UNITED STATES INTERNATIONAL TRADE COMMISSION

PORTLAND HYDRAULIC CEMENT FROM MEXICO

Determination of No Injury or Likelihood Thereof in Investigation No. AA1921-161 Under the Antidumping Act, 1921, as Amended, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-161]

PORTLAND HYDRAULIC CEMENT FROM MEXICO

Determination of No Injury or Likelihood Thereof

On September 1, 1976, the United States International Trade Commission received advice from the Department of the Treasury that portland hydraulic cement, other than white non-staining cement, from Mexico, except that produced and sold by Cementos de Chihauhua and Cementos Mexicanos, is being, or is likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). On September 10, 1976, the Commission instituted investigation No. AA1921-161 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. Notice of the institution of the investigation and of the public hearing was published in the Federal Register on September 16, 1976 (41 F.R. 39845).

In arriving at its determination, the Commission gave due consideration to written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of its investigation, the Commission has unanimously determined that an industry in the United States is not being and is not likely to be injured, and is not prevented from being established, by reason of the importation of the aforementioned portland hydraulic cement from Mexico that is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

By order of the Commission:

Kenneth R. Mason
Secretary

Issued:

Statement of Reasons for Negative Determination of
Chairman Will E. Leonard, Vice Chairman Daniel Minchew,
and Commissioners George M. Moore, 1/ Catherine Bedell,
Joseph O. Parker, and Italo H. Ablondi

The original complaint with respect to this investigation alleging injury from sales at less than fair value (LTFV) of portland hydraulic cement, other than white nonstaining cement, from Mexico was filed with the Department of the Treasury (Treasury) on October 16, 1975, by the Southwestern Portland Cement Co. of El Paso, Tex. Pursuant to his authority under section 201(c)(2) of the Antidumping Act, 1921, as amended, the Secretary of the Treasury concluded that there was substantial doubt whether an industry in the United States was being or was likely to be injured, or was prevented from being established by reason of the importation of such portland hydraulic cement from Mexico and forwarded his reasons and a preliminary indication of sales at LTFV to the Commission.

Upon receipt of this information, the Commission instituted a preliminary investigation on November 20, 1975. After conducting an investigation which dealt primarily with the marketing area surrounding El Paso, Tex., the Commission determined that there was no statutory basis for determining that the investigation by Treasury should not continue. On September 1, 1976, the Commission received advice from Treasury that portland cement from Mexico, except that produced

1/ Commissioner Moore concurs in the result. In his opinion the injury by reason of sales at less than fair value experienced by that portion of the U.S. industry serving the regional market located in Florida and southeastern Georgia is so insignificant and inconsequential that it does not constitute injury to an industry in the United States within the meaning of the Antidumping Act, 1921, as amended.

and sold by Cementos de Chihuahua and Cementos Mexicanos, is being, or is likely to be, sold at LTFV and, therefore, on September 10, 1976, instituted an investigation to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established 1/ by reason of the importation of such merchandise into the United States.

As a result of the Treasury investigation, only one company, Cementos Anahuac (Anahuac) was found to be selling at LTFV. Practically all the cement sold at LTFV was delivered to one importer, General Portland Inc.(GPI), Tampa, Fla., which is also the largest producer of cement in that State. Price comparisons were made on 100 percent of the imports from Anahuac during the period July 1-December 31, 1975. An LTFV margin of 9.9 percent was found on all sales compared.

The product

Portland hydraulic cement is a highly standardized product produced by mixing limestone, clay, silica, and other raw materials and then burning this mixture in a rotary kiln. The kilned product is then mixed with gypsum and pulverized to produce the final product.

The U.S. industry

The industry in the United States most likely to be adversely affected by the importation of portland hydraulic cement from Mexico

1/ Since there is an established domestic industry in this investigation, prevention of establishment will not be discussed hereafter.

sold at LTFV consists of the domestic facilities devoted to the production of the product described above. As a result of the low value-to-weight ratio of portland hydraulic cement and the attendant importance of transportation costs, regional markets have developed for this product. Since the only known LTFV imports of portland hydraulic cement enter the United States through Florida ports, special consideration has been given to the impact of LTFV imports on producers serving the Florida-southeastern Georgia marketing area (southeastern marketing area).

No injury by reason of LTFV imports

The demand for portland hydraulic cement is directly related to the level of construction activity. During the period 1971-73, construction activity rose steadily. Both in the United States as a whole and in Florida, the number of new housing units authorized rose sharply between 1971 and 1972 and then decreased slightly in 1973. As a result of the rise in construction activity between 1971 and 1973, apparent consumption of portland hydraulic cement in both the United States and Florida increased steadily.

The increase in consumption between 1971 and 1973 was of such a magnitude that in spite of historically high domestic shipments and imports in 1972 and 1973, there were regional shortages throughout most of this 2-year period. In order to meet what was perceived as steadily increasing demand, some domestic producers undertook the development of additional productive capacity. Other firms, such as GPI, entered into contracts with foreign suppliers.

Construction activity in the United States declined sharply in 1974 and 1975, however. New construction put in place in the United States declined by approximately 25 percent in terms of constant dollars between 1973 and 1975. The number of new housing units authorized in the United States and the number in Florida declined by 40 percent and 58 percent, respectively, between 1973 and 1974 and declined further in 1975.

As a result of the decrease in construction activity, apparent consumption of portland hydraulic cement in the United States decreased by 22 percent between 1973 and 1975. Apparent consumption in Florida declined by 45 percent in the same period. Shipments by producers in the United States and in the southeastern marketing area and total imports from all sources into both areas decreased in actual terms between 1973 and 1975. Imports from Mexico into the southeastern marketing area declined by almost 50 percent between these years and accounted for a decreasing portion of apparent consumption in this marketing area.

The combined effect of the decrease in domestic shipments and the added capacity which had been planned during the 1972-73 period of shortages and came on stream in the years 1974-75 resulted in sharp declines in the capacity-utilization rates. In the United States as a whole this rate declined from 88 percent to 70 percent between 1971 and 1975, while in the southeastern marketing area there was a decline from 90 percent to 42 percent during the same period. The profits of producers of portland hydraulic cement in the United States and in the

southeastern marketing area also declined between 1973 and 1975, although the latter group suffered much sharper declines. Employment trends in the United States and the southeastern marketing area were also downward between 1973 and 1975, with the southeastern workers again suffering sharper declines.

These adverse experiences were not by reason of LTFV imports from Mexico, however. As noted above, such imports declined in actual and relative terms in both the United States and the southeastern marketing area between 1973 and 1975. These imports never exceeded 0.3 percent of U.S. apparent consumption in 1971-75 and averaged 4.2 percent of consumption in Florida in the same period. In the southeastern marketing area, where the LTFV imports from Mexico enter the United States and presumably would have the greatest impact, the prices charged for this imported cement have always been within the range of prices charged by domestic producers. Further, the Commission's investigation did not reveal any evidence of lost sales in this marketing area resulting from the importation of this cement.

Other factors with respect to the impact of LTFV imports of portland hydraulic cement from Mexico should also be noted. As stated above, all such imports into the United States enter through Florida ports pursuant to a contract between GPI and the Mexican supplier. According to sworn testimony by the general manager of the Florida division of GPI at the Commission's public hearings in Tampa, Fla.,

the sales of the imported cement are less profitable for GPI than sales of the cement that it produces--

> for the simple reason that it costs us less to produce an additional ton of cement in our Tampa plant than what we pay CADG (the exporter) for that additional ton. 1/

In short, the decline of construction activity in the United States and the more severe decline in the southeastern marketing area, coupled with expanded capacity of domestic producers and the rising cost of energy and antipollution equipment, are responsible for the experiences of the portland hydraulic cement producers, both nationwide and in the southeastern marketing area. On the basis of these factors, we have determined that an industry in the United States is not being injured by reason of LTFV imports of portland hydraulic cement from Mexico.

No likelihood of injury by reason of LTFV imports

Although there was a sharp increase in imports from Mexico into the southeastern marketing area in January-June 1976 as compared with such imports in the corresponding period in the preceding year, this increase was the result of a single swap transaction which is unlikely to recur. Thus, it appears that the level of imports from Mexico of such cement in 1976 will not be much different from that in previous years, while consumption and shipments by domestic producers appear to be rising both nationwide and in the southeastern marketing area. Further, to the extent that GPI takes delivery from its Mexican

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1/ Transcript of the hearing, p. 51.

supplier under a contract which is in dollar terms, the cement delivered under the contract would not be sold at LTFV by virtue of the recent effective devaluation of the Mexican peso. This devaluation has almost doubled the export price, in terms of pesos, of the portland hydraulic cement sold to GPI, thereby making the export price substantially above the price in Mexico. On the basis of these factors we have determined that an industry in the United States is not likely to be injured by reason of LTFV imports of portland hydraulic cement from Mexico.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On September 1, 1976, the United States International Trade Commission received advice from the Department of the Treasury that portland hydraulic cement, other than white nonstaining cement, 1/ from Mexico, except that produced and sold by Cementos de Chihuahua and Cementos Mexicanos, is being, or is likely to be, sold at less than fair value (LTFV), within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, the Commission on September 10, 1976, instituted investigation No. AA1921-161 under section 201(a) of the act, to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The statute directs the Commission to make its determination by December 1, 1976.

A public hearing was held on October 19, 1976, in Tampa, Fla. Public notice of the institution of the investigation and hearing was duly given by posting copies of the notice at the Secretary's office in the Commission in Washington, D.C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register of September 16, 1976 (41 F.R. 39845).

1/ Henceforth, the portland hydraulic cement discussed in this report is other than the white nonstaining type (the white nonstaining type is made from raw materials that are exceptionally free of iron).

The Treasury Department instituted its investigation after receiving a complaint on October 16, 1975, from Southwestern Portland Cement Company of El Paso, Tex. Treasury's notice of the antidumping proceeding was published in the Federal Register of November 21, 1975 (40 F.R. 54267).

On December 18, 1975, on the basis of its inquiry (AA1921-Inq.-3, instituted on November 20, 1975) with respect to imports of portland hydraulic cement from Mexico, apparently sold at less than fair value, the Commission did not determine that there was no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

The Product

Description

Portland hydraulic cement is by far the most important of the hydraulic cements. 1/ In the preparation of most hydraulic cements, a mixture of limestone, clay, silica, and other raw materials is burned in a rotary kiln. The kilned product, in the form of balls or lumps known as clinker, is then pulverized along with a small amount of gypsum to produce the final product. Cement is a highly standardized, heavy product of low unit value. Both domestic and imported portland cement conform to the standards established by the American Society for Testing Materials. As a result of its uniformity, most consumers regard any brand of portland cement as equally suitable for their purposes. Portland cement has little utility alone, but rather is the material which, when mixed with water and mineral aggregate, chemically reacts to form concrete. Concrete is consumed almost wholly in construction of various types; chief among these are highway construction using ready-mix concrete and building construction using ready-mix concrete and precast concrete units.

Concrete, being a major material in building construction, competes with structural steel, clay products, building stone, and other materials which are used in various building construction applications. In almost every type of structure, regardless of the principal building material

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1/ Hydraulic cement will set, or harden, under water; nonhydraulic cement will not set under water. Portland, masonry, pozzolan, slag-lime, and natural or Roman cement are all hydraulic cements.

used, there are certain basic uses for concrete (foundations, basements, floors, and so forth) for which there is little direct competition. In many building applications, concrete is used with steel reinforcement to obtain greater strength and durability. The choice of the principal structural material is governed by many factors, such as cost, personal preference, and building-code specifications. Portland cement concrete is the most widely used construction material in the United States.

As a road building material, concrete competes with asphalt in some secondary road construction. Asphalt is cheaper to manufacture than concrete and is generally selected for secondary and rural road construction, whereas concrete is by far the preferred material for expressways and interstate highways. In the construction of some roads, concrete is used as a base for asphalt.

The American Society for Testing Materials (ASTM) maintains standard specifications for five types of portland cement, setting forth the chemical and physical requirements of each. The ASTM describes the five types as follows: 1/

Type I - For use when the special properties specified for any other type are not required.

Type II - For general use, especially when moderate sulfate resistance or moderate heat of hydration is required.

Type III - For use when high early strength is required.

Type IV - For use when a low heat of hydration is required.

Type V - For use when high sulfate resistance is required.

In addition, the ASTM also maintains specifications for three types of air-entraining portland cement--type IA, type IIA, and type IIIA. The chemical and physical requirements for these three types conform to those for type I, type II, and type III, respectively, except for the addition of air-entraining materials. Concrete made from air-entraining cement or concrete which has had air-entraining agents added during mixing contains billions of microscopic air cells per cubic foot. 2/

1/ ASTM designation C150.

2/ Concrete made from air-entraining cement has high resistance to severe frost action, high immunity to surface scaling, and exceptional workability and durability.

Specifications for type I and type II portland cement are so similar that many domestic companies make one cement that meets the requirements of both. In 1975 these two types (including the air-entraining versions) accounted for 93 percent (based on quantity) of domestic shipments of portland cement. Type III portland cement, which is produced regularly by about two-thirds of the domestic cement plants, accounted for 3 percent of domestic shipments, and type V accounted for 1 percent. Type IV and other miscellaneous portland cements accounted for the remainder of domestic shipments of portland cement.

Virtually all, if not all, portland cement is marketed in the United States either in bulk or in sacks containing 94 pounds net. In 1975, deliveries in bulk accounted for about 90 percent of domestic shipments, and deliveries in bags, for about 10 percent.

In 1972 the commercial unit of measure changed from barrels of 376 pounds each to short tons of 2,000 pounds each. However, except in the United States and a few minor cement-producing nations, the universal unit of measure for cement is the metric ton. The quantity data in this report will be given in short tons.

U.S. tariff treatment

U.S. imports of portland hydraulic cement enter under TSUS item 511.14 and are duty free from countries (including Mexico) entitled to the column 1 rate. Countries entering such cement under the column 2 rate are assessed a duty of 6 cents per 100 pounds, including weight of the container. The duty-free treatment became effective January 1, 1972, reflecting concessions granted by the United States in the Kennedy Round of trade-agreement negotiations. The column 1 rate immediately prior to January 1, 1968, was 2.25 cents per 100 pounds, including weight of the container.

Treasury Finding of Sales at Less Than Fair Value

During the period of the Department of the Treasury's investigation, Cementos Anahuac (Anahuac), Cementos de Chihuahua (Chihuahua), and Cementos Mexicanos (Mexicanos) accounted for approximately 100 percent of U.S. imports from Mexico of portland hydraulic cement. Fair-value comparisons were made on 100 percent of such sales; they were made on the basis of purchase price and home-market price. Purchase price of imports was used since all exports from these companies to the United States were made to nonrelated distributors or commercial consumers, while home-market price in Mexico was used since portland cement was sold in the home market in sufficient quantities to provide a basis of comparison for fair-value purposes. Purchase prices were adjusted by additions for a Mexican production tax not collected on exports and for a rebate of indirect taxes on exports.

Anahuac

Price comparisons were made during the period July 1-December 31, 1975. Purchase price was calculated on the basis of the c.i.f. 1/ price, Tampa, Fla., with deductions for inland freight, ocean freight, and insurance. The home-market price was calculated on the basis of the packed, weighted average delivered price to Mexican distributors with adjustments for packing, rail freight, maritime freight, and terminal handling costs. A margin of 9.9 percent (based on the exporter's sales price) 2/ was found on all sales compared. Treasury accordingly

1/ Cost, insurance, and freight.
2/ The Commission's method of calculation results in a less-than-fair-value margin based on home-market price of 9.0 percent.

made a determination of sales at less than fair value with respect to Anahuac.

Chihuahua

Price comparisons were made during the period July 1-December 31, 1975. Purchase price was calculated on the basis of c.i.f. U.S. delivered price or f.o.b. plant price, as appropriate, with deductions for U.S. brokerage charges, inland freight, consumption entry bond, and Texas State use tax, as applicable. Home-market price was calculated on the basis of the f.o.b. plant price with no adjustments. Dumping margins were found on approximately 2 percent of the sales. The margins ranged from * * * percent to * * * percent and averaged approximately 12 percent, resulting in a weighted average margin of less than 0.3 percent over all sales. Chihuahua gave assurances that it would make no future LTFV sales. Treasury accordingly made a determination of discontinuance of the investigation with respect to Chihuahua.

Mexicanos

Price comparisons were made during the period January 1-December 31, 1975. Purchase price was calculated on the basis of the c.i.f. Texas border price with deductions for prompt-payment discounts, U.S. brokerage charges, transportation permit and insurance, and inland freight. Home-market price was calculated on the basis of the f.o.b. plant price with an adjustment for prompt-payment discounts. No dumping margins were found. * * * Treasury accordingly made a determination of exclusion from investigation with respect to Mexicanos.

Treasury determined the aggregate value of the margin of LTFV sales to be approximately * * * all but * * * incurred on shipments by Anahuac; however, none of this amount is collectable because Treasury did not withhold appraisement until May 28, 1976. While the complaint was filed on the basis of suspected LTFV sales in the El Paso, Tex., area, no significant LTFV sales were found for the two Mexican firms shipping to the Texas area. However, a third firm, Anahuac, shipping to Florida and accounting for an average * * * of the $2.9 million annual average in imports of the subject merchandise from Mexico during 1971-75, was found to be making LTFV sales at a margin of 9.9 percent. In * * * Anahuac entered into an * * * contract * * * to supply General Portland Inc. with portland cement in * * * amount, according to a schedule of prices specified in U.S. dollars. Thus, practically all of the LTFV sales were made to this one importer, the largest cement producer in Florida.

On September 1, 1976, the Mexican peso, after being pegged to the dollar at US$0.080 per peso since 1954, was allowed to float. After the exchange rate temporarily stabilized at approximately US$0.050 per peso on October 27, the peso fell further. On November 5 the exchange rate was US$0.041 per peso, indicating an effective devaluation of the peso of about 50 percent.

The Domestic Industry

In the United States and Puerto Rico, portland hydraulic cement is produced in 174 grinding plants, which are owned by 60 companies. These plants have an estimated annual capacity of 106 million short tons (see table 1). In 1975 the 174 plants produced 66 million short tons, thereby utilizing 63 percent of their annual grinding capacity.

Portland hydraulic cement is manufactured from materials which are widely distributed throughout the United States, and cement plants have been built in or near virtually every economic market area. Domestic plants are located in 45 States and Puerto Rico, with the principal producing States being Texas (18 plants), Pennsylvania (17 plants), California (12 plants), New York (9 plants), Michigan (8 plants), and Missouri (7 plants).

The names of the eight largest portland-cement-producing companies (which account for approximately 40 percent of domestic cement shipments) and the locations of their cement plants are shown on pages A-13 and A-14.

Table 1.--Portland hydraulic cement: Productive capacity and percent utilized of total U.S. industry and Florida industry, 1971-75 and June 1976

Item	1971	1972	1973	1974	1975	June 1976 1/
United States:						
Grinding plants:						
Number of plants	174	175	172	176	174	173
Total capacity 1,000 short tons	2/	2/	100,413	106,223	106,111	105,991
Percent utilized	2/	2/	83.2	74.8	62.9	60.0
Calcining plants:						
Number of plants	170	169	166	168	164	163
Number of kilns	466	461	471	466	435	434
Total capacity 1,000 short tons	85,791	85,399	86,882	90,874	92,264	92,144
Percent utilized	87.7	90.6	90.0	85.8	70.0	2/
Florida:						
Grinding plants:						
Number of plants	4	4	4	5	5	5
Total capacity 1,000 short tons	2/	2/	2,995	3,716	4,119	4,119
Percent utilized	2/	2/	91.7	63.6	40.6	42.0
Calcining plants:						
Number of plants	4	4	4	4	5	5
Number of kilns	12	12	12	12	11	11
Total capacity 1,000 short tons	2,516	2,462	2,471	2,489	3,650	3,650
Percent utilized	89.5	84.8	88.3	82.4	41.5	2/

1/ Estimated.
2/ Not available.

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

Company	Headquarters	Cement plants
Amcord, Inc.	Newport Beach, Calif.	Stockertown, Pa. Detroit, Mich. Clarkdale, Ariz. Oro Grande, Calif. Riverside, Calif.
General Portland Inc.	Dallas, Tex.	Lebec, Calif. Miami, Fla. Tampa, Fla. Paulding, Ohio Chattanooga, Tenn. Fredonia, Kans. Dallas, Tex. Fort Worth, Tex. Houston, Tex.
Ideal Basic Industries, Inc.	Denver, Colo.	Mobile, Ala. Okay, Ark. Boettcher, Colo. Portland, Colo. Trident, Mont. Superior, Nebr. Tijeras, N. Mex. Castle Hayne, N.C. Ada, Okla. Knoxville, Tenn. Galena Park, Tex. Devils Slide, Utah Seattle, Wash.
Kaiser Cement & Gypsum Corp.	Oakland, Calif.	Lucerne Valley, Calif. Permanente, Calif. Waianae, Hawaii Montana City, Mont. San Antonio, Tex.
Lone Star Industries, Inc.	Greenwich, Conn.	Demopolis, Ala. Davenport, Calif. Greencastle, Ind. Bonner Springs, Kans. New Orleans, La. Nazareth, Pa. Houston, Tex. Maryneal, Tex. Norfolk, Va. Seattle, Wash.

Company	Headquarters	Cement plants
Martin Marietta Corp.	Rockville, Md.	Calera, Ala. North Birmingham, Ala. Lyons, Colo. Atlanta, Ga. Davenport, Iowa Thomaston, Maine Essexville, Mich. Tulsa, Okla. Northampton, Pa. Martinsburg, W. Va.
Marquette Co.	Nashville, Tenn.	Rockmart, Ga. Oglesby, Ill. Des Moines, Iowa Hagerstown, Md. Brandon, Miss. Cape Girardeau, Mo. Catskill, N.Y. Superior, Ohio Pittsburgh, Pa. Cowan, Tenn. Nashville, Tenn.
United States Steel Corp., Universal Atlas Cement Division	Pittsburgh, Pa.	Leeds, Ala. Buffington, Ind. Independence, Kans. Duluth, Minn. Hannibal, Mo. Hudson, N.Y. Fairborn, Ohio Northampton, Pa. Universal, Pa. Waco, Tex. Milwaukee, Wis.

Portland hydraulic cement production is a regional but intensely competitive industry. Because such cement is a highly standardized product that varies little, either from plant to plant or from country to country, and because of its low value-to-weight ratio, cement plants are usually located within a 200-mile radius of their principal markets.

Sixty-five percent of the portland cement shipped is consumed by the ready-mix-concrete industry. Other concrete articles, such as blocks, beams, tile, and precast and prestressed products, account for 15 percent of total portland cement shipments. The remaining 20 percent of such shipments is consumed by road, dam, and utility contractors and building-material dealers. To be assured of the raw materials necessary for the manufacturing and marketing of portland cement, many producers have found it both practical and economical to integrate vertically.

The portland hydraulic cement industry is highly capital intensive. Escalating operating costs (caused principally by increasing fuel and power costs 1/), as well as rigid pollution abatement policies, have had a dynamic impact on the domestic cement industry. Many producers have increased prices substantially because of the necessity of converting from oil to coal as the primary source of energy and replacing old noncompetitive plants with highly automated facilities capable of meeting the Environmental Protection Agency's standards. The domestic cement industry estimated that approximately $440 million was spent by cement producers during the period 1971-75 in order to comply with air and water-control regulations; occupational safety and health costs were considerably less. Nearly every cement-producing establishment in the United States was affected by this vast capital

1/ Approximately 40 percent or more of the direct cost of manufacturing cement is attributed to energy costs. According to the U.S. Bureau of Mines, an average of 5.6 million Btu of fuel and 124 kWh of electricity are required to produce 1 ton of cement.

expenditure. In many instances, old and/or uneconomical facilities were closed down.

The domestic cement industry experienced severe shortages of portland hydraulic cement throughout most of 1972 and 1973. These shortages resulted from an unprecedented surge in demand for portland cement as construction activity accelerated throughout most of the Nation--especially in the Southeast and particularly in Florida. 1/ The cement shortage was aggravated by price and wage controls imposed by the Cost of Living Council (CLC) on August 15, 1971. Such controls made many domestic cement producers reluctant to increase available capacity. On November 27, 1973, after receiving commitments from domestic cement manufacturers to increase production, the CLC exempted producers and workers in the cement industry from price and wage controls.

Available data for the period January 1971 through June 1976 indicate that Mexican exports of portland hydraulic cement entered the United States primarily through the ports of El Paso, Tex., and Jacksonville, Miami, and Tampa, Fla. However, the instant investigation relates to portland hydraulic cement produced by the Mexican producer Cementos Anahuac of Mexico City. Such cement from Anahuac is shipped in bulk form to General Portland Inc., a domestic cement producer, solely through the customs districts of Tampa and Miami,

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1/ The number of building permits in Florida increased 76 percent from 1971 to 1972.

Fla. These imports into Florida accounted for an average of 93 percent of total U.S. imports of portland cement from Mexico during 1971-75.

Currently, there are five cement-producing companies in Florida and two in South Carolina known to be supplying portland cement to the defined market area, i.e., Florida and southeastern Georgia. However, there are a number of distributing terminals in Florida supplying portland cement to the area of investigation. These terminals acquire cement from producers in Florida, as well as from shipments of cement companies located in other States. The names and locations of cement producers and distribution terminals in Florida supplying cement to the defined market area are shown below:

Cement producers	Location of cement plants in Florida
General Portland Inc. 1/	Tampa and Miami
Florida Mining and Materials Corp	Brooksville
National Portland Cement Co. of Florida	Port Manatee
Maule Industries, Inc	Hialeah
Rinker Materials Corp	West Palm Beach

1/ General Portland is the only importer of Mexican cement from Anahuac.

Distributing terminals	Location of cement plants in Florida
Atlantic Cement Co., Inc. Bahama Cement Co. (subsidiary of U.S. Steel Corp.) General Portland Inc. Martin Marietta Cement Maule Industries, Inc. Medusa Corp.	Jacksonville
Medusa Corp. Rinker Materials Corp.	Orlando
Pensacola Cement Co----------	Pensacola
Ideal Basic Industries, Inc----------	Palm Beach
Rinker Materials Corp----------	Port Canaveral
Bahama Cement Co. (subsidiary of U.S. Steel Corp.) Rinker Materials Corp.	Port Everglade

Consideration of Injury by Reason of LTFV Sales

U.S. consumption

During the period January 1971 through June 1976, U.S. annual consumption of portland hydraulic cement increased steadily from 80 million short tons, valued at $1,475 million, in 1971 to a record high of 88 million short tons, valued at $1,886 million, in 1973, and then decreased 22 percent (on the basis of quantity) to 68 million short tons, valued at $2,070 million, in 1975. U.S. consumption of portland cement increased (on the basis of quantity) in January-June 1976 by 9 percent compared with that in the corresponding period of 1975 (see table 2). There were regional shortages of portland cement throughout most of the United States during 1972 and 1973; the shortage was especially acute in Florida. Therefore, imports of portland cement increased substantially to supplement domestic shipments in satisfying demand.

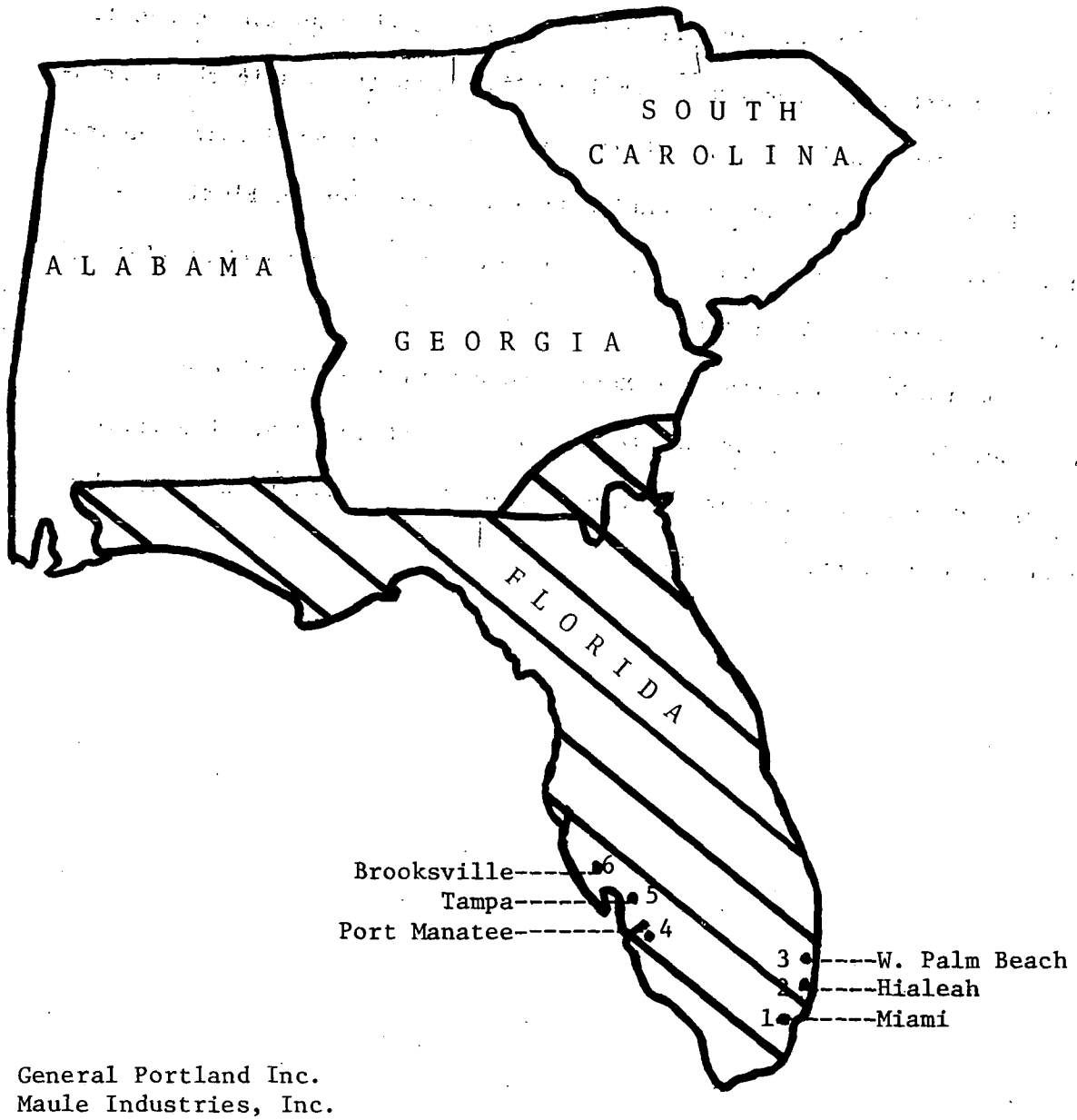
As stated earlier, the marketing area of concern in this investigation includes the entire State of Florida and the southeastern portion of Georgia--the principal destinations of Mexican imports from Anahuac (see figure on p. A-21). During the current investigation, the Commission attempted to obtain consumption data for the southeastern portion of Georgia; however, such data were not made available. It is believed that consumption of portland cement in southeastern Georgia is very small in comparison with consumption in Florida. Consumption of portland cement in Florida, as approximated by available data on shipments by destination, reached a peak in 1973 of 5.9

Table 2.--Portland hydraulic cement: U.S. producers' shipments, imports for consumption, total and from Mexico; exports; and consumption, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Period	Shipments	Imports		Exports	Apparent consumption	Ratio of imports to consumption	
		Total	From Mexico			Total	From Mexico
	Quantity (1,000 short tons)						
1971	77,468	2,326	151	125	79,669	2.9	0.2
1972	79,461	3,122	275	101	82,482	3.8	.3
1973	84,268	3,911	249	325	87,854	4.4	.3
1974	77,391	3,870	214	290	80,971	4.8	.3
1975	66,431	2,474	147	494	68,411	3.6	.2
July-December							
1974	41,569	1,903	81	129	43,343	4.4	.2
1975	38,534	1,266	68	359	39,441	3.2	.2
January-June							
1975	27,897	1,208	79	135	28,970	4.2	.3
1976	31,069	1,072	127	279	31,862	3.4	.4
	Value (1,000 dollars)						
1971	1,442,609	35,667	1,849	3,467	1,474,809	2.4	0.1
1972	1,599,251	50,201	3,356	3,712	1,645,740	3.1	.2
1973	1,827,910	67,406	3,958	8,980	1,886,336	3.6	.2
1974	2,036,275	73,315	2,876	14,860	2,094,730	3.5	.1
1975	2,049,271	49,286	2,520	28,409	2,070,148	2.4	.1
July-December							
1974	1/	36,999	1,233	7,881	1/	1/	1/
1975	1/	25,879	1,219	18,747	1/	1/	1/
January-June							
1975	1/	23,407	1,301	9,662	1/	1/	1/
1976	1/	22,327	2,526	13,921	1/	1/	1/

1/ Not available.

Source: Shipments compiled from official statistics of the U.S. Department of the Interior; imports and exports compiled from official statistics of the U.S. Department of Commerce.



1. General Portland Inc.
2. Maule Industries, Inc.
3. Rinker Materials Corp.
4. National Portland Cement Co. of Florida
5. General Portland Inc.
6. Florida Mining and Materials Corp.

Location of portland cement producers in Florida and the marketing area (shaded on map) believed to be affected by imports of portland cement from Mexico.

million short tons and then fell 45 percent to 3.2 million short tons in 1975 (see table 3). In January-June 1976, such consumption was 1.7 million short tons, compared with 1.6 million short tons in the corresponding period in 1975. The slight increase in consumption in January-June 1976 is probably an indication that construction in Florida is gradually increasing. Construction activity in Florida was greatly curtailed during 1974 and 1975.

The ratio of imports from Mexico to consumption in Florida declined from 5.3 percent in 1972 to 3.9 percent in 1975. The ratio increased from 3.9 percent in January-June 1975 to 7.3 percent in the corresponding period in 1976.

Table 3.--Portland hydraulic cement: Shipments by Florida producers, U.S. imports from all sources into Florida, and from Mexico, total and into Florida, and consumption in Florida, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Period	Shipments by Florida producers	U.S. imports for consumption from--			Consumption in Florida 1/	Ratio (percent) of imports into Florida to consumption in Florida	
		All sources into Florida	Mexico			Total	From Mexico
			Total	Into Florida			
	Quantity (1,000 short tons)						
1971	2,177	497	151	144	3,935	12.6	3.7
1972	2,425	1,338	275	264	5,001	26.8	5.3
1973	2,725	1,725	249	237	5,850	29.5	4.1
1974	2,562	1,692	214	207	4,984	33.9	4.2
1975	1,721	819	147	125	3,190	25.7	3.9
July-December--							
1974	1,346	636	81	81	2,036	31.2	4.0
1975	975	423	68	63	1,614	26.2	3.9
January-June--							
1975	746	395	79	62	1,576	25.1	3.9
1976	873	420	127	120	1,654	25.4	7.3
	Value (1,000 dollars)						
1971	48,970	6,767	1,849	1,682	2/	2/	2/
1972	59,776	19,253	3,356	3,079	2/	2/	2/
1973	72,666	30,032	3,958	3,675	2/	2/	2/
1974	75,133	33,130	2,876	2,671	2/	2/	2/
1975	62,525	16,466	2,520	1,950	2/	2/	2/
July-December--							
1974	2/	13,505	1,233	1,233	2/	2/	2/
1975	2/	8,212	1,219	1,011	2/	2/	2/
January-June--							
1975	2/	8,254	1,301	939	2/	2/	2/
1976	2/	7,803	2,526	2,220	2/	2/	2/

1/ Includes shipments from out-of-State domestic producers.
2/ Not available.

Source: Shipments and consumption compiled from official statistics of the U.S. Department of the Interior; imports from Mexico compiled from official statistics of the U.S. Department of Commerce.

U.S. shipments

Nearly all of the portland cement consumed in the United States is supplied by domestic producers; therefore, annual shipments of portland cement have closely followed the trend of domestic consumption. U.S. annual shipments of such cement increased continuously during the 1971-73 period, from 77 million short tons, valued at $1.4 billion, in 1971 to 84 million short tons, valued at $1.8 billion, in 1973. U.S. shipments of portland cement dropped during the next 2 years to 66 million short tons, valued at $2.0 billion, in 1975; however, such shipments increased 11 percent (on the basis of quantity) during the period January-June 1976 over those in January-June 1975 (see table 2). The decline in U.S. shipments of portland cement in 1974-75 was mainly due to an overall decline in most types of construction, including a sharp downturn in housing starts.

Table 3 shows the quantity of portland cement shipped in the State of Florida. Such shipments increased from approximately 2.2 million short tons in 1971 to 2.7 million short tons in 1973, then decreased steadily to 1.7 million in 1975. Shipments of portland cement were 873,000 short tons in January-June 1976, compared with 746,000 short tons in the corresponding period in 1975.

U.S. imports

U.S. imports increased steadily from 2.3 million short tons, valued at $36 million, in 1971 to a peak of 3.9 million short tons, valued at $67 million, in 1973 and then decreased continuously to 2.5 million short tons, valued at $49 million, in 1975 (see table 4). U.S. imports of portland cement in January-June 1976 were 11 percent less than those in the corresponding period in 1975.

These movements in total U.S. imports of portland cement generally parallel the movements over the same period, in domestic shipments and apparent consumption, which reflect the changes in domestic construction activity. Table 2 provides the ratio of total imports to apparent consumption over the same period. This share averaged about 4.0 percent from January 1971 to June 1976.

The bulk of the imports of portland cement shipped to the United States (an average of 80 percent during the period under discussion) came from Canada, the Bahamas, and Norway (see table 4). In 1975, such imports from Canada and Norway were marketed primarily in the States of New York, Maine, Vermont, Massachusetts, Michigan, North Dakota, and Washington. Portland cement from the Bahamas was marketed primarily in Florida and the Gulf States. Of the total U.S. imports of portland cement from Spain and Sweden in 1975, an average of 72 percent from each country was shipped to Florida.

Table 4.--Portland hydraulic cement, n.e.s.: 1/ U.S. imports for consumption, by principal sources, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Period	Canada	Bahamas	Norway	Spain	Mexico	Sweden	All other	Total
	Quantity (1,000 short tons)							
1971	850	774	436	2/	151	0	115	2,326
1972	1,163	955	601	19	275	0	109	3,122
1973	1,562	945	676	162	249	41	276	3,911
1974	1,439	830	678	191	214	88	430	3,870
1975	1,104	349	320	236	147	144	174	2,474
July-December--								
1974	814	302	306	142	81	33	225	1,903
1975	636	160	133	135	68	106	28	1,266
January-June--								
1975	468	189	187	101	79	38	146	1,208
1976	445	137	134	167	127	20	42	1,072
	Value (1,000 dollars)							
1971	13,227	12,123	6,093	2	1,849	0	2,373	35,667
1972	19,712	15,762	8,488	213	3,356	0	2,670	50,201
1973	26,735	10,936	10,766	2,776	3,958	817	11,418	67,406
1974	26,191	20,015	11,589	2,920	2,876	1,628	8,096	73,315
1975	22,594	8,655	5,506	3,857	2,520	2,432	3,722	49,286
July-December--								
1974	15,563	8,026	5,118	2,344	1,233	644	4,071	36,999
1975	13,433	3,658	2,268	1,990	1,219	1,777	1,534	25,879
January-June--								
1975	9,161	4,997	3,238	1,867	1,301	655	2,188	23,407
1976	10,267	3,539	2,145	2,395	2,526	361	1,094	22,327

1/ Not elsewhere specified.
2/ Less than 500 short tons.

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

U.S. imports of clinker, an intermediate material used in the manufacture of portland cement, followed the same trend as imported portland cement during the period January 1971 through June 1976. Imports of cement clinker increased from 729,000 short tons, valued at $8 million, in 1971 to 3 million short tons, valued at $36 million, in 1973. Such imports then gradually declined to 1 million short tons, valued at $20 million, in 1975. In January-June 1976, imports of cement clinker were 343,000 short tons, valued at $7 million. On the basis of quantity, such imports were 39 percent less than imports in the corresponding period of 1975 (see table 5). Imported clinker is marketed generally in the same areas as imported portland cement.

There were no imports of cement clinker into Florida in 1971. However, such imports into Florida increased from 67,000 short tons, valued at $752,000, in 1972 to 457,000 short tons, valued at $6.5 million, in 1974. Imports of cement clinker shipped to Florida in 1975 were less than 500 short tons. There were no imports of cement clinker from Mexico (see table 6).

A growing number of domestic cement producers have turned to importing clinker 1/ for the manufacture of cement rather than investing enormous expenditures on kiln improvements necessitated by air and water pollution standards. In addition, some producers have found it economical to import clinker because of rising fuel costs and to supplement domestic production.

1/ Importing clinker eliminates the need for calcining in the manufacture of portland cement.

Table 5.--Cement clinker: U.S. imports for consumption, by principal sources, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Source	1971	1972	1973	1974	1975	July-December--		January-June--	
						1974	1975	1975	1976
	Quantity (1,000 short tons)								
Canada	710	937	1,217	806	727	523	443	284	236
France	1/	225	296	313	310	123	139	171	97
United Kingdom	1/	315	946	355	72	122	36	36	0
Japan	15	0	0	16	28	16	16	12	6
West Germany	0	0	29	264	30	81	0	30	0
Denmark	0	12	0	0	15	0	0	15	0
Spain	3	124	189	69	26	34	13	13	4
Mexico	0	15	24	6	1/	1/	0	1/	0
All other	0	63	43	0			0		1/
Total	729	1,691	2,744	1,829	1,208	899	647	561	343
	Value (1,000 dollars)								
Canada	7,380	10,721	15,061	10,958	11,356	7,367	7,473	3,883	3,801
France	15	2,482	4,440	4,982	5,784	2,126	2,843	2,941	2,801
United Kingdom	10	3,656	11,980	5,107	1,195	1,848	628	567	0
Japan	127	0	0	435	633	435	377	256	127
West Germany	0	0	381	3,863	456	1,178	0	456	0
Denmark	0	147	0	0	410	0	0	410	0
Spain	93	1,788	3,008	1,274	384	634	192	192	43
Mexico	0	223	379	117	2	2	0	2	0
All other	0	655	252	0	0	0	0	0	10
Total	7,625	19,672	35,501	26,736	20,220	13,590	11,513	8,707	6,782

1/ Less than 500 short tons.

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

Table 6.--Cement clinker: Florida imports for consumption, by principal sources, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Period	West Germany	United Kingdom	Canada	Italy	Turkey	Honduras	Total
	Quantity (1,000 short tons)						
1971	0	0	0	0	0	0	0
1972	0	0	56	0	11	0	67
1973	29	36	200	42	0	1	308
1974	264	166	27	0	0	0	457
1975	1/	0	0	0	0	0	1/
July-December--							
1974	81	24	0	0	0	0	105
1975	0	0	0	0	0	0	0
January-June--							
1975	1/	0	0	0	0	0	1/
1976	0	0	0	0	0	0	0
	Value (1,000 dollars)						
1971	0	0	0	0	0	0	0
1972	0	0	666	0	86	0	752
1973	375	4,503	2,269	225	0	24	7,396
1974	3,863	2,299	334	0	0	0	6,496
1975	9	0	0	0	0	0	9
July-December--							
1974	1,178	412	0	0	0	0	1,590
1975	0	0	0	0	0	0	0
January-June--							
1975	9	0	0	0	0	0	9
1976	0	0	0	0	0	0	0

1/ Less than 500 short tons.

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

Total U.S. imports of portland cement into Florida increased from 497,000 short tons, valued at $7 million, in 1971 to 1.7 million short tons, valued at $30 million, in 1973, representing an increase, based on quantity, of nearly 250 percent (see table 3). Housing construction in Florida reached a level of unprecedented height during the 1971-73 period. Consequently, cement producers in Florida relied on imports to alleviate the acute shortage of portland cement. However, total imports of portland cement into Florida decreased from 1.7 million short tons, valued at $33 million, in 1974 to 819,000 short tons, valued at $16 million, in 1975, representing a decrease, based on quantity, of approximately 50 percent. The decrease in imports was a result of the depressed level of construction activity during the 1974-75 period. In January-June 1976, total imports of portland cement shipped to Florida were 6 percent greater, on the basis of quantity, than in the corresponding period of 1975.

The import/consumption ratio of total imports of portland cement shipped to Florida increased from 12.6 percent in 1971 to 33.9 percent in 1974, then decreased to 25.7 percent in 1975, as shown in table 3. In table 4, U.S. imports of portland cement from Mexico are given to demonstrate the relative position of portland cement imports from Mexico with respect to imports from other foreign suppliers. The volume of imports from Mexico relative to total portland cement imports is illustrated in table 7. This share increased from 6.5 percent in 1971 to 8.8 percent in 1972 and then fell to 5.9 percent in 1975. The ratio

Table 7.--Portland hydraulic cement: U.S. imports for consumption, from Mexico and from all other sources, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Period	Imports for consumption from--		Total, all countries
	Mexico	All other countries	
	Quantity (1,000 short tons)		
1971	151	2,175	2,326
1972	275	2,847	3,122
1973	249	3,662	3,911
1974	214	3,656	3,870
1975	147	2,327	2,474
July-December--			
1974	81	1,822	1,903
1975	68	1,198	1,266
January-June--			
1975	79	1,129	1,208
1976	127	945	1,072
	Percent of total		
1971	6.5	93.5	100.0
1972	8.8	91.2	100.0
1973	6.4	93.6	100.0
1974	5.5	94.5	100.0
1975	5.9	94.1	100.0
July-December--			
1974	4.3	95.7	100.0
1975	5.4	94.6	100.0
January-June--			
1975	6.5	93.5	100.0
1976	11.8	88.2	100.0

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

of imports from Mexico to total imports amounted to 6.5 percent in January-June 1975 and increased to 11.8 percent in the corresponding period in 1976.

Table 8 presents U.S. imports of portland cement from Mexico by relevant customs districts for the period January 1971 through June 1976. Imports of such cement into Florida, which are recorded in table 3, reached a peak of 264,000 short tons, valued at $3 million, in 1972 and then decreased 53 percent to 125,000 short tons, valued at $2 million, in 1975. Imports into Florida in July-December 1975 of 63,000 short tons, valued at $1 million, were down 16 percent (on the basis of quantity) from the same period in 1974. However, imports from Mexico into Florida in January-June 1976 were 120,000 short tons, valued at $2 million, compared with 62,000 short tons, valued at $939,000, in the corresponding period in 1975. The lower figure in 1975 appears to reflect the depressed level of apparent consumption in Florida. Imports from Mexico shipped into Florida during 1971-75 accounted for an average of 93 percent of total U.S. imports from Mexico.

Imports of portland cement shipped to Florida from Mexico, expressed as a share of such imports shipped to Florida from all sources, decreased from 29 percent in 1971 to 12 percent in 1974 and increased in 1975 to 15 percent (see table 9). The share of imports of portland cement from Mexico increased from 13 percent during July-December 1974 to 15 percent in the corresponding period of 1975. For January-June 1976, the ratio of imports from Mexico to imports from all sources was 29 percent, compared with 16 percent for the corresponding period in 1975.

Table 8.--Portland hydraulic cement, n.e.s.: 1/ U.S. imports for consumption from Mexico, by customs districts, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Customs district	1971	1972	1973	1974	1975	July-December--		January-June--	
						1974	1975	1975	1976
	Quantity (1,000 short tons)								
Tampa, Fla	116	197	208	207	104	75	48	56	92
El Paso, Tex	7	11	11	7	11	6	5	6	7
Miami, Fla	28	67	29	0	22	0	15	7	28
Savannah, Ga	0	0	0	0	10	0	0	10	0
Laredo, Tex	2/	2/	2/	2/	2/	0	0	2/	0
Pembina, N.D	0	0	0	0	0	0	0	0	2/
Ogdensburg, N.Y	2/	0	0	0	0	0	0	0	0
Total	151	275	249	214	147	81	68	79	127
	Value (1,000 dollars)								
Tampa, Fla	1,306	2,242	3,214	2,671	1,658	1,104	806	852	1,559
El Paso, Tex	165	276	278	203	428	129	208	220	304
Miami, Fla	376	837	461	0	292	0	205	87	661
Savannah, Ga	0	0	0	0	137	0	0	137	0
Laredo, Tex	1	1	5	2	5	0	0	5	0
Pembina, N.D	0	0	0	0	0	0	0	0	2
Ogdensburg, N.Y	1	0	0	0	0	0	0	0	0
Total	1,849	3,356	3,958	2,876	2,520	1,233	1,219	1,301	2,526

1/ Not elsewhere specified.
2/ Less than 500 short tons.

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

Table 9.--Portland hydraulic cement: Florida imports for consumption, from Mexico and from all other sources, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Source	Mexico	All other	Total
	Quantity (1,000 short tons)		
1971	144	353	497
1972	264	1,074	1,338
1973	237	1,488	1,725
1974	207	1,485	1,692
1975	125	694	819
July-December--			
1974	81	555	636
1975	62	361	423
January-June--			
1975	62	333	395
1976	120	300	420
	Percent of total		
1971	29	71	100
1972	20	80	100
1973	14	86	100
1974	12	88	100
1975	15	85	100
July-December--			
1974	13	87	100
1975	15	85	100
January-June--			
1975	16	84	100
1976	29	71	100

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

According to Treasury's report to the Commission, in general all of the portland cement produced in Mexico and exported to the United States was manufactured by three companies during the period of the LTFV investigation. They were Anahuac, Chihuahua, and Mexicanos. Portland cement shipped to the United States from Chihuahua and Mexicanos is marketed primarily in Texas. Imports of such cement from Anahuac are marketed throughout the State of Florida and southeastern Georgia.

U.S. exports

Annual exports of cement 1/ fluctuated throughout the period 1971-75, from a low of 101,000 short tons, valued at $4 million, in 1972 to a high of 494,000 short tons, valued at $28 million, in 1975. In January-June 1976, U.S. exports of portland cement totaled 279,000 short tons, valued at $14 million, compared with 135,000 short tons, valued at $10 million, in the corresponding period in 1975 (see table 10). In 1975, exports of portland cement to Canada and Mexico together accounted for 78 percent of total U.S. exports.

1/ Official statistics are not available by type of cement; however, it is believed that portland cement accounts for the bulk of cement exports.

Table 10.--Cement: U.S. exports, by principal destinations, 1971-75, July-December 1974, July-December 1975, January-June 1975, and January-June 1976

Destination	1971	1972	1973	1974	1975	July-December--		January-June--	
						1974	1975	1975	1976
	Quantity (1,000 short tons)								
Canada	58	58	168	126	274	63	212	62	108
Mexico	4	5	68	39	109	11	67	42	77
Dominican Republic	1/	1	16	49	35	29	28	7	8
Leeward and Windward Islands	13	10	17	15	23	4	15	8	12
Venezuela	1/	1/	1	1	16	1	15	1	56
Japan	4	1	3	2	1	1	0	1	1
Netherlands Antilles	6	8	24	16	7	4	4	3	2
Bahamas	2	3	2	4	2	1/	1	1	1
All other	35	15	26	38	27	16	17	10	14
Total	122	101	325	290	494	129	359	135	279
	Value (1,000 dollars)								
Canada	1,351	1,729	3,635	6,008	16,105	3,388	12,134	3,971	7,774
Mexico	355	316	2,355	3,018	3,910	1,529	2,193	1,717	1,985
Dominican Republic	40	34	269	1,072	788	632	626	162	307
Leeward and Windward Islands	130	100	174	308	651	123	419	232	347
Venezuela	14	19	113	202	589	95	440	149	1,427
Japan	299	246	444	661	313	271	154	159	174
Netherlands Antilles	64	81	249	334	212	88	147	65	51
Bahamas	96	181	94	230	135	52	74	61	53
All other	1,118	1,006	1,647	3,027	5,706	1,703	2,560	3,146	1,803
Total	3,467	3,712	8,980	14,860	28,409	7,881	18,747	9,662	13,921

1/ Less then 500 short tons.

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

The Mexican industry

Portland cement is produced in Mexico by approximately 27 plants, having an estimated annual capacity of 17 million tons. Twenty plants are situated south of Monterrey and are capable of producing 75 percent of Mexico's total output of portland cement. In addition, there are approximately 18 portland-cement-distributing terminals situated throughout the country, which are used for storage and shipping by the Mexican cement producers.

Portland cement shipped to the United States from Mexico is supplied primarily by three companies--Cementos de Chihuahua (Ciudad Juarez, Chihuahua), Cementos Mexicanos de Monterrey, S.A. (Monterrey, Nuevo Leon), and Cementos Anahuac (Mexico City). However, portland cement that was shipped by Cementos Anahuac (Anahuac) to Florida during the period 1971-75 accounted for an average of 93 percent of total Mexican exports to the United States.

Anahuac has a portland cement plant at Tamuin, San Luis Potosi, which produces cement for home-market sales and export. Anahuac also has distribution terminals at Tampico, Coatzacoalcos, and Veracruz. Imports of Mexican portland cement entering the United States through Florida are shipped from Anahuac's Tampico distributing terminal to General Portland Inc. (General) of Tampa, Fla.--a U.S. cement producer. General Portland is Anahuac's only customer in the United States. In * * * in order to supplement their production of portland cement, General Portland signed a multiyear contract with Anahuac, which is to last until * * *.

Employment

Portland cement composes 95 percent of U.S. hydraulic cement output. Employment data for the hydraulic cement industry discussed below provide a good indication of employment in the portland cement industry.

The average number of production and related workers engaged in the production of hydraulic cement in the United States increased from 25,600 in 1971 to 26,500 in 1973, then decreased to 23,800 in 1975 (table 11). The downward trend appears to have reversed with a slight increase from June 1975 to June 1976. The average number of all employees in the U.S. hydraulic cement industry followed the same general pattern as that described above for production and related workers.

The average number of all employees in the hydraulic cement industry in Florida increased from 814 in 1971 to 1,049 in 1974, decreased to 778 in 1975, and further decreased to 654 in the first quarter of 1976, compared with 897 in the corresponding period of 1975. Employment in the Florida industry, which peaked in 1974, declined in 1975, and continued to decline in 1976, showed much larger percentage increases and decreases than the U.S. industry.

Average earnings for production and related workers in the U.S. hydraulic cement industry showed a steady increase from $4.65 per hour in 1971 to $7.33 per hour in June 1976, as shown in table 11.

Table 11.--Average number of all employees in the hydraulic cement industry in the United States and in Florida, average number of production and related workers in the U.S. industry, and average hourly earnings of the latter, 1971-75, June 1975, and June 1976

Period	Average number of all employees		Production and related workers in the United States	
	In the United States	In Florida	Average number	Average hourly earnings
1971	32,700	814	25,600	$4.65
1972	33,600	797	26,300	5.12
1973	33,800	976	26,500	5.50
1974	32,900	1,049	25,900	5.89
1975	30,300	778	23,800	6.33
June--				
1975	30,400	1/ 897	24,000	6.26
1976	2/ 30,600	1/ 654	24,400	7.33

1/ Average for January-March.
2/ Preliminary.

Source: Employment and Earnings, U.S. Bureau of Labor Statistics; Florida Department of Commerce, Office of Research and Statistics.

The production of hydraulic cement in the United States is a highly automated, capital-intensive process; a handful of workers can operate a centrally controlled, automated cement plant. With increased automation and the use of centralized-process controls, plus the closing of many small, marginal plants, the number of production and related workers decreased from 34,900 in 1960 to 26,300 in 1972, while production increased 35 percent during the same period.

Output per man-hour for production workers in the hydraulic cement industry increased at an average annual rate of 5.1 percent from 1967 to 1971, then increased more slowly, at an average annual rate of 1.7 percent, from 1971 to 1973. Productivity probably fell off from 1973 to 1975 as cement production dropped.

General economic conditions affecting the cement industry

Concrete and concrete products are essential in practically all construction; thus, the demand for cement as a raw material for concrete is heavily dependent on construction activity. During the period 1971-75 and January-June 1976, construction activity in the United States in terms of deflated dollars rose to a peak in 1973, fell in 1974 and 1975, and made a modest recovery in the first half of 1976. The value of new construction put in place since 1970 is shown in table 12 in current dollars and deflated to 1971 dollars by use of the Department of Commerce composite construction cost index.

Table 12.--New construction put in place in the United States, 1971-75, January-June 1975, and January-June 1976

(In millions of dollars)

Period	Value of construction in current dollars	Value of construction deflated to 1971 dollars by use of the Department of Commerce composite construction cost index
1971	109,950	109,950
1972	124,077	116,068
1973	135,953	119,677
1974	138,526	104,233
1975	132,043	90,627
January-June--		
1975	58,805	40,499
1976	64,926	43,255

Source: U.S. Department of Commerce, Survey of Current Business.

A leading indicator of construction activity for which Florida data are available is new housing units authorized by building permits, shown in table 13. The number of housing units authorized in the United States increased from 1,953,000 in 1971 to 2,239,000 in 1972, or by 14.6 percent, and then fell to 949,000 in 1975, representing a decrease of 57.6 percent. The number of units authorized in January-June 1976 was 501,000, up 18.6 percent from the 422,000 in the corresponding period of 1975. The trend in the number of new housing units authorized in Florida was similar to that of such units in the United States in that the turning points were the same. However, the percentage changes in Florida were much larger. The Florida series increased 75.7 percent from 1971 to 1972, decreased 83.1 percent from 1972 to 1975, and increased 28.1 percent from January-June 1975 to January-June 1976. Rising prices for fuel and power during the 1971-75 period affected the demand for cement by increasing production costs. The wholesale price index for fuels and related products and power in 1971-75 (1971=100.0) was as follows: 1/ in 1971, 100.0; in 1972, 103.9; in 1973, 117.6; in 1974, 182.4; and in 1975, 214.6. The total increase from 1971 to 1975 was 114.6 percent; the increase from 1973 to 1974 alone was 55.1 percent.

The cement industry was particularly hard hit by increasing fuel and power prices since it is one of the most energy-intensive manufacturing industries in the United States. Energy costs represent about 40 percent of the cost of materials and about 16 percent of the value

1/ From the U.S. Department of Commerce, Survey of Current Business.

Table 13.--New housing units authorized in the United States and in the State of Florida, 1971-75, 1/ January-June 1975, and January-June 1976

Period	Number of housing units authorized in--		Value of housing units authorized in--	
	United States	Florida	United States	Florida
	1,000 units	1,000 units	Million dollars	Million dollars
1971	1,953.2	161.6	28,771	2,348
1972	2,238.5	283.9	36,218	4,505
1973	1,830.2	267.0	33,873	4,753
1974	1,088.1	110.8	23,805	2,384
1975	949.2	48.0	24,107	1,227
January-June 2/--				
1975	422.4	26.7	10,466	634
1976	501.1	34.2	16,264	926

1/ Data for 1971-75 include public housing contract awards; for years prior to 1972, the data were based on a U.S. total of approximately 13,000 places having local building-permit systems, thereafter, on 14,000 places.

2/ Estimates based on a sample of 6,800 places.

Source: U.S. Bureau of the Census, Construction Reports, series C40.

of shipments. To offset the rising cost of fuel, many cement plants have converted from oil or gas to coal as the kiln fuel. In addition, there is an increasing use of preheater kilns and the dry-process method of making cement, both of which help to conserve energy.

Prices

Pricing practices.--Cement is manufactured to rigid industry specifications with little product variation. Thus price is a very important sales factor. Producers compete on the basis of net delivered prices, and, in order to remain competitive, they often absorb part of the freight charges and provide cash and quantity discounts.

At the present time about 90 percent of cement shipments are made in bulk, while prior to 1950 most cement was shipped in sacks. About 80 percent of cement shipments are made direct from the mill to the customer; the remainder are made through distribution terminals. The largest single type of customer is ready-mix-concrete producers, accounting for about 65 percent of cement shipments.

Because of cement's low value-to-weight ratio, transportation is a significant factor in its delivered cost. Transportation from the mill represents an average of 20 to 25 percent of total cost to the buyer. For this reason the cement industry is regional; more than 80 percent of the cement produced in the United States is distributed within a 200-mile radius of the cement manufacturer.

Cement is shipped by truck, railroad, barge, and ship. More than 80 percent of cement shipments are made by truck. Transportation

by railroad and waterways plays an important role in shipments from plants to distribution terminals; these less expensive modes of transportation allow for a more extended marketing area. For example, Atlantic Cement's Jacksonville, Fla., distribution terminal is supplied by its plant in Ravena, N.Y. (near Albany on the Hudson River), as well as by imports, and Martin Marietta Cement's Southern Division supplies the Jacksonville market by railroad. Cement is transferred directly from railcar to truck by use of a pneumatic system, thus eliminating the need for a costly storage silo.

Actual prices.--The average price for portland cement for 20 U.S. cities, f.o.b. city, in September 1976, as reported in Engineering News-Record, was $41.69 per short ton in bulk and $2.50 per 94-pound sack or $53.19 per short ton in bags.

The average mill value of U.S.-produced portland cement in bulk, which follows the average annual price trend closely, is shown for the United States and Florida during 1971-75 in table 14.

Table 14.--Portland hydraulic cement: Average mill value 1/ of U.S.-produced material in bulk, in the United States and Florida, 1971-75

(Per short ton)

Year	Mill value of U.S.-produced material in--	
	United States 2/	Florida
1971	$18.74	$22.49
1972	20.27	24.65
1973	21.84	26.67
1974	26.49	29.33
1975	31.09	36.33

1/ Mill value is the actual value of sales to customers, f.o.b. plant, less all discounts and allowances, all freight charges to customer, all freight charges from producing plant to distribution terminal, if any, total cost of operating terminal, if any, and cost of paper bags and pallets.

2/ Includes Puerto Rico.

Source: U.S. Bureau of Mines.

The average mill value of portland cement in the United States increased from $18.74 per ton in 1971 to $21.84 per ton in 1973, or by only 16.5 percent, during a period of increasing demand. Price increases remained moderate during that period, largely because of the price controls in effect from August 1971 to November 1973, when the Cost of Living Council lifted controls on the cement industry. By 1975 the average mill value was $31.09 per ton, having increased by 42.4 percent from 1973 during a period of slackening demand. This increase is a reflection of increased costs of fuel, power, labor, and pollution control during the 1971-75 period.

While average mill values for Florida were about 10 to 20 percent higher than for the United States, the overall increase for the two areas was similar during the 1971-75 period.

The market for cement in Florida, where the LTFV imports from Mexico were sold, is unique in many respects. With its long coastline, Florida provides easy access for distant out-of-State and foreign cement producers taking advantage of less expensive water transportation. In-State producers supply about half the Florida market, and imports and out-of-State producers each supply about one-quarter of the market. Certain Florida cement producers are vertically integrated to a large extent. About one-third of Florida's production goes to captive sales for ready-mix and concrete-block operations owned by the cement producers.

Florida experienced larger swings in construction activity than the United States as a whole during 1971-75. Cement shortages in Florida were common as demand outstripped supply in 1972 and 1973 during the construction boom. Partly as a result of overbuilding, Florida was more severely affected by the construction slump in 1974 and 1975. Florida cement shipments fell 35 percent from 1974 to 1975, compared with a decrease of 15 percent nationally. These factors were reflected in portland cement prices as reported in Engineering News-Record. For the third quarter of 1973, the 20 cities' average price was $26.27 per ton, while prices in 4 Florida cities were higher, ranging from $28.00 to $28.90 per ton (table 15). By the second quarter of 1975, U.S. and Florida prices were about equal. For the third quarter of 1976 the 20 cities' average price was higher, at $41.61 per ton, than prices in 4 Florida cities, which ranged from $36.40 to $41.50 per ton.

Table 15.--Portland cement in bulk: Average prices, f.o.b. city, for 20 U.S. cities 1/ and for 4 Florida cities, by quarters, July 1973 to September 1976

(Per short ton)

Period	Average for 20 cities 2/	Florida cities			
		Jacksonville	Miami	St. Petersburg	Tampa
1973:					
July-September	$26.27	$28.90	$28.90	$28.60	$28.00
October-December	26.53	28.90	28.90	28.60	28.00
1974:					
January-March	28.35	32.90	32.90	32.60	32.00
April-June	29.73	32.90	32.90	32.60	32.00
July-September	31.43	35.57	35.57	35.27	34.67
October-December	33.43	36.90	36.90	36.60	36.00
1975:					
January-March	35.62	36.90	36.90	36.60	36.00
April-June	36.77	36.90	36.90	36.60	36.00
July-September	37.08	36.90	36.90	36.60	36.00
October-December	37.37	36.90	36.90	36.60	36.00
1976:					
January-March	38.65	36.90	36.90	36.60	36.00
April-June	40.18	36.73	37.17	38.23	37.53
July-September	41.61	36.40	37.70	41.50	40.60

1/ Atlanta, Baltimore, Birmingham, Boston, Chicago, Cincinnati, Cleveland, Dallas, Denver, Detroit, Kansas City, Los Angeles, Minneapolis, New Orleans, New York, Philadelphia, Pittsburgh, St. Louis, San Francisco, and Seattle.

2/ In trucklot quantities. Average prices for portland cement for January 1971 to June 1973, by quarters, were as follows:

1971---------- $23.58, $23.92, $24.23, $24.36
1972---------- $24.71, $25.23, $25.45, $25.29
1973---------- $25.51, $25.87.

Source: Engineering News-Record, McGraw-Hill, Inc.

Data on lowest net delivered selling prices for domestically produced type I portland cement were collected by questionnaires from 12 producers accounting for practically all shipments of domestically produced cement to the Florida market. Price data are shown in table 16 for nine cities in the Florida market area. Prices for shipments made by rail were generally lower than those made by truck, although there were a number of exceptions. Nationally, about four-fifths of cement shipments are made by truck. Distant cities are insulated by transportation costs and their price experience can differ significantly. No cement producers are situated near Jacksonville; however, it has a large number of terminals supplied by in-State and out-of-State producers and by imports. The lowest average net delivered prices per short ton of domestically produced type I portland cement shipped by truck to the Jacksonville area increased from $25.53 in the first quarter of 1973 to $35.80 in the fourth quarter of 1974, declined to $34.57 in the fourth quarter of 1975, increased to $35.00 in the first quarter of 1976, and then decreased to $33.73 in the third quarter of 1976.

Three cement producers are situated near Tampa, which is also supplied by out-of-State producers and by imports. Average prices in Tampa on domestically produced cement shipped by truck increased from $24.43 in the first quarter of 1973 to $37.11 in the third quarter of 1974, decreased to $34.85 in the third quarter of 1975, increased to $36.79 in the second quarter of 1976, and then decreased to $35.99 in the third quarter of 1976.

Table 16.--Lowest net delivered selling prices of type I portland cement produced in the United States and that imported from Mexico, shipped in bulk by rail and truck to customers located at or near selected cities, by quarters, 1973-75 and January-September 1976

(Per short ton)

Period	Brunswick, Ga.					Jacksonville, Fla.				
	U.S.-produced, shipped--				Imported from Mexico; shipped by truck	U.S.-produced, shipped--				Imported from Mexico; shipped by truck
	By rail		By truck			By rail		By truck		
	Range	Average	Range	Average		Range	Average	Range	Average	
1973:										
Jan.-Mar----	* * *	$25.50	* * *	$27.00	* * *	* * *	$24.95	* * *	$25.53	* * *
Apr.-June---	* * *	27.20	* * *	28.20	* * *	* * *	26.73	* * *	26.93	* * *
July-Sept---	* * *	27.20	* * *	28.20	* * *	* * *	26.73	* * *	27.24	* * *
Oct.-Dec----	* * *	27.20	* * *	28.07	* * *	* * *	26.95	* * *	27.24	* * *
1974:										
Jan.-Mar----	* * *	29.89	* * *	32.20	* * *	* * *	30.94	* * *	31.16	* * *
Apr.-June---	* * *	30.00	* * *	33.00	* * *	* * *	30.96	* * *	31.20	* * *
July-Sept---	* * *	33.53	* * *	36.10	* * *	* * *	34.93	* * *	35.07	* * *
Oct.-Dec----	* * *	33.53	* * *	36.00	* * *	* * *	34.34	* * *	35.80	* * *
1975:										
Jan.-Mar----	* * *	36.50	* * *	37.20	* * *	* * *	33.75	* * *	35.38	* * *
Apr.-June---	* * *	36.40	* * *	37.20	* * *	* * *	34.51	* * *	34.74	* * *
July-Sept---	* * *	35.70	* * *	36.47	* * *	* * *	34.46	* * *	34.72	* * *
Oct.-Dec----	* * *	35.00	* * *	35.00	* * *	* * *	34.27	* * *	34.57	* * *
1976:										
Jan.-Mar----	* * *	35.00	* * *	35.00	* * *	* * *	34.81	* * *	35.00	* * *
Apr.-June---	* * *	34.81	* * *	35.00	* * *	* * *	35.15	* * *	34.85	* * *
July-Sept---	* * *	37.33	* * *	36.75	* * *	* * *	35.23	* * *	33.73	* * *

Table 16.--Lowest net delivered selling prices of type I portland cement produced in the United States and that imported from Mexico, shipped in bulk by rail and truck to customers located at or near selected cities, by quarters, 1973-75 and January-September 1976--Continued

(Per short ton)

Period	Tallahassee, Fla.					Gainesville, Fla.				
	U.S.-produced, shipped--				Imported from Mexico; shipped by truck	U.S.-produced, shipped--				Imported from Mexico; shipped by truck
	By rail		By truck			By rail		By truck		
	Range	Average	Range	Average		Range	Average	Range	Average	
1973:										
Jan.-Mar----	* * *	$26.48	* * *	$25.50	* * *	* * *	$26.43	* * *	$26.38	* * *
Apr.-June---	* * *	27.05	* * *	26.87	* * *	* * *	27.97	* * *	28.05	* * *
July-Sept---	* * *	27.05	* * *	26.87	* * *	* * *	27.97	* * *	28.05	* * *
Oct.-Dec----	* * *	27.20	* * *	26.87	* * *	* * *	27.97	* * *	28.05	* * *
1974:										
Jan.-Mar----	* * *	30.95	* * *	31.26	* * *	* * *	31.33	* * *	32.00	* * *
Apr.-June---	* * *	30.90	* * *	32.18	* * *	* * *	30.55	* * *	32.00	* * *
July-Sept---	* * *	33.44	* * *	35.14	* * *	* * *	34.70	* * *	35.82	* * *
Oct.-Dec----	* * *	33.84	* * *	35.14	* * *	* * *	33.70	* * *	35.33	* * *
1975:										
Jan.-Mar----	* * *	36.29	* * *	37.24	* * *	* * *	34.20	* * *	35.48	* * *
Apr.-June---	* * *	38.02	* * *	39.20	* * *	* * *	34.20	* * *	35.38	* * *
July-Sept---	* * *	37.56	* * *	39.12	* * *	* * *	35.40	* * *	35.40	* * *
Oct.-Dec----	* * *	37.28	* * *	38.75	* * *	* * *	35.40	* * *	37.47	* * *
1976:										
Jan.-Mar----	* * *	36.61	* * *	38.60	* * *	* * *	37.10	* * *	36.52	* * *
Apr.-June---	* * *	36.03	* * *	38.78	* * *	* * *	37.10	* * *	35.75	* * *
July-Sept---	* * *	36.27	* * *	38.70	* * *	* * *	37.10	* * *	35.78	* * *

Table 16.--Lowest net delivered selling prices of type I portland cement produced in the United States and that imported from Mexico, shipped in bulk by rail and truck to customers located at or near selected cities, by quarters, 1973-75 and January-September 1976--Continued

(Per short ton)

Period	Orlando, Fla.					Tampa, Fla.				
	U.S.-produced, shipped--				Imported from Mexico; shipped by truck	U.S.-produced, shipped--				Imported from Mexico; shipped by truck
	By rail		By truck			By rail		By truck		
	Range	Average	Range	Average		Range	Average	Range	Average	
1973:										
Jan.-Mar----	* * *	$25.50	* * *	$27.28	* * *	* * *	$24.30	* * *	$24.43	* * *
Apr.-June---	* * *	29.10	* * *	28.44	* * *	* * *	26.40	* * *	26.40	* * *
July-Sept---	* * *	27.27	* * *	28.83	* * *	* * *	29.80	* * *	26.55	* * *
Oct.-Dec----	* * *	27.27	* * *	28.86	* * *	* * *	29.85	* * *	26.55	* * *
1974:										
Jan.-Mar----	* * *	31.20	* * *	32.47	* * *	* * *	30.40	* * *	30.65	* * *
Apr.-June---	* * *	31.20	* * *	32.99	* * *	* * *	30.40	* * *	30.65	* * *
July-Sept---	* * *	35.20	* * *	34.83	* * *	* * *	34.40	* * *	37.11	* * *
Oct.-Dec----	* * *	34.40	* * *	36.29	* * *	* * *	34.40	* * *	36.15	* * *
1975:										
Jan.-Mar----	* * *	34.40	* * *	36.01	* * *	* * *	34.40	* * *	35.91	* * *
Apr.-June---	* * *	34.40	* * *	35.95	* * *	* * *	34.40	* * *	35.04	* * *
July-Sept---	* * *	34.40	* * *	35.82	* * *	* * *	34.40	* * *	34.85	* * *
Oct.-Dec----	* * *	34.40	* * *	35.87	* * *	* * *	34.40	* * *	35.03	* * *
1976:										
Jan.-Mar----	* * *	38.10	* * *	36.72	* * *	* * *	39.00	* * *	35.75	* * *
Apr.-June---	* * *	38.10	* * *	36.35	* * *	* * *	39.00	* * *	36.79	* * *
July-Sept---	* * *	38.10	* * *	36.11	* * *	* * *	36.00	* * *	35.99	* * *

Table 16.--Lowest net delivered selling prices of type I portland cement produced in the United States and that imported from Mexico, shipped in bulk by rail and truck to customers located at or near selected cities, by quarters, 1973-75 and January-September 1976--Continued

(Per short ton)

Period	Fort Myers, Fla.			West Palm Beach, Fla.		Miami, Fla.	
	U.S.-produced, shipped by truck		Imported from Mexico, shipped by truck	U.S.-produced, shipped by truck		U.S.-produced, shipped by truck	
	Range	Average		Range	Average	Range	Average
1973:							
Jan.-Mar---	* * *	$28.97	* * *	* * *	$29.21	* * *	$28.68
Apr.-June--	* * *	27.43	* * *	* * *	29.14	* * *	29.12
July-Sept--	* * *	27.43	* * *	* * *	29.68	* * *	29.55
Oct.-Dec---	* * *	27.43	* * *	* * *	29.74	* * *	29.44
1974:							
Jan.-Mar---	* * *	33.68	* * *	* * *	33.96	* * *	32.75
Apr.-June--	* * *	33.41	* * *	* * *	33.94	* * *	32.76
July-Sept--	* * *	37.01	* * *	* * *	35.48	* * *	36.69
Oct.-Dec---	* * *	36.32	* * *	* * *	36.88	* * *	36.06
1975:							
Jan.-Mar---	* * *	35.48	* * *	* * *	36.89	* * *	35.66
Apr.-June--	* * *	35.28	* * *	* * *	36.78	* * *	35.21
July-Sept--	* * *	34.32	* * *	* * *	36.78	* * *	34.84
Oct.-Dec---	* * *	33.70	* * *	* * *	37.21	* * *	31.04
1976:							
Jan.-Mar---	* * *	36.80	* * *	* * *	36.78	* * *	32.98
Apr.-June--	* * *	37.65	* * *	* * *	38.59	* * *	34.26
July-Sept--	* * *	37.13	* * *	* * *	36.70	* * *	36.03

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

All Mexican cement exported to Florida was imported by the largest producer in the State, General Portland Inc. Net purchase prices, c.i.f. port of Tampa, increased annually from * * * in 1971 to * * * in 1973 and thereafter quarterly from * * * in the first quarter of 1974 to * * * in the second quarter of 1976 (table 17). * * * While General Portland's purchase prices of imported Mexican cement showed a steady upward trend, its selling prices of such cement did not. The lowest net delivered selling price in Jacksonvilled * * * (tables 16 and 18). In Tampa, the selling price * * *.

For the most part, average prices for Mexican imported cement were lower than average prices for U.S.-produced cement. However, particularly in Tallahassee and Gainesville, there were many exceptions. The price of the Mexican imports was always in the range of prices for U.S.-produced cement. This was partly due to the fact that General Portland considers its imported and domestically produced cement as fungible, and its pricing policy on both is the same.

Table 17.--Net purchase prices of portland cement imported from Mexico in bulk, c.i.f. port of entry, 1971-73 and, by quarters, 1974, 1975, and April-June 1976

(Per short ton)

Period	Port of entry 1/	
	Jacksonville, Fla.	Tampa, Fla. 2/
1971	* * *	* * *
1972	* * *	* * *
1973	* * *	* * *
1974:		
January-March	* * *	* * *
April-June	* * *	* * *
July-September	* * *	* * *
October-December	* * *	* * *
1975:		
January-March	* * *	* * *
April-June	* * *	* * *
July-September	* * *	* * *
October-December	* * *	* * *
1976:		
January-March	* * *	* * *
April-June	* * *	* * *

1/ * * *.
2/ * * *.

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

Table 18.--Lowest net delivered selling prices of portland cement imported from Mexico, shipped in bulk by truck to customers located at or near selected cities, by quarters, 1973-75 and January-September 1976

(Per short ton)

	Brunswick, Ga.	Jacksonville, Fla.	Tallahassee, Fla.	Gainesville, Fla.	Orlando, Fla.	Tampa, Fla.	Ft. Myers, Fla.
1973:							
Jan.-Mar----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Apr.-June---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
July-Sept---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Oct.-Dec----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1974:							
Jan.-Mar----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Apr.-June---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
July-Sept---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Oct.-Dec----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1975:							
Jan.-Mar----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Apr.-June---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
July-Sept---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Oct.-Dec----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1976:							
Jan.-Mar----	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Apr.-June---	* * *	* * *	* * *	* * *	* * *	* * *	* * *
July-Sept---	* * *	* * *	* * *	* * *	* * *	* * *	* * *

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

Financial experience of domestic producers

Seventeen companies operating in the Florida marketing area were sent questionnaires, and eight concerns operating outside the Florida marketing area were contacted and requested to furnish financial data for the period 1971-75 and for January-June 1975 and January-June 1976.

Usable profit-and-loss and other financial data were received from five producers of portland cement (six for the period January-June 1976) operating in the Florida marketing area and three producers operating outside the area. The five producers in the Florida marketing area accounted for 50 to 75 percent of the total shipments in this area during the period under investigation, and the three producers outside the area accounted for approximately 15 to 25 percent of total U.S. shipments of portland cement. In addition, certain financial data covering the operation of eight selected cement-producing firms (other than the eight mentioned above) were obtained from Standard & Poor's Industry Surveys.

Portland cement operations, Florida marketing area.--The overall operations of the Florida establishments producing portland cement will not be discussed in this section, since in most cases the overall establishment operations and the portland cement operations are almost the same. However, data on the overall establishment operations are shown in table 19. Table 20 shows, for cement operations only, the net sales and intracompany transfers, the net profit or loss before income taxes, the ratio of net profit or loss to net sales, and the number of firms reporting for those firms operating in the Florida marketing area.

Table 19.--Profit-and-loss experience of 5 domestic producers 1/ of portland cement on their overall establishment operations in the Florida marketing area, 1971-75, January-June 1975, and January-June 1976

Item	1971	1972	1973	1974	1975	January-June--	
						1975	1976
Net sales and intracompany transfers							
1,000 dollars	91,473	146,766	172,117	170,542	138,357	68,262	61,403
Net profit or (loss) before income taxes							
1,000 dollars	19,321	28,781	36,052	7,091	2,364	1,391	(1,406)
Ratio of net profit or (loss) before income taxes to net sales and intracompany transfers-----percent	21.1	19.6	20.9	4.1	1.7	2.0	(2.3)
Firms reporting number	4	5	5	5	5	5	6
Firms reporting losses----number	1	1	1	3	4	4	5

1/ 6 operating in January-June 1976.

Source: Compiled from data submitted to the U.S. International Trade Commission by 5 domestic producers of portland cement.

Table 20.--Profit-and-loss experience of 5 domestic producers 1/ of portland cement on their cement operations in the Florida marketing area, 1971-75, January-June 1975, and January-June 1976

Item	1971	1972	1973	1974	1975	January-June--	
						1975	1976
Net sales and intracompany transfers 1,000 dollars--	88,271	142,755	168,089	167,078	135,050	66,764	59,362
Net profit or (loss) before income taxes 1,000 dollars--	17,490	26,349	33,615	4,107	1,037	459	(2,186)
Ratio of net profit or (loss) before income taxes to net sales and intracompany transfers----percent--	19.8	18.5	20.0	2.5	0.8	0.7	(3.7)
Firms reporting number--	4	5	5	5	5	5	6
Firms reporting losses---number--	1	1	1	3	4	4	5

1/ 6 operating in January-June 1976.

Source: Compiled from data submitted to the U.S. International Trade Commission by 5 domestic producers of portland cement.

Total net sales and intracompany transfers of the reporting companies on their portland cement operations increased from $88 million in 1971 to $168 million in 1973, then decreased to $135 million in 1975. For the period January-June 1975, net sales and intracompany transfers amounted to $67 million, and for the corresponding period in 1976, $59 million.

Net profit before income taxes increased from $17 million in 1971 to $26 million in 1972, $34 million in 1973, and then decreased to $4 million in 1974 and $1 million in 1975. During January-June 1975, the net profit before taxes was $460,000, and for the corresponding period in 1976 a loss of $2.2 million was sustained.

The ratio of profit or loss before income taxes to net sales and intracompany transfers was 19.8 percent in 1971, 18.5 percent in 1972, 20.0 percent in 1973, 2.5 percent in 1974, and 0.8 percent in 1975. The profit ratio in January-June 1975 was 0.7 percent; for the corresponding period in 1976, the loss ratio was 3.7 percent.

One of the concerns operating in the Florida area during the period 1971-75 and January-June 1976, Lehigh Portland Cement Co., indicated the following in its 1974 annual report: "Adverse business conditions in several areas, particularly Florida . . . were reflected in a deterioration of earnings . . . . We sold 6 Florida ready mix concrete plants in compliance with a FTC divestiture ruling; closed our Medley, Florida operation, and sold off this property . . . ."

Again in 1975, the same concern stated in its annual report, "the important developments in 1975 . . . of major consequence were the decline in cement shipments /and/ the persistence of an especially

poor construction climate in Florida . . . ." It appears from these statements that this particular firm was quite concerned about the generally poor construction climate in Florida at this time, and in futher discussion with a company vice president on this subject, it was learned that this concern had decided to cease all operations in the Florida area. This decision, according to the company official, was not directly due to the alleged dumping of Mexican cement, but primarily due to the poor business conditions existing in that area at the time. This concern made no mention of LTFV sales in its 1975 annual report.

Nationwide operating data--building and cement industries.--Nationwide composite building-industry data indicate that the ratio of earnings to net sales was * * * in 1971, * * * in 1972, * * * in 1973, * * * in 1974, and * * * in 1975. For the three reporting cement producers outside the Florida marketing area which responded to the questionnaires (on their cement operations only) the ratio of net profit to net sales and intracompany transfers was * * * in 1971, * * * in 1972, * * * in 1973, * * * in 1974, * * * in 1975, and * * * in January-June 1975, compared with * * * for the corresponding period in 1976 (table 21).

The cement companies operating in the Florida marketing area appear to have had a much higher rate of return on net sales in the years 1971-73 than did the concerns operating outside the area; however, in the years 1974 and 1975, only the Florida area companies suffered losses.

Table 21.--Profit-and-loss experience of 3 domestic producers of portland cement on their U.S. cement operations, 1971-75, January-June 1975, and January-June 1976

Item	1971	1972	1973	1974	1975	January-June--	
						1975	1976
Net sales and intracompany transfers 1,000 dollars--	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Net profit before income taxes 1,000 dollars--	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Ratio of net profit before income taxes to net sales and intra-company transfers----percent--	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Firms reporting number--	* * *	* * *	* * *	* * *	* * *	* * *	* * *

Source: Compiled from data submitted to the U.S. International Trade Commission by 3 domestic producers of portland cement.

Fuel and power are the largest elements of cost in a cement mill. A typical example from one of the reporting Florida concerns indicates a * * * increase in this cost during the period January 1, 1971 to June 30, 1976.

Tables 22 and 23 show financial data as reported by Standard & Poor's Industry Surveys on eight selected concerns in the cement industry for the years 1971-75.

Table 22.--Profit-and-loss experience of 8 domestic producers of portland cement on their U.S. cement operations, 1971-75

Item	1971	1972	1973	1974	1975
	Net sales (1967=100)				
Alpha Portland Industries, Inc----	269	350	432	436	441
Amcord Inc----------	116	131	141	157	146
General Portland Inc----------	195	191	214	235	212
Ideal Basic Industries, Inc-------	116	131	146	166	174
Kaiser Cement & Gypsum Corp-------	142	161	181	206	199
Lehigh Portland Cement Co---------	122	127	140	143	125
Lone Star Industries, Inc---------	199	247	363	347	325
Marquette Co----------	119	127	143	150	136
	Net profit (1967=100)				
Alpha Portland Industries, Inc----	442	708	1,074	866	1/
Amcord Inc----------	48	74	90	105	118
General Portland Inc----------	219	236	126	37	10
Ideal Basic Industries, Inc-------	111	139	163	195	182
Kaiser Cement & Gypsum Corp-------	89	112	125	99	44
Lehigh Portland Cement Co---------	254	356	509	357	142
Lone Star Industries, Inc---------	166	188	215	189	150
Marquette Co----------	17	32	125	181	124
	Ratio of net profit to net sales (percent)				
Alpha Portland Industries, Inc----	2.1	2.6	3.1	2.5	1/
Amcord Inc----------	2.2	3.0	3.4	3.5	4.3
General Portland Inc----------	7.2	6.2	3.8	1.0	0.3
Ideal Basic Industries, Inc-------	9.8	10.7	11.3	11.9	10.6
Kaiser Cement & Gypsum Corp-------	5.2	5.8	5.7	4.0	1.8
Lehigh Portland Cement Co---------	4.5	6.1	7.9	5.4	2.5
Lone Star Industries, Inc---------	5.7	5.2	4.0	3.7	3.2
Marquette Co----------	0.7	1.2	4.0	5.5	4.2

1/ Not available.

Source: Standard & Poor's Industry Surveys.

Table 23.--Sales, earnings as a percent of sales, and capital expenditures for 8 domestic producers of portland cement, 1971-75

(Per share)

Item	1971	1972	1973	1974	1975
Sales	$63.72	$74.55	$92.17	$95.65	$83.83
Earnings as a percent of sales	3.92	3.96	4.22	3.38	1.54
Capital expenditures	4.43	5.37	5.01	5.96	5.04

Source: Standard & Poor's Industry Surveys.

Consideration of Likelihood of Injury

* * * * * * *

Consideration of an Industry Prevented From Being Established

Prevention of establishment is not an issue in this investigation since an industry producing portland cement exists.

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

Market penetration of LTFV sales

LTFV imports of portland cement from Mexico as a share of total apparent U.S. consumption accounted for an estimated 0.3 percent during the period January 1971 through June 1976. The ratio of such imports from Mexico to consumption in Florida declined from 5.3 percent in 1972 to 3.9 percent in 1975, and amounted to 4 percent in July-December 1974 and July-December 1975. The ratio increased from 3.9 percent in January-June 1975 to 7.3 percent in the corresponding period in 1976.

U.S. imports of portland cement from Mexico shipped to Florida accounted for an average of 93 percent of total U.S. Mexican imports during the period January 1971 through June 1976.

Evidence of sales lost by domestic producers to imports from Mexico

Of the 17 companies supplying portland cement to the Florida marketing area, only 1 (Maule Industries, Inc.) made specific information on sales lost to LTFV imports of portland cement from Mexico available to the Commission. The Commission was unable to verify instances of lost sales when the price of imported cement from Mexico was the determining factor. The purchasers based their choice on availability of supply, quality of service, and delivery schedule.

Price suppression and depression

During the quarters July-September 1973 to April-June 1976, the wholesale price index for industrial commodities increased 42.5 percent (table 24). In comparison, the 20 U.S. cities' average price for portland cement increased by a greater amount--53.0 percent, while the price of portland cement in Jacksonville, Miami, St. Petersburg, and Tampa, as reported in Engineering News-Record, increased by lesser amounts--27.1 to 34.0 percent. Of the four Florida cities, price increases were the smallest in Jacksonville, the area where most of the LTFV Mexican imports were sold in 1975 and 1976. In fact, prices actually decreased in Jacksonville in the second and third quarters of 1976.

In the nine cities shown in table 16, lowest average net delivered selling prices of U.S.-produced portland cement shipped by truck, after increasing fairly steadily from the first quarter of 1973, began falling between the fourth quarter of 1974 and the third quarter of 1975. Prices in the third quarter of 1976 were generally below their previous peaks.

Table 24.--Indexes of average prices for portland cement in bulk, f.o.b. city, for 20 U.S. cities and 4 Florida cities, and wholesale price index for industrial commodities, by quarters, July 1973 to September 1976

(July-September 1973 = 100.0)

Period	Portland cement in bulk					Industrial commodities at wholesale
	Average for 20 U.S. cities	Florida cities				
		Jacksonville	Miami	St. Petersburg	Tampa	
1973:						
July-September	100.0	100.0	100.0	100.0	100.0	100.0
October-December	101.0	100.0	100.0	100.0	100.0	102.8
1974:						
January-March	107.9	113.8	113.8	114.0	114.3	109.5
April-June	113.1	113.8	113.8	114.0	114.3	118.5
July-September	119.6	123.1	123.1	123.3	123.8	126.9
October-December	127.2	127.7	127.7	128.0	128.6	130.7
1975:						
January-March	135.6	127.7	127.7	128.0	128.6	132.8
April-June	140.0	127.7	127.7	128.0	128.6	134.3
July-September	141.1	127.7	127.7	128.0	128.6	135.9
October-December	142.3	127.7	127.7	128.0	128.6	138.4
1976:						
January-March	147.1	127.7	127.7	128.0	128.6	140.6
April-June	153.0	127.1	128.6	133.7	134.0	142.5
July-September	158.4	126.0	130.4	145.1	145.0	1/

1/ Not available.

Source: Table 15 and U.S. Department of Commerce, Survey of Current Business.

APPENDIX

TREASURY LETTER RELATING TO SALES AT LTFV AND FEDERAL REGISTER NOTICE OF INVESTIGATION AND HEARING

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

DOCKET FILE

APP-2-04-O:D:T DM bs

AUG 31 1976

Dear Mr. Chairman:

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, you are hereby advised that portland hydraulic cement, other than white non-staining cement, from Mexico, except that produced and sold by Cementos de Chihuahua and Cementos Mexicanos, is being, or is likely to be, sold at less than fair value within the meaning of the Act.

The United States Customs Service will make the files on sales or likelihood of sales at less than fair value of the portland hydraulic cement subject to this determination available to the International Trade Commission as soon as possible. These files are being furnished for the Commission's use in connection with its investigation as to whether an industry is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of this merchandise into the United States.

Since some of the data in this file is regarded by the U.S. Customs Service to be of a confidential nature, it is requested that the United States International Trade Commission consider all information therein contained for the official use of the Trade Commission only, and not to be disclosed to others without prior clearance with the U.S. Customs Service.

Sincerely yours,

David R. Macdonald
Assistant Secretary
(Enforcement, Operations,
and Tariff Affairs)

The Honorable
Will E. Leonard, Jr., Chairman
United States International
Trade Commission
Washington, D.C. 20436

DOCKET NUMBER

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Office of the
Secretary
Int'l Trade Commission

Office of the Secretary

CERTAIN PORTLAND HYDRAULIC CEMENT FROM MEXICO

Antidumping: Determination of Sales at Less Than Fair Value, Discontinuance of and Exclusion From Investigation

On October 16, 1975, information was received in proper form from Southwestern Portland Cement Company of El Paso, Texas alleging that portland hydraulic cement, other than white non-staining cement, from Mexico, was being sold in the United States at less than fair value within the meaning of the Anti-dumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act").

The "Antidumping Proceeding Notice" indicated that there was evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States. However, the evidence on record, as set forth in the proceeding notice, was such that the Secretary of the Treasury concluded that substantial doubt existed as to whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. Accordingly, the United States International Trade Commision was advised of such doubt pursuant to section 201(c)(2) of the Act (19 U.S.C. 160(c)(2)).

On December 18, 1975, the United States International Trade Commisison notified the Secretary of the Treasury that, on the basis of its inquiry, it did not determine that there was no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of the subject merchandise from Mexico.

Accordingly, the Customs investigation in this proceeding was not terminated.

A "Withholding of Appraisement Notice" issued by the Secretary of the Treasury was published in the FEDERAL REGISTER of May 28, 1976 (41 FR 21798).

DETERMINATION OF SALES AT LESS THAN FAIR VALUE, DISCONTINUANCE OF INVESTIGATION AND EXCLUSION FROM INVESTIGATION

I hereby determine that, for the reasons stated below, portland hydraulic cement, other than white non-staining cement, from Mexico, except that produced and sold by Cementos Mexicanos and Cementos de Chihuahua, is being or is likely to be sold at less than fair value within the meanign of section 201(a) of the Act (19 U.S.C. 160(a)). In the case of portland hydraulic cement, other than white non-staining cement, from Mexico produced and sold by Cementos Mexicanos, I hereby exclude such merchandise from the determination. In the case of such merchandise produced and sold by Cementos de Chihuahua, I hereby discontinue the antidumping investigation.

STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

The reasons and bases for the above determination are as follows:

a. *Scope of the investigation.* It appears that approximately 100 percent of imports of the subject merchandise was manufactured by three plants in Mexico during the representative period. They were Cementos Anahuac, Mexico, D.F., Cementos de Chihuahua, S.A., Ciudad Juarez, Chihuahua, and Cementos Mexicanos de Monterrey, S.A., Monterrey, Nuevo Leon. Therefore the investigation was limited to these three manufacturers.

b. *Basis of comparison.* For the purpose of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison is between purchase price and the home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162), was used since all export sales were made to non-related distributors or commercial consumers in the United States. Home market price, as defined in section 153.2 Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis of comparison for fair value purposes.

c. *Purchase price.* For the purpose of this determination of sales at less than fair value, adjustments have been made on the following bases. In accordance with section 153.31(b), pricing information was obtained concerning imports of portland hydraulic cement from Mexico during the period July 1 through December 31, 1975, for two manufacturers. For the third firm, Cementos Mexicanos, the period of investigation was January 1 through December 31, 1975.

In the import transactions, all of the merchandise was purchased or agreed to 12 percent, resulting in a weighted aver-

age margin of less than 0.3 percent over be purchased prior to the time of exportation, by the person by whom or for whose account it was imported, within the meaning of section 203 of the Act. With respect to merchandise produced by Cementos Anahuac, the purchase price has been calculated on the basis of the c.i.f. price, Tampa, Florida with deductions for inland freight, ocean freight and insurance. With respect to merchandise sold by Cementos de Chihuahua, the purchase price has been calculated on the basis of c.i.f. United States delivered prices or f.o.b. plant prices, as appropriate, with deductions for U.S. brokerage charges, inland freight, consumption entry bond, and Texas state use tax, as applicable. With respect to merchandise sold by Cementos Mexicanos de Monterrey, the purchase price has been calculated on the basis of the c.i.f., Texas border price with deductions for prompt payment discounts, U.S. brokerage charges, transportation permit and insurance, and inland freight. Additions have been made to all prices, as applicable, for a 5 percent or less Mexican production tax not collected on exports and an 11 percent rebate of indirect taxes on exports, both calculated on the f.o.b. plant price or its equivalent.

Petitioner has claimed that the 11 percent rebate of indirect business taxes under the C.E.D.I. program should not be added in calculating purchase price. However, there is no evidence on record to indicate this rebate is for other than those taxes imposed directly upon the exported merchandise and rebated by reason of the exportation of the merchandise. The amount has therefore been added to the export price as required by section 203 of the Act (19 U.S.C. 162).

d. *Home Market Price.* The home market price for Cementos Anahuac has been calculated on the basis of the packed, weighted average delivered price to Mexican distributors. For Cementos de Chihuahua and Cementos Mexicanos, the home market price has been calculated on the basis of the f.o.b. plant price.

Adjustments have been made to the home market price of Cementos Anahuac for packing, rail freight, maritime freight, and terminal handling costs. No adjustments have been made to the home market price of Cementos de Chihuahua. An adjustment for prompt payment discounts has been made to the home market price of Cementos Mexicanos.

Counsel for Cementos Anahuac has claimed additional adjustments for fixed operating costs of the plant and equipment, depreciation costs on the plant and terminal, trade association fees, advertising, sales promotion, and marketing and sales expenses. These expenses do not bear a direct relation to the sales under consideration, and no adjustment has been allowed for these expenses. Counsel for Cementos Anahuac also claimed that sales to Mexican government agencies should be included in determining home market weighted average prices. These sales are regarded as being at a level of trade different from export sales to the United States, and for that reason were not included in calculating home market price. In addition, there is substantial doubt that such sales are in the ordinary course of trade, as required by section 205 of the Act (19 U.S.C. 164).

e. *Results of Fair Value Comparison.* Using the above criteria, purchase price was found to be lower than the home market price of such or similar merchandise with respect to sales by Cementos Anahuac. Comparisons were made on 100 percent of sales of the subject merchandise by this firm during the above period of investigation. A margin of 9.9 percent was found on all sales compared.

In the case of Cementos Mexicanos, 100 percent of sales were examined and found in every case to be at prices not less than fair value. All sales were prior to April 1975.

In the case of Cementos de Chihuahua, 100 percent of sales were examined. On approximately 2 percent of these sales purchase price was below home market price by an average of approximately all sales. This margin is deemed to be minimal in relation to the total volume of sales. In addition, formal assurances have been received from the producer that it would make no future sales at less than fair value within the meaning of the Act.

The United States International Trade Commission is being advised of this determination.

This determination is being published pursuant to section 201(a) of the Act and section 153.38, Customs Regulations (19 CFR 153.38).

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

AUGUST 31, 1976.

[FR Doc.76-26037 Filed 9-3-76;8:45 am]

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UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

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