound unit) from April 1977 through May 1978 in the New York metropolitan area. PQ's unit price during the same period increased from \$17.15 in 1977 to \$18.60 throughout 1978. Thus, the imported product was \$3.40 less per unit in 1977 and \$4.85 less per unit during the first 5 months of 1978. The import price in the New York area climbed to \$15.25 per unit in the last quarter of 1978, which still gave the imported product a \$3.35 advantage.

In the Miami area the imported ASM ranged in price from \$14.50 per unit for the first quarter of 1978 to \$15.50 per unit for the rest of the year. At the same time PQ was selling ASM at \$18.60 per unit. Thus Rhone-Poulenc, was able to gain market share in the Miami area by underselling PQ by \$3.10 for most of 1978.

Rhone-Poulenc informed the Commission that * * *.

During 1979, Rhone-Poulenc's price for ASM in California was \$17.50 per unit, while the PQ price increased from \$18.60 per unit to \$21.90 per unit. In the other geographical markets, the imported product continued to hold a significant price advantage in 1979. On April 1, 1980, PQ raised its spot market price to \$23.90 per unit. Fifteen days later Rhone-Poulenc narrowed the price difference by raising its price to \$22.50 per unit. The current \$1.40 price difference between the imported and the domestic product is the lowest during the period considered. The alleged LTFV margins account for most, if not all, of the underselling of the U.S. product by Rhone-Poulenc.

Table 8.--Anhydrous sodium metasilicate: Spot market prices for Rhone-Poulenc, Inc., and PQ Corp., by market areas, and by specified periods, January 1977- April 1980

(Per 100-pound unit)						
Period	Rhone-Poulenc, Inc.				PQ Corp.	
	New <u>1/</u> York	Los <u>1/</u> Angeles	San <u>1/</u> Francisco	Miami <u>1/</u>	(nation- wide)	
1977:						
January-March-----	-	-	-	-		\$15.80
April-June-----	\$13.75	-	-	-		17.15
July-September-----	13.75	-	-	-		17.15
October-December-----	13.75	-	-	-		17.15
1978:						
January-----	13.75	-	-	\$14.50		18.60
February-----	13.75	-	-	14.50		18.60
March-----	13.75	-	-	14.50		18.60
April-----	13.75	-	-	15.50		18.60
May-----	13.75	-	-	15.50		18.60
June-----	14.00	-	-	15.50		18.60
July-----	14.25	-	-	15.50		18.60
August-----	14.25	-	-	15.50		18.60
September-----	14.75	-	-	15.50		18.60
October-----	15.25	-	-	15.50		18.60
November-----	15.25	-	-	15.50		18.60
December-----	15.25	-	-	15.50		18.60
1979:						
January-----	15.25	\$17.50	\$17.50	14.50		18.60
February-----	15.25	17.50	20.00	15.50		18.60
March-----	15.25	17.50	17.50	15.50		19.90
April-----	15.25	17.50	17.50	15.50		19.90
May-----	16.50	17.50	17.50	15.50		19.90
June-----	16.50	17.50	17.50	17.50		19.90
July-----	16.00	17.50	17.50	16.50		19.90
August-----	17.50	17.50	17.50	16.50		19.90
September-----	17.00	17.50	17.50	16.50		19.90
October-----	17.50	17.50	17.50	16.50		21.90
November-----	19.00	17.50	17.50	16.50		21.90
December-----	18.00	17.50	17.50	16.50		21.90
1980:						
January-----	18.50	19.50	18.50	18.50		21.90
February-----	18.50	19.50	18.50	18.50		21.90
March-----	18.50	19.50	18.50	18.50		21.90
April-----	22.50	22.50	22.50	22.50		23.90

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

1/ Represents Rhone-Poulenc's published list price in that geographical area.

The only other U.S. producer to submit pricing information was Diamond Shamrock, * * *. Table 9 shows a comparison between PQ's and Diamond Shamrock's prices on large volume ASM contracts.

Price indexes for sodium metasilicate and for other chemical products are presented on a monthly basis in table 10 for 1977-79. The data show that prices for sodium metasilicate generally increased more rapidly than prices of related products during the period.

Table 9.--Anhydrous sodium metasilicate: Contract sales prices for PQ Corp. and Diamond Shamrock Corp., by customers and by specified periods, January 1977-April 1980

(Per 100-pound unit)						
Period	PQ Corp.		Diamond Shamrock Corp. 1/			
	***	***	***	***	***	***
	***	***	***	***	***	***
1977:						
January-March-----	***	***	-	-	-	-
April-June-----	***	***	-	-	-	-
July-September-----	***	***	-	-	-	-
October-December-----	***	***	***	***	***	***
1978:						
January-----	***	***	***	***	***	***
February-----	***	***	***	***	***	***
March-----	***	***	***	***	***	***
April-----	***	***	***	***	***	***
May-----	***	***	***	***	***	***
June-----	***	***	***	***	***	***
July-----	***	***	***	***	***	***
August-----	***	***	***	***	***	***
September-----	***	***	***	***	***	***
October-----	***	***	***	***	***	***
November-----	***	***	***	***	***	***
December-----	***	***	***	***	***	***
1979:						
January-----	***	***	***	***	***	***
February-----	***	***	***	***	***	***
March-----	***	***	***	***	***	***
April-----	***	***	***	***	***	***
May-----	***	***	***	***	***	***
June-----	***	***	***	***	***	***
July-----	***	***	***	***	***	***
August-----	***	***	***	***	***	***
September-----	***	***	***	***	***	***
October-----	***	***	***	***	***	***
November-----	***	***	***	***	***	***
December-----	***	***	***	***	***	***
1980:						
January-----	***	***	***	***	***	***
February-----	***	***	***	***	***	***
March-----	***	***	***	***	***	***
April-----	***	***	***	***	***	***
1/ * * *.						

Source: Compiled from data submitted in response to U.S. International Trade Commission questionnaire.

Table 10.--Indexes of wholesale prices for industrial chemicals, basic inorganic chemicals, sodium metasilicate, sodium hydroxide, and sodium carbonate, by months, 1977-79

(January 1977=100)						
Period	Industrial chemicals	Basic inorganic chemicals	Sodium metasilicate 1/	Sodium hydroxide (caustic soda)	Sodium carbonate (soda ash)	
1977:						
January-----	100.0	100.0	100.0	100.0	100.0	
February-----	100.5	100.8	102.7	99.2	99.6	
March-----	100.3	100.5	105.0	98.3	100.1	
April-----	100.9	101.4	105.0	98.3	100.7	
May-----	101.2	101.9	105.0	99.2	102.9	
June-----	101.2	101.6	105.0	99.4	102.1	
July-----	101.4	102.0	104.7	99.5	102.5	
August-----	101.3	101.7	104.9	99.6	103.8	
September-----	101.1	101.8	105.1	100.2	103.8	
October-----	101.5	102.8	105.0	102.4	103.8	
November-----	101.6	103.0	105.1	100.2	103.9	
December-----	101.7	103.2	105.4	100.1	103.8	
1978:						
January-----	101.2	103.5	111.3	98.7	101.8	
February-----	101.2	103.3	112.1	97.3	102.7	
March-----	101.1	104.0	114.2	95.6	107.6	
April-----	101.2	104.2	114.6	94.4	107.6	
May-----	101.1	104.4	114.6	92.6	107.6	
June-----	101.1	105.3	114.5	96.2	115.5	
July-----	101.6	105.6	114.7	95.2	115.5	
August-----	102.2	106.0	113.8	95.5	118.1	
September-----	102.2	106.4	114.5	95.5	118.1	
October-----	102.9	106.5	115.1	96.0	118.1	
November-----	102.6	106.5	114.4	95.7	122.0	
December-----	103.4	107.2	114.4	95.5	122.0	
1979:						
January-----	105.6	108.1	114.3	91.6	125.3	
February-----	107.1	109.2	114.4	90.1	129.3	
March-----	108.2	109.2	114.6	87.7	129.3	
April-----	112.0	109.3	119.9	87.5	129.3	
May-----	115.3	109.5	122.2	87.3	129.3	
June-----	117.0	110.1	122.5	87.4	132.6	
July-----	122.0	110.9	122.0	86.6	135.9	
August-----	125.0	111.5	122.5	87.0	135.9	
September-----	126.4	112.7	122.1	87.8	135.9	
October-----	128.9	112.7	134.3	87.7	135.9	
November-----	130.1	113.3	138.0	88.0	135.9	
December-----	131.9	114.2	139.0	87.6	135.9	

1/ Includes anhydrous sodium metasilicate and sodium metasilicate pentahydrate.

Source: U.S. Bureau of Labor Statistics.

APPENDIX A

COMMISSION'S NOTICE OF INVESTIGATION AND CONFERENCE

Each applicant states that approval of its application will not significantly affect the quality of the human environment nor involve a major regulatory action under the Energy Policy and Conservation Act of 1975.

MC 66900 (Sub-46) filed May 12, 1980. Applicant: Houff Transfer, Inc., P.O. Box 91, Weyers Cave, VA 24486. Representative: John R. Sims, Jr., 915 Pennsylvania Bldg., 425 13th Street NW., Washington, DC 20004. Applicant seeks to engage in operation, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, in the transportation of *general commodities*, except classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between points in Virginia and Cumberland and Salisbury, MD; points in WV, and those in Scioto, Gallia, and Lawrence Counties, OH, and Greenup and Boyd Counties, KY, on the one hand, and, on the other, points in those parts of DE and MD lying between the Chesapeake Bay and the Atlantic Ocean and on the south of the north bank of the Chesapeake and Delaware Canal, including Chesapeake City, MD. (Hearing Site: Washington, DC.)

Note.—This application is directly related to MC 14129, Houff Transfer, Inc.—Purchase (Portion)—Cohay Trucking Company, Inc. and is filed to eliminate gateways of Fullerton, MD and Oxford, PA. No. MC-F-14129 was approved by a decision of Review Board Number 5 served December 21, 1979, subject to a restriction on authority of Cohay not involved in the transaction. Applicants have requested removal of this restriction.

By the Commission.

Agatha L. Mergenovich,
Secretary.

[FR Doc. 80-16293 Filed 5-28-80; 8:45 am]
BILLING CODE 7035-01-M

INTERNATIONAL TRADE COMMISSION

[731-TA-25 (Preliminary)]

Anhydrous Sodium Metasilicate from France; institution of Preliminary Antidumping Investigation and Scheduling of Conference

Investigation instituted. Following receipt of a petition on May 15, 1980, filed by PQ Corp., Valley Forge, Pa., the United States International Trade Commission on May 23, 1980, instituted a preliminary antidumping investigation 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 France of anhydrous sodium metasilicate, provided for in item 421.34 of the Tariff Schedule of the United States, allegedly sold or likely to be sold at less than fair value. This investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and procedure (19 CFR 207, 44 FR 76457) and particularly, subpart B thereof, effective January 1, 1980.

Written submissions. Any person may submit to the Commission on or before June 16, 1980, a written statement of information pertinent to the subject matter of the investigation. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference. The Director of Operations of the Commission has scheduled a conference in connection with the investigation for 10:00 a.m., e.d.t., on June 13, 1980, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigation, Mr. John MacHatton (202-523-0439). It is anticipated that parties in support of the petition for antidumping duties and parties opposed to such petition will each be collectively allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission, and at the New York City office of the U.S. International Trade Commission located at 6 World Trade Center.

Issued: May 23, 1980.

Kenneth R. Mason,
Secretary.

[FR Doc. 80-16305 Filed 5-28-80; 8:45 am]
BILLING CODE 7020-02-M

[TA-201-43]

Mushrooms; Cancellation of Prehearing Conference

Notice is hereby given that the prehearing conference scheduled for June 5, 1980, in this investigation is cancelled.

Issued: May 22, 1980.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 80-16306 Filed 5-28-80; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-79]

Cathode Sputter Coater Glass Transparencies; Remand of "Certification of Motion to Terminate"

On May 7, 1980, the presiding officer in the above-captioned case issued the above order, certifying a motion and consent order agreements to the Commission. The Commission is remanding that order to the presiding officer in order to obtain a recommendation regarding whether the consent order agreements should be accepted.

Proposed section 337 consent order rules provide, in proposed § 210.51(a)(2) that: "The licensing or other agreement and any agreements supplemental thereto, and affidavit shall be certified by the presiding officer to the Commission with his recommendation." Although the proposed consent order rules are not in effect, the Commission believes that having the benefit of a recommendation by the presiding officer is beneficial and in conformance with sound administrative practice. Although rule 210.14 of the Commission's Rules of Practice and Procedure reserve certain public interest factors to the Commission for initial consideration, these factors are not exhaustive of all public interest and equitable considerations that the Commission takes into account when deciding whether to accept an agreement. The practice of obtaining a recommendation from the presiding officer has been followed with regard to settlement agreements. See *Certain Resister Chips*, Inv. No. 337-TA-63/65 (Recommended Determination of February 22, 1980).

The Commission therefore requests that the presiding officer make A-26 recommendations regarding the consent order here in issue.

Issued: May 23, 1980.

APPENDIX B

**DEPARTMENT OF COMMERCE'S NOTICE OF INITIATION
OF ANTIDUMPING INVESTIGATION**

competitive with those produced by each firm contributed importantly to total or partial separation of the firm's workers, or threat thereof, and to a decrease in sales or production of each petitioning firm.

Any party having a substantial interest in the proceedings may request a public hearing on the matter. A request for a hearing must be received by the Chief, Trade Act Certification Division, Economic Development Administration, U.S. Department of Commerce, Washington, D.C. 20230, no later than the close of business June 20, 1980.

Jack W. Osburn, Jr.,
Chief, Trade Act Certification Division, Office of Eligibility and Industry Studies.

[FR Doc. 80-17508 Filed 6-9-80; 8:45 am]

BILLING CODE 3510-24-M

Rounds I and II of the Local Public Works Capital Development and Investment (LPW) Program (Pub. L. 94-369 and Pub. L. 95-28); Closing Date for Requests for Project Modification

The purpose of this notice is to advise recipients of assistance under Rounds I and II of the Local Public Works (LPW) program of the revised final closing date for submission of requests for certain types of amendments to their LPW projects.

Any requests for project modifications utilizing underrun LPW funds must be received and approved by the appropriate Regional Office by August 6, 1980. After that date, approval of such modifications will be limited to those revisions that would materially and substantially advance the project's function and success as originally contemplated in the application.

All unspent LPW grant funds must be returned to EDA immediately upon completion of the project. Projects which have been selected for audit must be audited immediately upon project completion or at that point when all Federal funds have been expended, whichever comes first. Local contract disputes or other events which do not hinder the completion of the project but only delay final payments to vendors do not constitute grounds for delaying the audit. Any potential delays in the return of unspent funds or in the start of the audit should be reported to the appropriate EDA Regional Office, a list of which follows:

For Project Nos. Beginning With 01, Atlantic Regional Office, 105 N. Seventh Street, Rm. 600, Philadelphia, PA 19106.

For Project Nos. Beginning With 06, Midwestern Regional Office, 175 W.

Jackson Boulevard, Suite A-1630, Chicago, IL 60604.

For Georgia and Florida Only, Southeastern Regional Office, Suite 700, 1365 Peachtree Street, NE., Atlanta, GA 30309.

For Project Nos. Beginning With 08,

Southwestern Regional Office, American Bank Tower, Suite 600, 221 West Sixth Street, Austin, TX 78701.

For Project Nos. Beginning With 04 (Except Fla. and Ga.), 05, and 07, Local Public Works, The Great Hall, U.S. Department of Commerce, Washington, DC 20230.

Robert T. Hall,

Assistant Secretary for Economic Development.

[FR Doc. 80-17505 Filed 6-9-80; 8:45 am]

BILLING CODE 3510-24-M

Foreign-Trade Zones Board

[Order No. 157]

Authorization To Withdraw Certain "Zone Restricted" Merchandise from Foreign-Trade Zone No. 38, Spartanburg County, S.C., for Entry Into U.S. Customs Territory

Pursuant to its authority under Section 3 of the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81c), the Foreign-Trade Zones Board (the Board) adopts the following order:

After consideration of the request of the manager of Foreign-Trade Zone No. 38 in Spartanburg County, South Carolina, on behalf of a zone user, submitted through the South Carolina State Ports Authority, zone grantee, for authority under section 3 of the Foreign-Trade Zones Act (19 U.S.C. 81c) to withdraw from the zone for domestic entry a certain item of textile machinery (R-4 Fiber RebreaK Machine, Duranitre R-55, Zone Lot #3828, 5-1-79, formerly TIB 155, 5-25-78) presently in "zone restricted" status, the Foreign-Trade Zones Board approves the request, finding it to be in the public interest. The customs entry in this case shall be subject to entry procedures, including the payment of duties.

Signed at Washington, D.C. this 3rd day of June 1980.

Luther H. Hodges, Jr.,

Acting Secretary of Commerce, Chairman and Executive Officer, Foreign-Trade Zones Board.

John J. DaPonte, Jr.,

Executive Secretary.

[FR Doc. 80-17506 Filed 6-9-80; 8:45 am]

BILLING CODE 3510-25-M

[Order No. 158]

Authorization for the Withdrawal of Scrap Material From Crushed Semiconductors in Foreign-Trade Zones in "Zone Restricted" Status

Pursuant to its authority under Section 3 of the Foreign-Trade Zones Act of June 18, 1934, as amended (19 USC 81c), the Foreign-Trade Zones Board (the Board) adopts the following order:

After consideration of a petition from the manager of Foreign-Trade Zone No. 18, San Jose, California, submitted through the City of San Jose, zone grantee, requesting authority under Section 3 of the Foreign-Trade Zones Act (19 USC Sec. 81c), for withdrawal, from the San Jose zone and other foreign-trade zones, for entry for consumption in the United States, precious metal scrap in "zone restricted" status resulting from the destruction of defective semiconductors, the Foreign-Trade Zones Board approves the request, finding it in the public interest. This approval extends to such withdrawals on a general basis regardless of by whom they are made and what zone is involved, providing all other Customs requirements are satisfied. Upon withdrawal the scrap shall be subject to normal entry procedures (19 CFR Parts 141 and 142).

Signed at Washington, D.C. this 4th day of June 1980.

Luther H. Hodges, Jr.,

Acting Secretary of Commerce, Chairman and Executive Officer, Foreign-Trade Zones Board.

John J. DaPonte, Jr.,

Executive Secretary.

[FR Doc. 80-17509 Filed 6-9-80; 8:45 am]

BILLING CODE 3510-25-M

International Trade Administration

Anhydrous Sodium Metasilicate From France; Initiation of Antidumping Investigation

AGENCY: U.S. Department of Commerce.

ACTION: Initiation of antidumping investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and that an antidumping investigation is being initiated for the purpose of determining whether anhydrous sodium metasilicate from France is being, or is likely to be, sold at less than fair value. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market, or to countries other than the United States,

or less than the constructed value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930, as amended, make a determination no later than June 30, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: June 10, 1980.

FOR FURTHER INFORMATION CONTACT: Sandra Kristoff, Import Administration Specialist, Office of Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-4198).

SUPPLEMENTARY INFORMATION: On May 15, 1980 a petition in proper form was received pursuant to sections 353.36 and 353.37, Commerce Regulations (19 CFR 353.36 and 353.37) from PQ Corporation, Valley Forge, Pennsylvania, on behalf of the U.S. industry producing anhydrous sodium metasilicate. The Petition alleges that anhydrous sodium metasilicate from France is being, or is likely to be, sold at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act") and that the U.S. industry is materially injured or is threatened with material injury, because of such sales.

Anhydrous sodium metasilicate, which is classified under item number 421.34 of the Tariff Schedules of the United States, is an industrial chemical used as a medium or heavy duty cleaner and for compounding into detergent formulations.

The petition includes sufficient evidence supporting both the allegations of sales at less than fair value on the basis of comparisons between prices in the home market and in the U.S. market, and of material injury. The petition contains no evidence of sales at below cost of production.

The petition indicates increased aggregate imports and a substantial increase in the share of the Northeast regional consumption held by these imports. Additionally, petitioner indicates reduction in its profitability and capacity utilization rates.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determine that an investigation should be initiated to determine whether imports of anhydrous sodium metasilicate from France are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission (ITC) is being notified of this determination. A

copy of the information on the basis of which this investigation is being initiated is being delivered to the ITC. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the ITC. All privileged and confidential information in the files also will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under an administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

Pursuant to section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673b(a)), the ITC will make a determination no later than June 30, 1980, of whether 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 anhydrous sodium metasilicate from France. If that determination is negative, this investigation will be deemed terminated, and, no further notice will be published by the International Trade Administration. Otherwise, the investigation will proceed to its conclusion.

Section 733(b) of the Act (93 Stat. 163, 19 U.S.C. 1673b(b)) requires that the International Trade Administration normally make a preliminary determination as to whether there is a reasonable basis to believe or suspect that merchandise which is the subject of this investigation is being, or is likely to be, sold at less than fair value not later than 160 days after the date on which the petition was filed. Therefore, unless the investigation is terminated or extended, a preliminary determination will be made not later than October 22, 1980.

(Sec. 732 of the Act (93 Stat. 162, 19 U.S.C. 1673a) and sec. 353.37(b) of the Commerce Regulations (19 CFR 353.37(b), 45 F.R. 8199))

John D. Greenwald,
Deputy Assistant Secretary for Import Administration.

June 4, 1980.

[FR Doc. 80-17478 Filed 6-9-80; 8:45 am]

BILLING CODE 3510-25-M

Fresh Cut Roses From Israel; Preliminary Countervailing Duty Determination

AGENCY: United States Department of Commerce.

ACTION: Preliminary countervailing duty determination.

SUMMARY: This notice is to advise the public that the Department of Commerce has preliminarily determined that the Government of Israel confers benefits upon the production or export of fresh cut roses which constitute bounties or grants within the meaning of the countervailing duty law. A final determination will be made in this case not later than August 13, 1980.

EFFECTIVE DATE: June 10, 1980.

FOR FURTHER INFORMATION CONTACT: Francis R. Crowe, Import Administration Specialist, Office of Investigations, International Trade Administration, Department of Commerce, Washington, D.C. 20230 (202-377-3003).

SUPPLEMENTARY INFORMATION:

Procedural Background

On November 16, 1979, the Department of the Treasury received a petition in satisfactory form on behalf of the domestic rose growers alleging that the Government of Israel confers certain benefits upon production or export of fresh cut roses which are bounties or grants (subsidies) within the meaning of section 303, Tariff Act of 1930 (19 U.S.C. 1303) (the Tariff Act). The Department of the Treasury did not initiate an investigation before December 31, 1979. On January 1, 1980, the provisions of Title 1 of the Trade Agreements Act of 1979 (the Trade Act) became effective. On January 2, 1980, the authority for administering the countervailing duty law was transferred from Treasury to the Department of Commerce. A notice of Initiation of Investigation was published by the Department of Commerce in the Federal Register on February 1, 1980 (45 FR 7273).

Since Israel is not a "country under the Agreement" within the meaning of section 701(b) of the Tariff Act (93 Stat. 151, 19 U.S.C. 1671(b)), section 303 of the Tariff Act, as amended by section 103(b) of the Trade Act, applies to this investigation.

A Notice of Postponement of Preliminary Determination was published in the Federal Register on March 14, 1980 (45 FR 16522), since this case was determined to be "extraordinarily complicated".

Imports covered by this investigation are cut roses, fresh, provided for in item 192.1900, Tariff Schedules of the United States Annotated (TSUSA).

Nature of Industry

According to the information submitted to the Department, which has yet to be verified, the Israeli fresh cut flower industry is structured in the following way:

A-29

APPENDIX C
FEDERAL SPECIFICATIONS FOR SODIUM METASILICATE

O-S-604D
June 9, 1978
SUPERSEDING
Fed. Spec. O-S-604C
April 9, 1962

FEDERAL SPECIFICATION
SODIUM METASILICATE, TECHNICAL

This specification was approved by the Commissioner, Federal Supply Service, General Services Administration, for the use of all Federal agencies.

1. SCOPE AND CLASSIFICATION

1.1 Scope. This specification covers two types of sodium metasilicate (see 6.1).

1.2 Classification. Sodium metasilicate shall be of the following types, as specified (see 6.2):

- Type I - Pentahydrate ($\text{Na}_2\text{SiO}_3 \cdot 5\text{H}_2\text{O}$).
Type II - Anhydrous (Na_2SiO_3).

2. APPLICABLE DOCUMENTS

2.1 The following documents, of the issues in effect on date of invitation for bids or request for proposal, form a part of this specification to the extent specified herein.

Federal Specification:

PPP-D-705 - Drum, Shipping and Storage: Steel, 16 and 30 Gallon Capacity.

(Activities outside the Federal Government may obtain copies of Federal Specifications, Standards, and Handbooks as outlined under General Information in the Index of Federal Specifications and Standards and at the prices indicated in the Index. The Index, which includes cumulative monthly supplements as issued, is for sale on a subscription basis by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

(Single copies of this specification and other Federal Specifications required by activities outside the Federal Government for bidding purposes are available without charge from Business Service Centers at the General Services Administration Regional Offices in Boston, New York, Philadelphia, Washington, DC, Atlanta, Chicago, Kansas City, MO, Fort Worth, Houston, Denver, San Francisco, Los Angeles, and Seattle, WA.

(Federal Government activities may obtain copies of Federal Specifications, Standards, and Handbooks and the Index of Federal Specifications and Standards from established distribution points in their agencies.)

Military Standard:

MIL-STD-105 - Sampling Procedures and Tables for Inspection by Attributes.

(Copies of Military Specifications and Standards required by contractors in connection with specific procurement functions should be obtained from the procuring activity or as directed by the contracting officer.)

FSC 6850

O-5-604D

3. REQUIREMENTS

3.1 Appearance. Sodium metasilicate shall be white and granular.

3.2 Physical and chemical characteristics. Sodium metasilicate shall conform to the applicable physical and chemical characteristics of table I when tested as specified in 4.2.2.

TABLE I. Physical and chemical characteristics *and*

Characteristics	Type I (percent by wt.)	Type II (percent by wt.)
Total alkalinity (as Na ₂ O)	28.5 to 30.0	49.5 to 53.5
Total silica (as SiO ₂)	27.5 to 29.0	44.0 to 49.2
Insoluble matter, maximum	0.2	0.25
Material passing a 149-micron (No. 100) sieve, maximum	10.0	3.0
Material retained on a 2.00 mm (No. 10) sieve, maximum	10.0	10.0

4. QUALITY ASSURANCE PROVISIONS

4.1 Responsibility for inspection. Unless otherwise specified in the contract or purchase order, the contractor is responsible for the performance of all inspection requirements as specified herein. Except as otherwise specified in the contract or order, the contractor may use his own or any other facilities suitable for the performance of the inspection requirements specified herein, unless disapproved by the Government.

4.2 Quality conformance inspection.

4.2.1 Examination of preparation for delivery. Sampling for inspection shall be conducted in accordance with MIL-STD-105, inspection level S-2, AQL 4.0 percent defective. An examination shall be made to determine compliance with the requirements of section 5.

4.2.2 Testing. Sample size shall be one pound, drawn at random from the lot. Testing shall be conducted as specified in 4.3. The lot shall be rejected if the sample fails one test.

4.3 Test methods. Tests shall be conducted as follows:

4.3.1 Total alkalinity. Total alkalinity as sodium oxide (Na₂O) shall be determined as follows:

Weigh 20 g of the sample to the nearest mg, transfer to a 500-ml volumetric flask and dilute to the mark. Transfer a 50-ml aliquot to a 250-ml beaker and titrate with 0.5N-hydrochloric acid (HCl) using methyl orange as the indicator. Reserve the titrated solution for the determination of total silica. Calculate the total alkalinity by:

$$\text{Total alkalinity as Na}_2\text{O, percent} = \frac{N \times V \times 3.1}{W}$$

where: N = normality of the HCl
V = milliliters of HCl required for titration, and
W = grams of sample in the aliquot.

APPENDIX D

SELECTED PRODUCTION DATA FOR U.S. PRODUCERS OF ASM

Anhydrous sodium metasilicate: U.S. producers' end-of-period inventories,
production, and total shipments, by firms, 1977-79

Year and firm	End-of- period inventories	Production	Total shipments	Ratio of inventories to--	
				Production	Shipments
1977:	1,000 pounds	1,000 pounds	1,000 pounds	Percent	Percent
PQ Corp-----	***	***	***	***	***
Diamond Shamrock Corp-----	***	***	***	***	***
Stauffer Chemical Co-----	***	***	***	***	***
Mayo Products Co-----	***	***	***	***	***
Total-----	***	195,270	***	***	***
1978:					
PQ Corp-----	***	***	***	***	***
Diamond Shamrock Corp-----	***	***	***	***	***
Stauffer Chemical Co-----	***	***	***	***	***
Mayo Products Co-----	***	***	***	***	***
Total-----	***	185,145	***	***	***
1979:					
PQ Corp-----	***	***	***	***	***
Diamond Shamrock Corp-----	***	***	***	***	***
Stauffer Chemical Co-----	***	***	***	***	***
Mayo Product Co-----	***	***	***	***	***
Total-----	***	165,165	***	***	***

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

APPENDIX E

SELECTED FINANCIAL DATA ON SMP OPERATIONS OF TWO U.S. PRODUCERS

Selected financial data for 2 U.S. producers on their sodium metasilicate pentahydrate operations, by firms and by plants, 1977-79

Year and firm	Quantity sold	Net sales	Cost of goods sold	Gross profit or (loss)	General, administrative, and selling expenses	Net operating profit or (loss)	Ratio of cost of goods sold to net sales	Ratio of net operating profit or (loss) to net sales
	100-pound units							
1977:								
PQ Corp.:								
Utica plant	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1978:								
PQ Corp.:								
Utica plant	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***
1979:								
PQ Corp.:								
Utica plant	***	***	***	***	***	***	***	***
Diamond Shamrock	***	***	***	***	***	***	***	***
Total	***	***	***	***	***	***	***	***

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

