

UNITED STATES INTERNATIONAL TRADE COMMISSION

PARTS FOR SELF-PROPELLED BITUMINOUS
PAVING EQUIPMENT FROM CANADA

Determination of Injury or Likelihood Thereof in
Investigation No. AA1921-166
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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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.

[AA1921-166]

July 7, 1977

PARTS FOR SELF-PROPELLED BITUMINOUS PAVING
EQUIPMENT FROM CANADA

Determination

On April 7, 1977, the United States International Trade Commission received advice from the Department of the Treasury that parts for self-propelled bituminous paving equipment from Canada, are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on April 19, 1977, the Commission instituted investigation No. AA1921-166 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.

Notices of the institution of the investigation and of the public hearing held in connection therewith were published in the Federal Register on April 25, 1977, and April 29, 1977 (42 F.R. 21118 and 42 F.R. 21860). On May 4, 1977, a hearing was held in Chicago, Illinois, at which all persons who requested the opportunity were permitted to appear by counsel or in person.

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

On the basis of the investigation, Commissioners George M. Moore and Catherine Bedell determined that an industry in the United States is being injured, or is likely to be injured, by reason of the importation of parts for self-propelled bituminous paving equipment from Canada that the Secretary of the Treasury has determined are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Chairman Daniel Minchew and Commissioner Italo H. Ablondi, on the other hand, determined that an industry in the United States is not being injured, is not likely to be injured, and is not prevented from being established by reason of the importation of parts for self-propelled bituminous paving equipment from Canada that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. 1/

In view of the fact that the Commissioners of the Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative, the Commission is deemed to have made an affirmative determination by operation of law. (19 USC 160(a)).

1/ Vice Chairman Joseph O. Parker did not participate in the decision.

Statement of Reasons for Affirmative Determination of
Commissioners George M. Moore and Catherine Bedell

On April 19, 1977, the United States International Trade Commission instituted investigation No. AA1921-166 under section 201(a) of the Antidumping Act, 1921, as amended. This investigation was made 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 into the United States of parts for self-propelled bituminous paving equipment from Canada which the Department of the Treasury has determined are being, or are likely to be, sold at less than fair value (LTFV) within the meaning of the act. In order to find affirmatively, the Commission must find two conditions satisfied in this investigation. First, it must find that an industry in the United States is being or is likely to be injured or is prevented from being established. 1/ Second, any injury or likelihood of injury must be by reason of the importation into the United States of the class or kind of foreign merchandise which Treasury has determined is being, or is likely to be, sold at LTFV.

In our opinion an industry in the United States is being or is likely to be injured by reason of the importation into the United States of parts for self-propelled bituminous paving equipment (paver parts) from Canada which, according to the finding of the Department of the Treasury, are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Our reasons in support of this determination are set forth below.

1/ Prevention of establishment of an industry is not an issue in this investigation and will not be discussed further.

The U.S. industry

In this determination we consider the relevant industry to consist of the facilities in the United States devoted to the production of parts for self-propelled bituminous paving equipment. Such parts are manufactured in the United States by three firms: Blaw-Knox Construction Equipment, Inc., Barber-Greene Co., and Iowa Manufacturing Co. Other than these three U.S. original-equipment manufacturers, each of which produces replacement parts only for its own pavers, the only source of replacement parts for pavers is Allatt, Ltd., of Downsview, Ontario, Canada. Allatt produces parts which are virtually identical to the paver parts produced by the U.S. industry.

LTFV sales

Treasury examined sales of paver parts from Canada during January-September 1976. In that period one Canadian firm, Allatt, was found to have sold paver parts in the United States. Fair-value comparisons were made on 63 percent of the paver parts from Canada sold in the United States during the period of investigation, and 100 percent of the sales compared were found to be at LTFV prices. Margins, as calculated by the Department of the Treasury, ranged from 10 to 38 percent, with a weighted average margin of about 30 percent.

Injury due to LTFV sales

Under the law, injury must have occurred "by reason of the importation of" LTFV merchandise into the United States. However, it is not necessary that importation of LTFV merchandise be a principal cause, a major cause,

or a substantial cause of injury to an industry. Even when several factors that may cause injury, other than LTFV sales, are present, all that is required for an affirmative determination is that the merchandise sold at LTFV contributed to more than an inconsequential injury to the domestic industry. ^{1/} It is clear from the following evidence that more than inconsequential injury was suffered by the U.S. paver parts industry by reason of sales and increased penetration by Canadian paver parts in the United States at LTFV prices.

Imports of paver parts from Canada more than doubled in value between 1972 and 1976, rising at an average annual rate of almost 21 percent. Imports in January-March 1977 were 21 percent greater than those during January-March 1976. The ratio of imports of Canadian paver parts to U.S. consumption rose steadily from 1972 to 1976, and by January-March 1977 was double the ratio in 1972.

The sales impact of Canadian paver parts is directed principally to certain "high-wear" items, which require the most frequent replacement. Thus, the ratio of LTFV imports to U.S. consumption of such high-wear parts is substantially greater than the ratio of LTFV imports to total consumption of all paver parts.

Since Allatt is the only alternative source of replacement parts for U.S.-made pavers other than the domestic paver manufacturers, every LTFV sale of an Allatt paver part constitutes a sale lost by the U.S. industry. Such lost sales more than doubled in value during the period 1972-76.

^{1/} See Melamine in Crystal Form From Japan: Determination . . . in Investigation No. AA1921-162 . . ., USITC Publication 796, 1976 (statement of reasons for affirmative determination of Vice Chairman Parker and Commissioners Moore and Bedell).

Prices of paver parts have increased more slowly than have wholesale prices for most manufactured articles since mid-1974, especially in the second half of 1975 and throughout 1976. Prices received by all three domestic producers for their U.S.-made paver parts, which are identical to those Canadian parts that are sold, or are likely to be sold, at LTFV in the United States, have risen very little since late 1975. At least two U.S. producers have made substantial reductions in the prices of such items.

Imports of Canadian paver parts have been priced substantially lower than domestically produced paver parts for a number of years. During the period of Treasury's investigation, LTFV sales were, with few exceptions, 25 to 35 percent below U.S. producers' list prices to end users for identical parts. The price difference was approximately equal to the weighted average LTFV margin found to exist by Treasury. The underselling contributed to reductions in U.S. producers' prices beginning in late 1975 and continuing throughout the first 9 months of 1976; thus, the LTFV imports contributed to the price depression in the domestic market.

The impact of LTFV sales has also been reflected in the profit margins of the industry. The ratios of net operating profit to net sales in 1975 and 1976 were almost 5 percentage points less than the ratio achieved in 1974. Moreover, the return on capital investment in pavers and parts therefor, whether measured in terms of original cost or in terms of book value, fell by 57 percent from 1974 to 1976.

Likelihood of injury from LTFV sales

Evidence developed during the course of this investigation shows that Allatt has the capacity to expand its sales in the U.S. market and will continue to make inroads into the U.S. market by LTFV pricing. Thus, the injury already suffered by the domestic industry, in all likelihood, will continue in the future.

Conclusion

The foregoing evidence supports our determination that an industry in the United States is being injured or is likely to be injured by reason of the importation of parts for self-propelled bituminous paving equipment from Canada found by Treasury to be, or likely to be, sold at LTFV.

Statement of Reasons of Chairman Daniel Minchew 1/

On April 7, 1977, the United States International Trade Commission (Commission) received advice from the Department of the Treasury (Treasury) that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on April 19, 1977, the Commission instituted investigation No. AA1921-166 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.

Before the Commission may find in the affirmative in these investigations, it is necessary that the following two conditions be met:

- (1) an industry in the United States is being or is likely to be injured, or is prevented from being established, 2/ and
- (2) the requisite injury must be by reason of the importation into the United States of the merchandise which Treasury has determined is being, or is likely to be, sold at LTFV within the meaning of the Antidumping Act, 1921, as amended.

1/ Commissioner Italo H. Ablondi concurs in the result.

2/ Prevention of the establishment of an industry is not an issue in the instant investigation and will not be discussed further.

Determination

On the basis of information obtained in this investigation, I have determined that an industry in the United States is not being injured and is not likely to be injured, nor is it prevented from being established, by reason of the importation of parts for self-propelled bituminous paving equipment from Canada, which parts are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

The U.S. industry

Self-propelled bituminous paving equipment (pavers) and the parts for such equipment that were investigated by Treasury are manufactured in the United States by three firms: Blaw-Knox Construction Equipment, Inc., Barber-Greene Co., and Iowa Manufacturing Co. Paver parts are catalogued by the U.S. manufacturers, which together catalogue at least 20,000 separate and distinct parts for their machines. According to the U.S. manufacturers, it would be merely coincidental if certain parts for their machines were interchangeable with parts for machines of other manufacturers, since the pavers are built to different specifications. Other than the three U.S. original equipment manufacturers, each of whom produces replacement parts only for its own pavers, the only source of replacement parts for such machines is Allatt.

U.S. producers of pavers and paver parts generally sell their products through distributors or dealers, usually granting dealers a 25 percent discount from published list prices. The Canadian

producer sells replacement parts for Blaw-Knox, Barber-Greene, and Iowa Manufacturing pavers only by direct sale to paver owners through commissioned salesmen that operate throughout the United States.

The U.S. industry most likely to be impacted by the LTFV imports in question consists of the domestic facilities devoted to the production of paver parts.

No injury by reason of LTFV imports

In this investigation, evidence of alleged injury to the domestic industry tended to focus on the period of January to September in 1976. Crucial to my determination in this case is the question of profits in the U.S. industry. While it is possible to conclude that some elements of injury may be present, the extreme profitability of the industry, under conditions of no competition except from the one foreign producer, makes it impossible for me to conclude that the industry is being injured.

In 1976, the year in which LTFV sales were found, net sales of paver parts, net operating profit, and the ratio of net operating profit to net sales all increased over their respective levels in 1975. The ratio of net operating profit on paver parts to net sales exceeded 30 percent, and in some cases 50 percent, in each year during 1972-1976. This is compared to the roughly 8 percent average ratio of net operating profit to net sales for all U.S. manufacturing corporations during the same period.

Given such conditions of high profitability, I do not conclude that the U.S. industry is being injured.

No likelihood of injury by reason of LTFV imports

As I believe the U.S. industry has not been injured by LTFV imports, I must also conclude that there is no likelihood of injury by reason of LTFV imports.

As was stated in the previous section, the trend of profitability in the industry is not downward, but has turned upward even during the period of LTFV sales. In addition, Allatt produces less than 10 percent of the number of various parts required for U.S.-made pavers. Allatt's share of the U.S. market for replacement parts will diminish as the paver parts subject to wear become more sophisticated with improved technology. There are increasing numbers of parts which Allatt cannot now supply, and as time passes indications are that the firm's coverage of parts will decline even further.

Conclusion

For the reasons stated above, I have concluded that an industry in the United States is not being injured and is not likely to be injured by reason of LTFV imports of parts for self-propelled bituminous paving equipment from Canada.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 7, 1977, the United States International Trade Commission received advice from the Department of the Treasury that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). 1/ Accordingly, on April 19, 1977, the Commission instituted investigation No. AA1921-166 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. By statute, the Commission must render its determination within 3 months of its receipt of advice from Treasury--in this case, by Thursday, July 7, 1977.

In connection with the investigation, a public hearing was held on May 4, 1977, in Chicago, Illinois. Notice of the institution of the investigation and of the hearing was duly given by posting copies thereof at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's office in New York City, and by publishing the notices in the Federal Register of April 25, 1977, and April 29, 1977 (42 F.R. 21118 and 42 F.R. 21860, respectively). 2/

1/ A copy of Treasury's letter is shown in app. A of this report.

2/ Copies of the Commission's notices of investigation and hearing are shown in app. B of this report.

Following the receipt of a complaint from Blaw-Knox Construction Equipment, Inc., Mattoon, Illinois (a producer of self-propelled bituminous paving equipment and replacement parts therefor), and Colwell Equipment Co., Inc., Canton, Michigan (a distributor of Blaw-Knox products), Treasury instituted an antidumping investigation by publication of an antidumping proceeding notice in the Federal Register on October 7, 1976 (41 F.R. 44197). 1/ The complaint by Blaw-Knox and Colwell alleged that parts for self-propelled bituminous paving equipment from Canada were being sold at less than fair value in the United States. The Treasury Department limited its investigation to parts for self-propelled bituminous paving equipment manufactured in Canada by Aillatt, Ltd., of Downsview, Ontario, Canada, as virtually all imports of the subject paving equipment parts from Canada were produced by this manufacturer. Treasury's determination of sales at less than fair value was made on April 4, 1977. That determination and Treasury's withholding of appraisement notice were published in the Federal Register on April 12, 1977 (42 F.R. 19242). 2/ The withholding of appraisement will extend for 3 months from the date of publication of the above cited notice in the Federal Register, or until July 12, 1977.

1/ A copy of Treasury's antidumping proceeding notice is presented in app. C of this report.

2/ A copy of Treasury's withholding of appraisement notice and determination of sales at less than fair value is presented in app. D of this report.

Summary

Investigation No. AA1921-166 (parts for self-propelled bituminous paving equipment from Canada) was instituted by the U.S. International Trade Commission following the receipt of advice from the Department of the Treasury that such articles are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. Treasury's advice was received on April 7, 1977, and the Commission is required to make its determination not later than July 7, 1977. Treasury's withholding of appraisement on this merchandise will extend from April 12, 1977, until July 12, 1977.

The complaint was filed with Treasury by a U.S. producer of such parts, Blaw-Knox Construction Equipment, Inc., Mattoon, Illinois (a wholly owned subsidiary of White Consolidated Industries), and a distributor of Blaw-Knox products, Colwell Equipment Co., Inc., Canton, Michigan. Treasury's investigation covered sales to the United States made during January-September 1976. Treasury found that only one Canadian firm, Allatt, Ltd., of Downsview, Ontario, exported paver parts to the United States during the period under investigation.

The Canadian firm has three catalogs for its sales of paver parts to the United States. One catalog lists Blaw-Knox paver parts by Blaw-Knox part numbers, the second catalog similarly lists Barber-Greene parts (Barber-Greene has paver and paver-part operations in Aurora and DeKalb, Illinois), and the third catalog similarly lists Cedarapids paver parts (Cedarapids pavers and parts are made by Iowa Manufacturing Co., Cedar Rapids, Iowa). In all, Allatt lists some 1,800 different paver parts for sale in the United States in competition with the U.S.

manufacturers of virtually identical parts. Treasury investigated only 43 of the parts cataloged by Allatt, but those 43 parts categories accounted for 63 percent of Allatt's sales to the United States during January-September 1976. All of the sales examined (with an invoice value of * * * , as compared with Allatt's total paver parts sales to the United States of * * * during the period) were sold at less than fair value. As calculated by Treasury, the LTFV margins ranged from 10.12 percent to 38.29 percent, with a weighted average margin of 30.61 percent. By the Commission's method of calculation, the LTFV margins ranged from 9.19 percent to 27.69 percent, with a weighted average margin for sales examined of 23.44 percent. On the sales examined, the aggregate margin amounted to * * *. According to material contained in the Treasury memorandum and information obtained during the course of this investigation, there is no reason to believe that the sales examined by Treasury were atypical or that the sales not examined by Treasury were not also sold at LTFV.

Three domestic firms account for virtually all U.S. production of paver parts.

* * * * *

Other than the three U.S. original equipment manufacturers, each of which produces replacement parts only for its own pavers, the only source of replacement parts for such machines is Allatt.

The three U.S. producers contend that their sales of replacement

parts identical to those sold by Allatt have declined, and that the Allatt sales worsen the decline caused by the recent recession. They contend that profitability in replacement parts is usually greater than in pavers themselves, and that their profits have been eroded as a result of the LTFV sales of replacement parts from Canada. They also contend that employment and prices have been adversely affected. A further main contention of the three firms in the domestic industry is that each LTFV sale of a replacement part for one of their machines is a lost sale for the manufacturer of that machine since the U.S. producers do not compete with each other for the replacement-parts market.

Allatt contends, on the other hand, that each U.S. manufacturer has a monopoly on the supply of replacement parts for the pavers built by that manufacturer and sold in the United States and Canada, and that the Canadian producer is the only alternative source of supply for such parts. Allatt further contends that the "monopoly" situation has allowed for unrealistically high prices in the U.S. and Canadian markets, and that in both markets, Allatt prices its parts substantially (25 percent) below the U.S. manufacturers' list prices in order to make sales. Allatt contends that its margin of underselling in both Canada and the United States is identical and that, since U.S. manufacturers price their replacement parts for sale in Canada substantially higher than the parts for sale in the United States, Allatt was required to sell in the United States at LTFV prices. Allatt reports that it has now (since April 1977) lowered its Canadian prices to the level of its prices in the United States in order to avoid dumping duties during the period of withholding of appraisement.

Allatt also contends that if it is forced to raise its U.S. prices to the (former) Canadian level (fair market value), it will lose most or all of its U.S. market.

U.S. producers of pavers and paver parts generally sell their products through distributors or dealers, usually granting a 25-percent discount to dealers from published list prices. The Canadian producer sells replacement parts for Blaw-Knox, Barber-Greene, and Cedarapids pavers by direct sale to paver owners through eight commissioned salesmen that operate throughout the United States. U.S. producers contend that the distributor provides a valuable service in maintaining customer contact, carrying inventories of equipment and parts, and providing service to end users. Allatt, on the other hand, contends that the distributors do not give proper service to the end user, fail to stock parts adequately, and often charge a premium over the U.S. producers' published list prices to end users.

Apparent U.S. consumption of parts for self-propelled bituminous paving equipment increased in value from \$8.2 million in 1972 to \$11.6 million in 1974, but then fell to \$10.3 million in 1975 before again rising to \$11.0 million in 1976. Such consumption is dependent upon two principal factors: first, the existing population of pavers in operation and the age of such equipment and, second, the level of activity in constructing highways, streets, parking lots, and the like that determines the amount of wear such pavers receive during any particular period.

Total shipments of paver parts by the three domestic producers closely followed the trend in consumption; shipments rose from \$8.5

million in 1972 to a peak of \$11.6 million in 1974, slipped to \$10.8 million in 1975, but then again increased in 1976 to \$11.2 million.

Exports of paver parts by U.S. producers rose without interruption from * * * in 1972 to * * * in 1976. Exports were equivalent to *** percent of total U.S. producers' shipments of paver parts in 1972, and by 1976 they had increased to almost *** percent of total shipments.

Shipments of paver parts by Allatt to the United States more than doubled between 1972 and 1976, rising from * * * to * * *. As did shipments by the U.S. producers, Allatt's shipments to the United States rose from 1972 to 1974, declined in 1975, and again expanded in 1976. The ratio of imports to consumption increased without interruption during 1972-76, rising from *** percent in 1972 to *** percent in 1976.

The average number of production and related workers engaged in producing paver parts remained relatively stable at about * * * during 1972-74, then fell to *** in 1975 and to * * * in 1976; employment of such workers in January-March 1977 recovered substantially to *** but was still less than that during 1972-75.

Net sales and net operating profits on operations by the three U.S. producers on paver parts rose from 1972 to 1974, and then fell in 1975. In 1976, however, net sales, net operating profit, and the ratio of net operating profit to net sales all increased over the 1975 levels.

Net sales of paver parts increased from \$7.6 million in 1972 to \$10.5 million in 1974, slipped to \$10.2 million in 1975, but recovered to \$10.6 million in 1976. Net operating profit likewise rose from \$2.5

to \$3.9 million, fell to \$3.2 million, but again increased to \$3.4 million during the same years. The ratio of net operating profit to net sales exceeded 30 percent in each year during 1972-76. All three producers reported profits on paver parts during each of the 5 years, with profit ratios ranging from *** percent to *** percent.

Prices of U.S.-made paver parts rose moderately in 1972 and 1973 before accelerating considerably in 1974 and the first half of 1975. Since that time, however, prices have increased only moderately or, in several cases, have declined. Inasmuch as the prices of paver parts from Canada were pegged at a fixed percentage of the U.S. producers' prices during 1972-76, the trends in such prices were similar to those of domestic prices. Since 1976, Allatt has set the price of most of its paver parts at 75 percent of the U.S. producers' list prices. This essentially means that, since U.S. producers customarily grant their distributors a 25-percent discount from published list prices, Allatt receives the same prices for sales to end users that the three U.S. producers receive for sales to distributors.

Description and Uses

Self-propelled bituminous paving equipment

Self-propelled bituminous paving equipment (pavers) are complex machines that feed hot asphalt from a hopper (usually by means of a conveyor assembly) to a horizontal screw or auger that distributes the asphalt evenly along the width of the roadbed before the screed plate (fig. 1). The screed plate runs the width of the machine and tamps the asphalt down into a smooth compact surface. The screed plate is pressed down on the highway surface repeatedly by manual control in older machines and by automatic, electronically controlled vibrations in most newer machines. The hopper part of the paver contains only a limited quantity of asphalt and is generally fed continuously by a dump truck, or by a series of dump trucks for larger paving jobs. Pavers move on rubber tires or crawler tracks at speeds up to about 20 miles per hour and are powered by gasoline or diesel engines. Paver speeds while laying a strip of asphalt are usually less than 150 feet per minute. A highway roller usually follows the paver to finish the paving work.

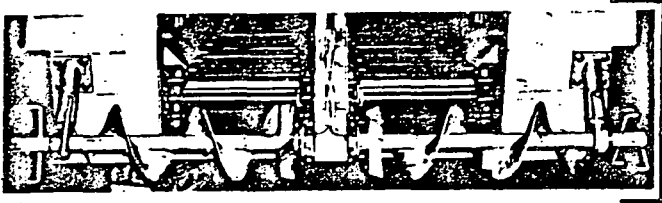
Pavers made in the United States, depending upon the model, can pave in strips as narrow as 5 feet and as wide as 40 feet. Canadian pavers exported to the United States by Allatt, Ltd., the respondent in this case, generally can pave strips as narrow as 1 foot and as wide as 12 feet. The U.S. manufacturers report that they consider the Canadian pavers to be complementary rather than competitive.

Parts for self-propelled bituminous paving equipment

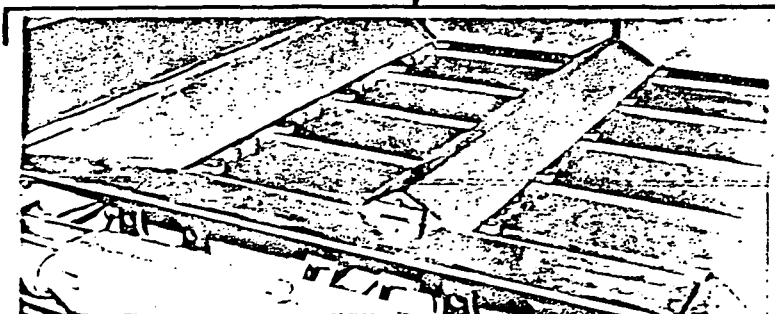
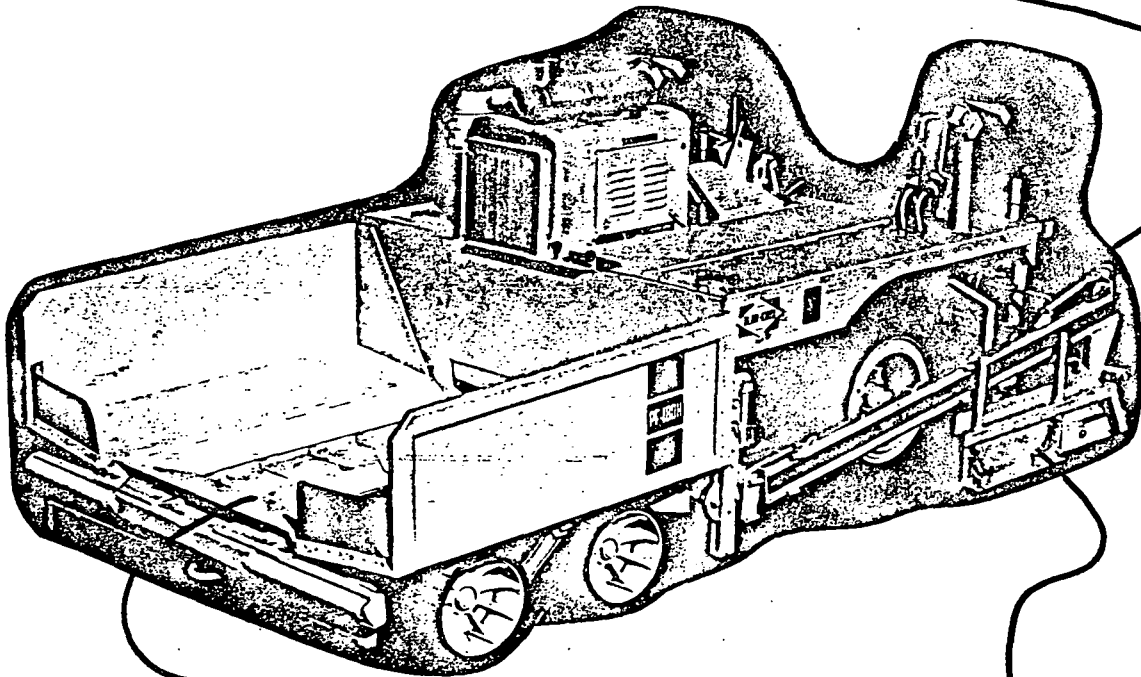
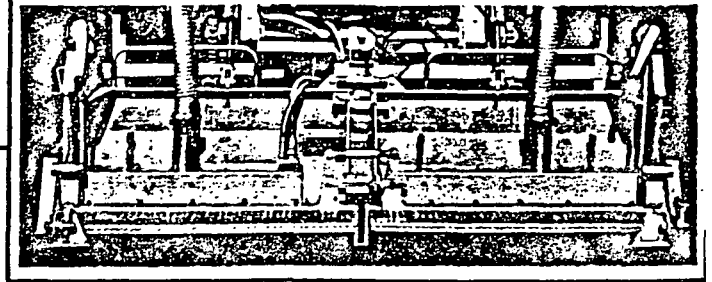
Paver parts are cataloged by the U.S. manufacturers in the event that they need to be replaced. One manufacturer catalogs over 12,000 distinct

Figure 1.--Illustration of a self-propelled bituminous paver and certain parts therefor.

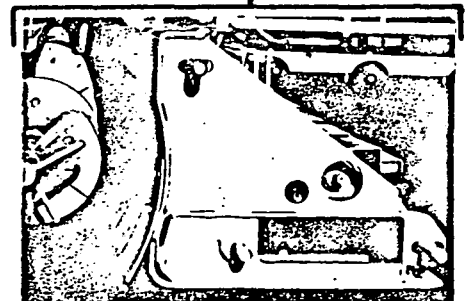
AUGERS
CONVEYOR DRIVE SPROCKETS
CONVEYOR DRIVE SHAFTS



BURNER CHAMBERS



CONVEYOR CHAINS
CONVEYOR FLOOR PLATES
FRONT CONVEYOR IDLER ASSEMBLY



STRIKE-OFF
SCREED PLATE

parts, and the three U.S. manufacturers together catalog at least 20,000 separate and distinct parts for their machines. According to the U.S. manufacturers it would be merely coincidental if certain parts for their machines were interchangeable with parts for machines of other manufacturers because the machines are built to different specifications. Paver parts sold by each of the U.S. producers include both those manufactured by the producer, and purchased or so-called off-the-shelf items. The latter include such parts as diesel and gasoline engines, gas burners, electronic controls, switches, gauges, transmissions, hydraulic lifts, and the like. None of these off-the-shelf articles are manufactured by the U.S. producers or by the Canadian manufacturer; they are sourced from outside vendors, most of which are located in the United States. For its U.S. sales, the Canadian producer does not catalog these types of parts.

All of the parts examined by Treasury, as well as most of the hundreds of other parts listed by Allatt for sale in the United States, consist of relatively simple pieces of metal in which tolerances are not required to be exact. Many could be made in the least sophisticated machine shops. Among the types of parts included in the Treasury's investigation were the following:

Screed plate.--The screed plate acts as a large iron to strike off hot asphalt and compact it in place (fig. 1). It is bolted to the bottom of the screed frame towed behind the paver, runs as long as the width of the paver, and typically is a flat piece of metal 24 inches wide and half an inch thick with, occasionally, a few inches turned upward at each end. A typical U.S.-made screed plate listed at more than \$600 in 1976.

Screw or auger.--Screws or augers distribute the hot asphalt evenly across the paving area. They are as long as the machine is wide and have a central shaft of 1 to several inches in diameter and a blade extending a foot or more outward from the core. The blades are continuous and are spiral throughout the length of the shaft. A typical U.S.-made auger was priced at more than \$500 in 1976.

Conveyor chain and bar assembly.--A conveyor chain and bar assembly moves in a horizontal position from the front to the rear of a paver, conveying hot asphalt from the hopper to the rear where it is deposited on the rotating auger for spreading in front of the screed. A typical U.S.-made assembly was listed at \$1,500 in 1976.

Chain guard.--A chain guard is a metal strip that prevents asphalt from dropping into the conveyor chain and dropping onto the ground under the paver. A typical U.S.-made chain guard was listed at \$200 in 1976.

Auger sprocket.--Auger sprockets are placed at each end of the auger shaft and relay the power from the auger drive motors to the auger itself. A shear bolt in the sprocket is designed to break if the auger or the conveyor chain becomes jammed. A typical U.S.-made auger sprocket was listed at more than \$100 in 1976.

Traction drive shaft sprocket.--The traction drive shaft sprockets on

each paver drive the track in forward or reverse motion, taking power from the traction gear box. A typical U.S.-made sprocket of this sort was listed at nearly \$800 in 1976.

Burner chamber (screed heater).--This metal assembly, which houses the burner assembly and electrodes, contains and confines the flame while bringing the screed to the asphalt mix temperature to prevent the tearing of the mix. A typical U.S.-made burner chamber was listed at \$275 in 1976.

Flight bar.--A flight bar, a metal bar that extends the width of the conveyor assembly, helps to move the asphalt into the augers from the hopper. Each conveyor assembly may be affixed with numerous flight bars. A typical U.S.-made flight bar was listed at \$20 in 1976.

U.S. Tariff Treatment

Self-propelled bituminous paving equipment and most parts therefor are dutiable under item 678.50 of the Tariff Schedules of the United States (TSUS), an item that accomodates a wide variety of miscellaneous machinery and equipment that is not specifically provided for elsewhere in the schedules. The column 1 (most-favored-nation) rate of duty is 5 percent ad valorem; the column 2 rate of duty is 35 percent ad valorem. There is no duty applied to imports under item 678.50 from most beneficiary countries under the Generalized System of Preferences (GSP). During 1976, imports of a variety of equipment (principally tape players and tape player combinations) from the Republic of China under TSUS item 678.50 exceeded \$29.9 million and, under the "competitive need" criterion, effective March 1, 1977, such imports were no longer eligible for duty-free treatment under the GSP. The column 1 rate of duty, which has been in effect since January 1, 1972, represents the last of five staged reductions negotiated under the Kennedy round of trade negotiations pursuant to the General Agreement on Tariffs and Trade. Prior to January 1, 1968, the column 1 rate of duty had been 10 percent ad valorem. 1/

Although some parts for self-propelled bituminous paving equipment doubtlessly enter under many other TSUS items, the quantity imported under these items is negligible. Virtually all of the parts investigated by Treasury were entered under TSUS item 678.50

1/ The probable economic effects statement from the Trade Agreement Digest on TSUS item 678.50 is included in this report as app. E.

Nature and Extent of Sales at Less Than Fair Value

Treasury investigated U.S. imports of parts for self-propelled bituminous paving equipment during the 9-month period, January 1, 1976, through September 30, 1976. During its investigation, Treasury found that virtually all U.S. imports of the subject merchandise from Canada were accounted for by Allatt, Ltd., of Downsview, Ontario, and limited its investigation to that one company. Treasury examined all sales to the United States of 43 separate part categories (out of the some 1,800 categories of parts sold to the United States). During the period under investigation, these 43 part categories accounted for 62.9 percent of Allatt's total sales of paver parts to the United States; Allatt's total sales during the period were * * * . 1/

The paver-part sales to the United States that were examined by Treasury were all made at less-than-fair-value (LTFV) prices. The margins ranged from 9.19 percent to 27.69 percent, with a weighted average margin for the sales examined of 23.44 percent. 2/ The aggregate value of margins of sales at LTFV during the period on sales examined was * * *. Because Treasury did not withhold appraisement until April 12, 1977, none of the potential dumping duties for LTFV sales during January-September 1976 are collectible.

In determining LTFV margins, Treasury calculated the fair value, or

1/ The Treasury memorandum is presented in app. F of this report.

2/ As calculated by the U.S. International Trade Commission (dollar margin divided by home-market price). Margins as calculated by the Treasury (dollar margin divided by purchase price or exporter's sales price) ranged from 10.12 percent to 38.29 percent, with a weighted average margin for the sales examined of 30.61 percent.

home-market price, on the basis of weighted average prices to unrelated purchasers in the home market. Virtually all sales in Canada are made to such unrelated purchasers. The weighted average price was calculated on the basis of various regional price lists adjusted for the percentage of sales of the merchandise sold in each region. An adjustment was made for a commission of *** percent of the list price in the home market. No claims were made for differences in merchandise, differences in circumstances of sale, or differences in packing.

Since all export sales were made to unrelated purchasers, f.o.b. Buffalo, N.Y., the purchase price used by Treasury was the Buffalo list price with adjustments for U.S. duty (5 percent on virtually all sales), brokerage charges, trucking, discounts, commissions, and taxes that were rebated or not collected by reason of the export of the merchandise to the United States. Average costs of duties, trucking, and brokerage charges, which amounted to *** percent of the list price to the United States were used by Treasury. In addition, a 5-percent discount on shipments to the west coast was averaged out among all sales because sales to the west coast by part numbers were not segregated. For all sales of all parts examined, the discount averaged *** percent. A *** percent sales commission was deducted from all Allatt sales in the United States in accordance with Allatt's standard salesmen's commission. In addition, the Canadian manufacturers' sales tax, 12 percent of the home-market price, which is rebated or not collected on exports, was added to the purchase price. Finally, all Canadian prices were converted to U.S. prices at US\$1.00 = Can\$0.9837. The following table gives examples of calculations derived from the Treasury file.

Table 1.--Examples of Treasury's LTFV calculations on 6 of the 43
part numbers Treasury examined

* * * * *

U.S. Producers

Self-propelled bituminous paving equipment and the parts for such equipment that were investigated by Treasury are manufactured in the United States by only three firms: Blaw-Knox Construction Equipment, Inc., Barber-Greene Co., and Iowa Manufacturing Co. During 1972-76, Blaw-Knox accounted for * * * of annual sales of pavers in the United States. Barber-Greene accounted for * * * percent, and Iowa Manufacturing for about *** percent. Four other U.S. producers--Pioneer, Trac-Paver, Mullen, and CMI--together probably accounted for less than 1 percent of U.S. sales of pavers, and, as of 1977, only CMI continues to produce such equipment. Industry sources estimate that the U.S. construction industry currently has on hand 8,000 to 9,000 self-propelled bituminous pavers. Prior to 1970, it was estimated that Barber-Greene was the largest supplier of U.S.-made pavers. Blaw-Knox became the largest supplier in 1970 and reportedly has increased its market share in each following year. The proportions of U.S. sales of paver parts by the domestic manufacturers in 1972-76 were

* * * * *

Blaw-Knox Construction Equipment, Inc.

Blaw-Knox Construction Equipment, Inc., has been a wholly owned subsidiary of White Consolidated Industries since 1968. The firm was formed in 1906 and began to produce self-propelled bituminous pavers as

early as 1932. Currently Blaw-Knox produces six models of self-propelled bituminous pavers that are manufactured, along with paver parts, at the firm's Mattoon, Illinois, plant. The only other products manufactured at Mattoon are two models of road wideners and replacement parts for such machines. The Mattoon plant currently occupies * * * square feet of production space, most of which is devoted to pavers and paver parts. About * * * of the plant's total sales during 1972-76 consisted of pavers; paver parts accounted for *** percent of the total.

Barber-Greene Co.

Barber-Greene Co., with headquarters in Aurora, Illinois, produces parts for self-propelled bituminous paving equipment at its Aurora and DeKalb, Illinois, plants and assembles the pavers at the DeKalb plant. Barber-Greene also manufactures pavers and paver parts in its Ontario plant, but markets those articles only in Canada; it does not export either pavers or parts to the United States. The company was formed in 1916 and began to produce self-propelled paving machines in the early 1930's. By the mid-1950's Barber-Greene is estimated to have become the largest U.S. manufacturer of pavers and parts for such machines. By 1970, however, industry sources estimate that Blaw-Knox had become the dominant U.S. producer of pavers, although Barber-Greene still maintained its leadership in producing replacement parts for pavers.

Barber-Greene produces a variety of other products in its U.S. and foreign plants; most of these consist of construction equipment and materials handling equipment. Total consolidated sales for Barber-Greene

in 1976 amounted to \$134 million, of which pavers and parts therefor are estimated to have accounted for only a small portion. However, pavers and paver parts accounted for ***percent and ***percent, respectively, of total sales during 1972-76 by the establishments in which they were produced. Total employment by the firm in the United States in 1976 amounted to * * * persons, of whom only about * * * were engaged in operations on pavers and paver parts.

Iowa Manufacturing Co.

Iowa Manufacturing Co., established in 1923, was privately held until 1971 when it became a wholly owned subsidiary of Raytheon Co. Iowa Manufacturing's headquarters are located in Cedar Rapids, Iowa, and all its pavers and paver parts are manufactured or assembled in its Cedar Rapids facilities. Pavers under the "Cedarapids" brand name have been produced by Iowa Manufacturing since 1956. Cedarapids pavers have generally not been sold in quantities as great as have pavers made by Blaw-Knox or Barber-Greene. Other products of Iowa Manufacturing consist of construction equipment and materials handling equipment. Pavers and paver parts account for only a small portion of the output and employment at Iowa Manufacturing. The firm's total employment in 1976 amounted to about * * * persons, only some *** percent of whom were engaged in the production of pavers or parts. Pavers and paver parts constituted about ***percent and ***percent, respectively, of Iowa Manufacturing's total sales during 1972-76.

The Canadian Exporter

Other than the three U.S. original equipment manufacturers, each of which produces replacement parts only for its own pavers, the only source of replacement parts for such machines is Allatt, Ltd., of Downsview (a suburb of Toronto), Ontario, Canada. Allatt was founded in 1952 as a supplier to the trucking industry. The firm first started manufacturing certain high-wear items for Barber-Greene pavers in the late 1950's. In the early 1960's, Allatt's range of parts was expanded to include items for Blaw-Knox and Cedarapids pavers. In the latter part of the 1960's, Allatt introduced its own line (two models) of "utility size" pavers and developed certain attachments that could universally be installed on any U.S.-made paver. Allatt, which considers itself "part of the asphalt paving industry", 1/ currently distributes its products in over 50 countries. Sales to the United States account for about * * * percent of Allatt's total sales.

Allatt reportedly buys samples of Blaw-Knox, Barber-Greene, and Cedarapids replacement parts, measures the dimensions and notes the characteristics, and then begins producing virtually identical items. Allatt produces chiefly high-wear items which require little advanced technology in their manufacture but which require the most frequent replacement. Allatt catalogs about 1,800 replacement items for pavers, less than one-tenth of the total number of parts for such equipment.

1/ Transcript of the public hearing, p. 122.

Channels of Distribution

U.S. producers of pavers and paver parts generally sell their products through distributors or dealers, usually granting a 25-percent discount to dealers from published list prices. The main exception is Barber-Greene, which sells pavers and parts directly to end users from its four branch offices, located in Massachusetts, Wisconsin, Illinois, and California. Nevertheless, only a minor portion of Barber-Greene's sales of pavers and paver parts (about ***percent and ***percent, respectively) are made by the branch offices. The remainder of the firm's sales are made through distributors or dealers. All three U.S. producers make a limited number of emergency shipments to end users when local distributors have allowed their stocks of critical parts to run low. All three firms noted that such direct sales are rare and that distributors are encouraged to keep on hand an adequate parts supply. 1/

The Canadian producer sells replacement parts for Blaw-Knox, Barber-Greene, and Cedarapids pavers by direct sale to paver owners through eight commissioned salesmen that operate throughout the United States. For the most part, such sales are not of an emergency nature, but are rather for stockpiles of critical parts for paver owners and for maintenance work in rebuilding pavers during the winter months.

1/ U.S. producers market their pavers and paver parts through a total of 170 distributors or dealers with some 350 retail outlets scattered throughout the United States.

U.S. producers contend that the distributor provides a valuable service in maintaining customer contact, carrying inventories of equipment and parts, and providing service to end users. Allatt, on the other hand, contends that the distributors do not give proper service to the end user, fail to stock parts adequately, and not only don't pass along savings to the end users, but generally charge a premium of 5 to 50 percent more than the U.S. producers' published list prices to end users.

Consideration of Injury or Likelihood Thereof
by Reason of LTFV Sales

U.S. consumption

Apparent U.S. consumption of paver parts increased in value from \$8.2 million in 1972 to \$11.6 million in 1974, but then fell to \$10.3 million in 1975 before again rising to \$11.0 million in 1976 (table 2). Apparent consumption in January-September 1976, the period examined by Treasury in making its determination of sales at LTFV, was valued at \$7.8 million, 2 percent higher than consumption during the corresponding period of 1975. Consumption in January-March 1977 was valued at \$3.6 million, an increase of 29 percent over the \$2.8 million during the first quarter of 1976.

U.S. consumption of paver parts is dependent upon two principal factors: first, the existing population of pavers in operation and the age of such equipment and, second, the level of activity in constructing highways, streets, parking lots, and other uses that determines the amount of wear such pavers receive during any particular period. Table 3 and figure 2 indicate that annual U.S. sales of pavers appear to be largely determined by funds spent in constructing public highways and streets. Likewise, there appears (not surprisingly) to be a link between apparent consumption of paver parts and U.S. production of hot-mix asphalt paving.

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Table 2.--Parts for self-propelled bituminous paving equipment: U.S. producers' shipments, exports, imports, and apparent consumption, 1972-76, January-September 1975, January-September 1976, January-March 1976, and January-March 1977

Period and producer	Producers' shipments	Exports	Imports 1/	Apparent consumption	Ratio of imports to consumption
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
<u>1972</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	2/ ***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	8,503	***	***	8,210	***
<u>1973</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	9,906	***	***	9,885	***
<u>1974</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	11,566	***	***	11,647	***
<u>1975</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	10,842	***	***	10,345	***
<u>1976</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	11,251	***	***	11,001	***

See footnotes at end of table.

Table 2.--Parts for self-propelled bituminous paving equipment: U.S. producers' shipments, exports, imports, and apparent consumption, 1972-76, January-September 1975, January-September 1976, January-March 1976, and January-March 1977--Continued

Period and producer	Producers' shipments	Exports	Imports 1/	Apparent consumption	Ratio of imports to consumption
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
<u>January-September 1975</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	2/ ***	2/ ***	***	***	***
Total-----	8,166	***	***	7,677	***
<u>January-September 1976</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	2/ ***	***	***	***
Total-----	7,967	***	***	7,844	***
<u>January-March 1976</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	2/ ***	***	***	***
Total-----	2,589	***	***	2,768	***
<u>January-March 1977</u>					
Blaw-Knox Co-----	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***
Iowa Manufacturing Co-----	***	***	***	***	***
Total-----	3,329	***	***	3,581	***

1/ Represent shipments to the United States by Allatt, Ltd.

2/ Estimated.

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

Note: Figures may not add to totals shown because of rounding.

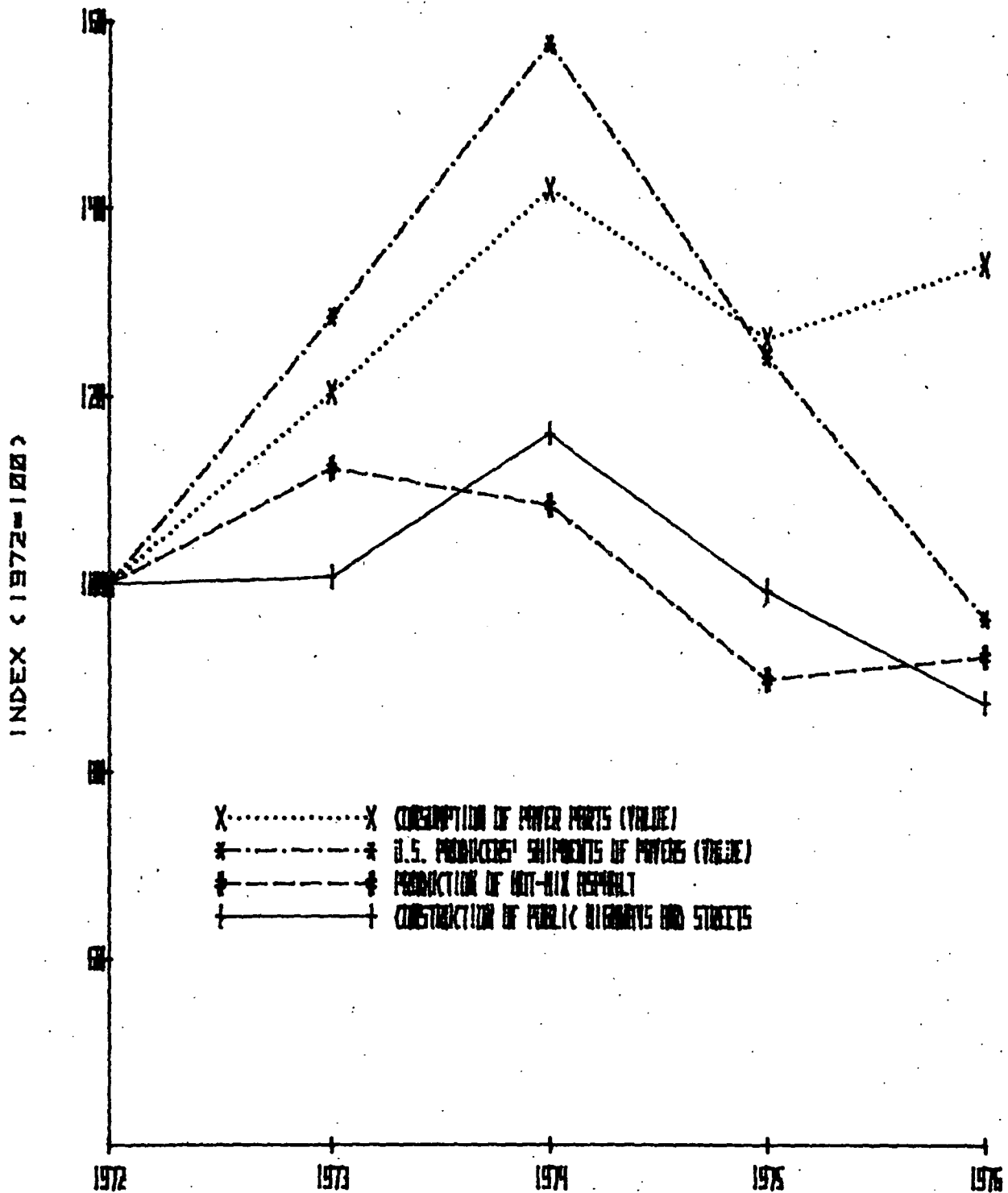
Table 3.--U.S. producers' shipments, exports, imports, and apparent consumption of self-propelled bituminous paving equipment; construction of public highways and streets; and U.S. production of hot-mix asphalt paving, 1972-76

Item	1972	1973	1974	1975	1976
Self-propelled bituminous paving equipment:					
U.S. producers' shipments:					
Blaw-Knox Co-----units----	***	***	***	***	***
Barber-Greene Co-----do----	***	***	***	***	***
Iowa Manufacturing Co---do----	***	***	***	***	***
Total-----do----	748	874	1,008	607	452
Exports:					
Blaw-Knox Co-----units----	***	***	***	***	***
Barber-Greene Co-----do----	***	***	***	***	***
Iowa Manufacturing Co---do----	***	***	***	***	***
Total-----do----	98	107	158	201	153
Imports <u>1/</u> -----do----	***	***	***	***	***
Apparent consumption-----do----	***	***	***	***	***
Construction of public highways and streets--billion dollars---	10.4	10.5	12.1	10.3	9.1
U.S. production of hot-mix asphalt paving--million tons---	325	365	352	292	300

1/ Shipments to the United States by Allatt, Ltd.

Source: Data on self-propelled bituminous paving equipment compiled from responses to questionnaires of the U.S. International Trade Commission, construction of public highways and streets from official statistics of the U.S. Department of Commerce, and U.S. production of hot-mix asphalt paving from the National Asphalt Pavement Association.

FIGURE 2.—INDEXES OF U.S. CONSUMPTION OF PAPER PARTS AND CERTAIN OTHER VARIABLES,
1972-76.



Source: Compiled from the data in tables 2 and 3 of this report.

* * * * *

U.S. producers' shipments and exports

Total shipments of paver parts by the three domestic producers closely followed the trend in consumption--shipments rose from \$8.5 million in 1972 to a peak of \$11.6 million in 1974, slipped to \$10.8 million in 1975, but then again increased in 1976 to \$11.2 million (fig. 3). U.S. producers' shipments in January-September 1976 were valued at \$8.0 million, which represents a decline of about 2 percent from the \$8.2 million in the corresponding period of 1975. Shipments in January-March 1977 were valued at \$3.3 million, an increase of more than 22 percent over the corresponding period of 1976. Table 4 shows that shipments by the individual domestic producers tend not to have noticeable seasonal peaks but are fairly evenly distributed throughout the year. * * * * *

Exports of paver parts by the three U.S. producers rose without interruption from * * * in 1972 to * * * in 1976 (table 5). Exports were equivalent to *** percent of total U.S. producers' shipments of paver parts in 1972, and by 1976 they had increased to almost * * * percent of total shipments. * * * * *

Figure 3.--Parts for self-propelled bituminous paving equipment:
U.S. producers' shipments, exports, and imports, 1972-76

* * * * *

Table 4.--Parts for self-propelled bituminous paving equipment: U.S. producers' shipments, by producers and by quarters, 1972-76, and January-March 1977

(In thousands of dollars)

Period	Total	Shipments by--		
		Blaw-Knox	Barber-Greene	Iowa Manufacturing
1972:				
January-March-----	1/	2/ ***	***	1/
April-June-----	1/	2/ ***	***	1/
July-September-----	1/	2/ ***	***	1/
October-December-----	1/	2/ ***	***	1/
Total-----	8,503	***	***	***
1973:				
January-March-----	1/	2/ ***	***	1/
April-June-----	1/	2/ ***	***	1/
July-September-----	1/	2/ ***	***	1/
October-December-----	1/	2/ ***	***	1/
Total-----	9,906	***	***	***
1974:				
January-March-----	1/	2/ ***	***	1/
April-June-----	1/	2/ ***	***	1/
July-September-----	1/	2/ ***	***	1/
October-December-----	1/	2/ ***	***	1/
Total-----	11,566	***	***	***
1975:				
January-March-----	1/	2/ ***	***	1/
April-June-----	1/	2/ ***	***	1/
July-September-----	1/	2/ ***	***	1/
October-December-----	1/	2/ ***	***	1/
Total-----	10,842	***	***	***
1976:				
January-March-----	2,589	2/ ***	***	***
April-June-----	2,454	2/ ***	***	***
July-September-----	2,924	2/ ***	***	***
October-December-----	3,284	2/ ***	***	***
Total-----	11,251	***	***	***
1977: January-March-----	3,329	2/ ***	***	***

1/ Not available.

2/ Partly estimated.

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

Note: Figures may not add to totals shown because of rounding.

Table 5.--Parts for self-propelled bituminous paving equipment: U.S. producers' shipments for export, by producers and by quarters, 1972-76, and January-March 1977

* * * * *

* * * * *

Table 3 shows

that export markets for pavers are also very important for U.S. producers; from 12 percent to 34 percent of total U.S. shipments of pavers by the three producers during 1972-76 were exported.

U.S. imports

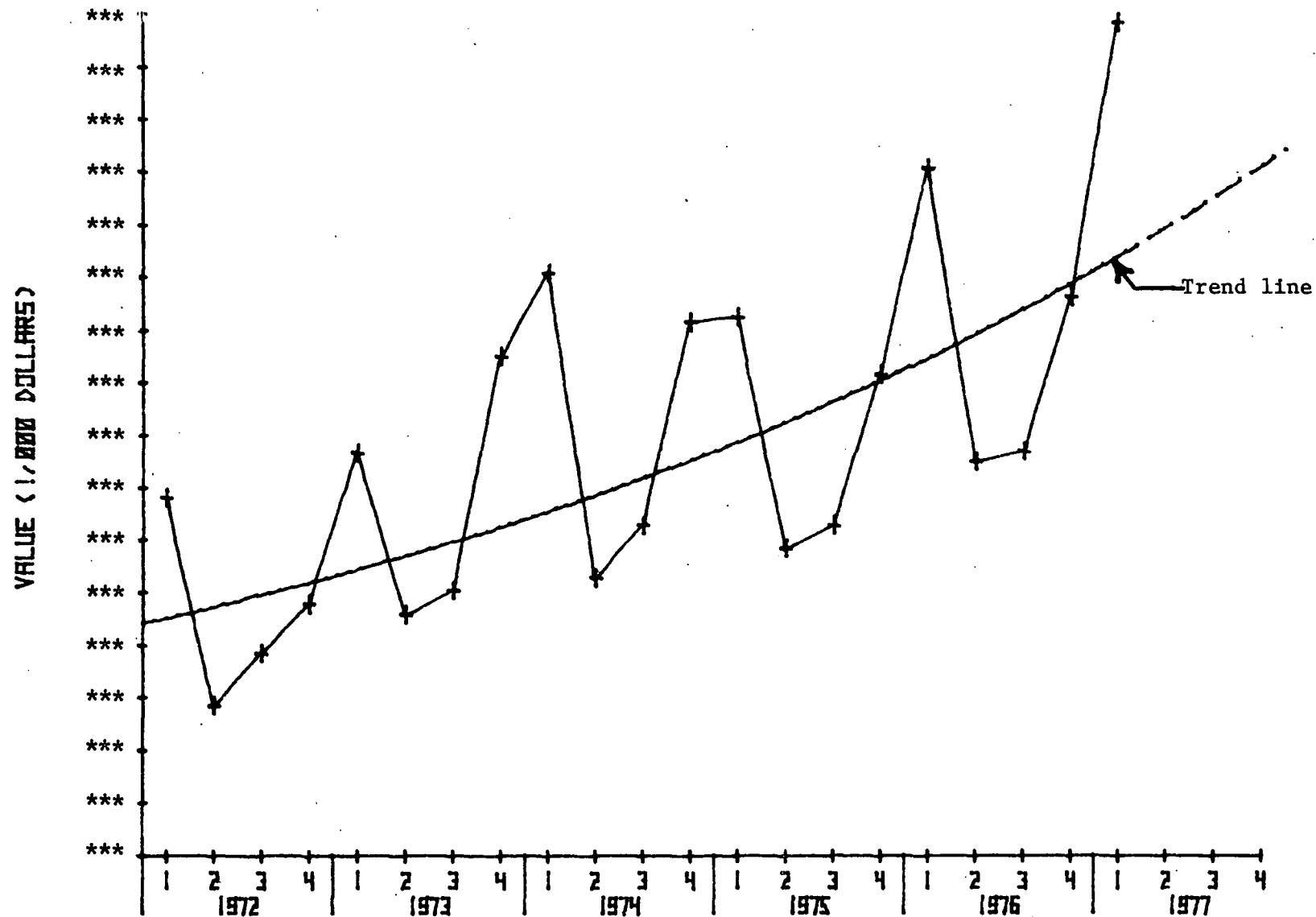
As indicated previously, the only known foreign source of parts for U.S.-made self-propelled bituminous paving equipment is Allatt, Ltd., in Canada. Shipments of paver parts by that firm to the United States more than doubled in value between 1972 and 1976, rising from * * * to * * *. As did shipments by U.S. producers, Allatt's shipments to the United States rose from 1972 to 1974, declined in 1975, and again expanded in 1976. Allatt's shipments of paver parts to the United States are quite seasonal, being heavily concentrated in the first and fourth quarters of each year (table 6) because, for the most part, purchases of parts from Allatt by U.S. end users are not of an emergency nature, but are for stockpiles and maintenance work in rebuilding pavers during the colder months when paving work is at a minimum. Figure 4 illustrates graphically the seasonal nature of U.S. imports of paver parts, as well as the relatively rapid increase in such imports since 1972. 1/

1/ Such imports increased at an average annual rate of almost 21 percent during 1972-76.

Table 6.--Parts for self-propelled bituminous paving equipment: Shipments to the United States by Allatt, Ltd., by quarters, 1972-76, and January-March 1977

* * * * *

FIGURE 4.—PARTS FOR SELF-PROPELLED BITUMINOUS PAVING EQUIPMENT: SHIPMENTS TO THE UNITED STATES BY ALLATT, LTD., BY QUARTERS, 1972-76, AND JANUARY-MARCH 1977.



SOURCE: TABLE 6 OF THIS REPORT.

The ratio of imports to consumption increased without interruption during 1972-76, rising from *** percent in 1972 to *** percent in 1976 (table 2). The import-to-consumption ratio rose further in January-March 1977 (partly, no doubt, because of the customary seasonal surge in imports in the first quarter of the year) to *** percent; this was, however, 1.5 percentage points lower than the ratio during the corresponding period of 1976. Table 2 also shows that the ratio of imports to consumption of parts for pavers made by each of the three U.S. producers showed a similar rising trend; * * * * *

Employment

The average number of persons employed in U.S. establishments in which parts for self-propelled bituminous paving equipment are produced increased from 1,918 in 1972 to 2,087 in 1974, but then fell to 1,757 in 1975 and dropped further in 1976 to 1,458. Average employment in the first quarter of 1977 rose to 1,590, but was still substantially less than at any time during 1972-75 (table 7). Trends in employment of production and related workers engaged in the manufacture of all products, pavers, and paver parts, as well as hours worked by such employees, were quite similar. The average number of production and related workers engaged in producing paver parts remained relatively stable at about * * * during 1972-74, then fell to *** in 1975 and slipped further to *** in 1976; employment of such workers in January-March 1977 recovered substantially to ***, but was still less than that during 1972-75.

Throughout the period January 1972-March 1977, employment in operations on parts for self-propelled bituminous paving equipment remained very stable in relation to total employment in the establishments in which such parts were produced, averaging about *** percent of the total number of production and related workers employed. Thus, the declines since 1974 in employment in producing paver parts, while substantial, were no more pronounced than the declines in employment in producing pavers and other products (e.g., construction equipment and materials handling equipment).

Table 7.--Average number of employees, total, and production and related workers, and person-hours worked by them in establishments producing parts for self-propelled bituminous paving equipment, 1972-76, January-September 1975, January-September 1976, January-March 1976, and January-March 1977

Item	1972	1973	1974	1975	1976	Jan.-Sept.--		Jan.-Mar.--	
	1975	1976	1976	1977					
Average number of employees									
All persons-----	1,918	2,000	2,087	1,757	1,458	1,884	1,468	1,448	1,590
Production and related workers:									
All products-----	1,374	1,445	1,498	1,173	934	1,286	940	911	1,075
Pavers and parts, total--	622	703	773	511	399	561	406	419	497
Pavers-----	***	***	***	***	***	***	***	***	***
Parts-----	***	***	***	***	***	***	***	***	***
Person-hours worked by production and related workers (1,000 hours)									
All products-----	2,885	3,010	2,932	2,396	1,924	1,916	1,452	495	567
Pavers and parts, total----	1,463	1,661	1,659	1,203	940	944	686	241	273
Pavers-----	***	***	***	***	***	***	***	***	***
Parts-----	***	***	***	***	***	***	***	***	***

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

Profit-and-loss experience of domestic producers

Financial data were obtained from the three domestic producers of parts for self-propelled bituminous paving equipment on all operations of the establishments in which such parts were produced, operations on pavers and parts therefor, and operations on paver parts only. A summary of the information received is as follows.

* * * * * * *

Overall establishment operations.--Net sales of all products rose from \$72.6 million in 1972 to \$97.2 million in 1974, but then declined to \$89.6 million in 1975 and \$75.6 million in 1976 (table 8). Domestic producers reported net operating profits of \$12.4 million, or 17.1 percent of net sales, in 1972. Net operating profits rose to \$17.0 million, or 17.5 percent of net sales, in 1974. They subsequently fell to \$11.9 million in 1975 and \$8.6 million in 1976, equivalent to 13.3 percent and 11.4 percent, respectively, of net sales. Net profit or loss before income taxes and after other income and expense items followed the same trend, i.e., profits being realized in each year but peaking in 1974.

Table 8.--Profit-and-loss experience of producers of parts for self-propelled bituminous paving equipment on all operations of the establishments in which such parts were produced, 1972-76

Year and company	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Percent</u>
<u>1972</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co--	***	***	***	***	***	***
Total-----	72,572	51,125	21,447	9,044	12,403	17.1
<u>1973</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co--	***	***	***	***	***	***
Total-----	85,075	61,122	23,953	10,658	13,295	15.6
<u>1974</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co--	***	***	***	***	***	***
Total-----	97,248	67,393	29,855	12,810	17,045	17.5
<u>1975</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co--	***	***	***	***	***	***
Total-----	89,566	64,264	25,302	13,370	11,932	13.3
<u>1976</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co--	***	***	***	***	***	***
Total-----	75,604	54,875	20,729	12,099	8,630	11.4

1/ Less than 0.5 percent.

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

Note: Blaw-Knox Construction Equipment, Inc., is a wholly owned subsidiary of White Consolidated Industries, Inc. The profit-and-loss data submitted by Blaw-Knox do not reflect the cost of borrowing and corporate charges for management, accounting, legal services, etc. While White Consolidated does not in practice specifically allocate such costs to its subsidiaries, Blaw-Knox officials estimate that the effect would be a reduction in the latter's net profit approximating * * * percent of sales.

* * * * *

Operations on pavers and parts.--As shown in table 9, net sales of pavers and parts therefor followed the same trend evident in overall establishment operations; sales rose from \$35.5 million in 1972 to \$55.2 million in 1974 before falling to \$36.2 million in 1976. Net operating profit rose from \$7.5 million in 1972 to \$12.4 million in 1974 then dropped to \$5.9 million in 1976; the ratios of net operating profit to net sales for these same 3 years were 21.3 percent, 22.4 percent, and 16.2 percent, respectively.

* * * * *

Operations on paver parts.--Table 10 shows the profit-and-loss experience of the three domestic producers on parts for self-propelled bituminous paving equipment. The trends during 1972-75 were the same as those for all operations and for combined operations on pavers and parts. That is, net sales and net operating profits rose from 1972 to 1974 and then fell in 1975. In 1976, however, net sales, net operating profit, and the ratio of net operating profit to net sales all increased over their respective levels in 1975. Net sales of paver parts increased from \$7.6 million in 1972 to \$10.5 million in 1974, slipped

Table 9.--Profit-and-loss experience of producers of parts for self-propelled bituminous paving equipment on operations on pavers and parts therefor, 1972-76

Year and company	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Percent</u>
<u>1972</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	35,481	23,387	12,094	4,547	7,547	21.3
<u>1973</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	44,113	30,211	13,902	5,510	8,392	19.0
<u>1974</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	55,230	36,730	18,500	6,143	12,357	22.4
<u>1975</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	44,623	30,313	14,310	6,036	8,274	18.5
<u>1976</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	36,228	24,681	11,547	5,675	5,872	16.2

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

Note: See general footnote on table 8.

Table 10.--Profit-and-loss experience of producers of parts for self-propelled bituminous paving equipment on operations on such parts, 1972-76

Year and company	Net sales	Cost of goods sold	Gross profit	General, selling and administrative expenses	Net operating profit	Ratio of net operating profit to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Percent</u>
<u>1972</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	7,651	4,246	3,405	860	2,545	33.3
<u>1973</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	8,854	4,827	4,027	994	3,033	34.3
<u>1974</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	10,545	5,554	4,991	1,120	3,871	36.7
<u>1975</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	10,186	5,711	4,475	1,290	3,185	31.3
<u>1976</u>						
Blaw-Knox Co-----	***	***	***	***	***	***
Barber-Greene Co-----	***	***	***	***	***	***
Iowa Manufacturing Co----	***	***	***	***	***	***
Total-----	10,580	5,775	4,805	1,372	3,433	32.4

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

Note: See general footnote on table 8.

to \$10.2 million in 1975, but recovered to \$10.6 million in 1976. Net operating profit likewise rose from \$2.5 million to \$3.9 million, fell to \$3.2 million, but again increased to \$3.4 million during the same years. Net profit before income taxes and after other income and expense items varied only slightly from the net operating profit. The ratio of net operating profit to net sales exceeded 30 percent in each year during 1972-76. All three producers reported profits on paver parts during each of the 5 years, with profit ratios ranging from * * * percent to *** percent. In comparison, the ratio of net operating profit to net sales for all U.S. manufacturing corporations during 1972-76 averaged about 8 percent.

Value of assets.--The value of owned or leased fixed assets employed in establishments in which self-propelled bituminous paving equipment and parts therefor were produced increased without interruption during 1972-76. The cost of such assets rose from \$22.9 million in 1972 to \$28.6 million in 1976, while the book value (total cost of assets less accumulated depreciation) rose from \$8.3 million to \$11.5 million during the period (table 11). The estimated replacement cost of these assets in 1976 was about \$55.7 million, about twice their original cost.

The return on the cost of investment in pavers and parts therefor, i.e., the ratio of net profit or loss before income taxes to the value of assets, rose from 34.5 percent in 1972 to 35.5 percent in 1973 and to 48.4 percent in 1974; it subsequently fell to 29.4 percent in 1975 and declined further to 20.9 percent in 1976. The return on the book value

Table 11.--Original cost, book value, and estimated replacement cost of owned or leased fixed assets employed in establishments in which self-propelled bituminous paving equipment and parts therefor were produced, by companies, 1972-76

(In thousands of dollars)			
Year and company	Original cost	Book value	Estimated replacement cost
<u>1972</u>			
Blaw-Knox Co-----	***	***	***
Barber-Greene Co-----	***	***	***
Iowa Manufacturing Co-----	***	***	1/
Total-----	22,893	8,303	1/
<u>1973</u>			
Blaw-Knox Co-----	***	***	***
Barber-Greene Co-----	***	***	***
Iowa Manufacturing Co-----	***	***	1/
Total-----	24,561	9,534	1/
<u>1974</u>			
Blaw-Knox Co-----	***	***	***
Barber-Greene Co-----	***	***	***
Iowa Manufacturing Co-----	***	***	1/
Total-----	26,087	10,529	1/
<u>1975</u>			
Blaw-Knox Co-----	***	***	***
Barber-Greene Co-----	***	***	***
Iowa Manufacturing Co-----	***	***	1/
Total-----	27,754	11,358	1/
<u>1976</u>			
Blaw-Knox Co-----	***	***	***
Barber-Greene Co-----	***	***	***
Iowa Manufacturing Co-----	***	***	***
Total-----	28,577	11,469	55,675

1/ Not available.

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

of such assets followed the same general trend but was much higher, rising from 95.1 percent in 1972 to 119.9 percent in 1974 before falling to 52.2 percent in 1976. These rates of return on investment are high in relation to those prevailing for most manufacturing industries. It should be noted, however, that most parts produced by U.S. makers of pavers can be manufactured with relatively simple fabricating operations. In addition, the assembly of a paver itself is a relatively labor-intensive operation requiring little specialized and expensive machinery and equipment.

Capital expenditures and research and development expenses.--As shown in table 12, capital expenditures for facilities used in the manufacture, warehousing, and marketing of self-propelled bituminous paving equipment and parts therefor almost trebled between 1972 and 1973, remained quite stable over the next 2 years, and then declined by one-fourth in 1976. Total capital expenditures ranged from * * * in 1972 to * * * annually in 1973-75. Capital expenditures expressed as a percentage of net sales of pavers and parts ranged from *** percent in 1972 to * * * percent in 1973 and in 1975.

Research and development expenses incurred in developing self-propelled bituminous paving equipment and parts therefor fluctuated but little during 1972-76. Such expenses averaged about * * * annually, or about *** percent of net sales of pavers and paver parts.

Table 12.--Capital expenditures and research and development expenses incurred in connection with the production of self-propelled bituminous paving equipment and parts therefor, by companies, 1972-76

(In thousands of dollars)					
Year and company	Capital expenditures			Research and development expenses	
	Land, land im- provements	Building, leasehold im- provements	Machinery, equipment, and fixtures		
<u>1972</u>					
Blaw-Knox Co-----	***	***	***		***
Barber-Greene Co-----	***	***	***		***
Iowa Manufacturing Co----	***	***	***		***
Total-----	***	***	690		***
<u>1973</u>					
Blaw-Knox Co-----	***	***	***		***
Barber-Greene Co-----	***	***	***		***
Iowa Manufacturing Co----	***	***	***		***
Total-----	***	***	900		550
<u>1974</u>					
Blaw-Knox Co-----	***	***	***		***
Barber-Greene Co-----	***	***	***		***
Iowa Manufacturing Co----	***	***	***		***
Total-----	***	***	1,864		
<u>1975</u>					
Blaw-Knox Co-----	***	***	***		***
Barber-Greene Co-----	***	***	***		***
Iowa Manufacturing Co----	***	***	***		***
Total-----	***	233	1,977		721
<u>1976</u>					
Blaw-Knox Co-----	***	***	***		***
Barber-Greene Co-----	***	***	***		***
Iowa Manufacturing Co----	***	***	***		***
Total-----	***	577	1,054		***

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

Loss of sales

The three domestic producers contend that since the only source of replacement parts for a U.S.-made paver other than the original manufacturer of the paver in question is Allatt, every less-than-fair-value sale made by Allatt constitutes a sale lost by a domestic producer. ^{1/} Further, inasmuch as there is no reason to believe that Allatt's sales examined by Treasury were atypical or that sales not examined by Treasury were not also sold at less than fair value, they contend that every sale by Allatt in the United States of any part for self-propelled bituminous paving equipment is directly responsible for a loss of a sale by a U.S. producer of the like item. Allatt's shipments of paver parts to the United States during 1976 were valued at * * * . Thus, the U.S. producers would contend that they lost an identical amount of sales to LTFV imports from Canada in that year. Two of the domestic producers, Blaw-Knox and Barber-Greene, supplied the Commission with the names of almost 100 paving contractors (end users) which have allegedly purchased paver parts from Allatt.

^{1/} See, for example, the brief of Blaw-Knox Construction Equipment, Inc., and Colwell Equipment, Inc., May 27, 1977, pp. 10-12.

Prices

Parts for self-propelled bituminous paving equipment are sold in the United States on the basis of price lists issued by each of the three domestic producers. Each of the price lists published by the U.S. producers is unique because each producer sells only parts for pavers of his own manufacture. The list prices shown in each domestic producer's catalog are applicable for sales to end users (usually paving contractors). As noted earlier, however, all but a minor portion of the U.S. producers' sales of paver parts are made to distributors or dealers rather than directly to the end users. For a number of years it has been the standard practice among the three producers to sell paver parts to distributors at 75 percent of the end user list prices. The producers' published price lists thus serve as suggested retail prices since all distributors of each producer's paver parts may not choose to sell to end users at exactly the published prices. ^{1/} In general, however, most distributors are believed to sell paver parts at list prices.

Allatt publishes three price lists--a separate list for replacement parts for pavers made by each of the three U.S. producers. Allatt catalogs its parts using the same part numbers as used by the respective U.S. producer. Allatt sells paver parts in the United States only to end users. With the exception of a 5-percent allowance for freight to the west coast, virtually all of Allatt's sales of paver parts made in the United States

^{1/} As testified at the Commission's public hearing, the domestic producers' price lists are generally not made available to end users. Allatt's price lists are, of course, available to end users since that firm does not use distributors in its U.S. sales of paver parts.

during January 1972-March 1977 were made at list prices, f.o.b., Buffalo, New York.

The evidence obtained during the course of this investigation clearly showed that Allatt was a price follower throughout the period January 1972-March 1977. That is, Allatt issued a new price list only after a U.S. producer of paver parts had previously issued his own price revisions. Allatt's prices during the period were set at a fixed percentage of each U.S. producer's list prices. This percentage was generally set at 65 to 70 percent of the U.S. producers' list prices prior to mid-1975. Since that time, Allatt's list prices for parts for Barber-Greene and Cedarapids pavers have generally been set at 75 percent of the respective domestic producer's list prices. From the fourth quarter of 1975 through the third quarter of 1976, Allatt's prices of parts for Blaw-Knox pavers were set at 70 percent of the Blaw-Knox list prices; since that time they have been set at 75 percent of Blaw-Knox's prices. Thus, since the fourth quarter of 1976 Allatt's list prices for all paver parts have been set at 75 percent of the comparable U.S.-made item. This essentially means that, since U.S. producers customarily grant their distributors a 25-percent discount from published list prices, Allatt receives the same prices for sales to end users that the three U.S. producers receive for sales to distributors.

Trends.--Price data were obtained by the Commission's questionnaires from the three domestic producers on 43 individual high-wear parts (18 Blaw-Knox parts, 18 Barber-Greene parts, and 7 Cedarapids parts) that were also produced by Allatt and sold in the United States. Comparable data

were obtained from Allatt on the identical 43 parts; these were also the same 43 parts investigated by Treasury in making its determination of sales at LTFV. In addition, each domestic producer supplied data on net selling prices of its 10 best selling parts in 1976 that were not produced by Allatt. A summary of the information obtained is shown, by U.S. producers, in tables 13-15.

Prices of U.S.-made parts for self-propelled bituminous paving equipment rose moderately in 1972 and 1973, before accelerating considerably in 1974 and the first half of 1975. Since that time, however, prices have increased only moderately or, in several cases, declined. Inasmuch as the prices of paver parts from Canada were pegged to a fixed percentage of the U.S. producers' prices, the trends in such prices were similar to those of domestic prices. Figure 5 shows, by U.S. producers, indexes of the prices received for the 43 high-wear paver parts since 1972 and contrasts such indexes with the Bureau of Labor Statistics' Wholesale Price Index (WPI) for all commodities and for construction machinery and equipment.

* * * * *

Table 13.--Parts for self-propelled bituminous paving equipment: Average net selling prices received by Blaw-Knox Construction Equipment, Inc., and Allatt, Ltd., for selected parts for Blaw-Knox pavers, by quarters, 1972-76, and January-March 1977

Period	18 high-wear parts sold by both Blaw-Knox and Allatt 1/				Index of average price received by	
	Average price received by--		Index of average price received by--		Blaw-Knox for its 10 best selling	
	Blaw-Knox	Allatt	Blaw-Knox	Allatt	parts not sold by Allatt	
	Dollars	Dollars	1972=100	1972=100	1972=100	
1972:						
January-March-----	***	***	100.0	100.0		100.0
April-June-----	***	***	100.0	100.0		100.0
July-September-----	***	***	100.0	100.0		100.0
October-December-----	***	***	100.0	100.0		100.0
1973:						
January-March-----	***	***	103.8	105.4		105.0
April-June-----	***	***	103.8	105.4		105.0
July-September-----	***	***	103.8	105.4		105.0
October-December-----	***	***	103.8	105.4		105.0
1974:						
January-March-----	***	***	109.5	114.4		110.3
April-June-----	***	***	118.3	114.4		119.1
July-September-----	***	***	122.9	133.6		131.1
October-December-----	***	***	125.7	133.6		137.0
1975:						
January-March-----	***	***	138.9	133.6		143.5
April-June-----	***	***	138.9	133.6		143.5
July-September-----	***	***	138.9	133.6		143.5
October-December-----	***	***	129.1	157.2		153.0
1976:						
January-March-----	***	***	129.1	157.2		153.0
April-June-----	***	***	129.1	157.2		153.0
July-September-----	***	***	129.1	157.2		153.0
October-December-----	***	***	133.9	169.6		159.0
1977: January-March-----	***	***	133.9	169.6		159.0

1/ During the period January-September 1976, these 18 parts accounted for * * * percent of Blaw-Knox's shipments of manufactured paver parts and for * * * percent of Allatt's shipments to the United States of paver parts for Blaw-Knox pavers.

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

Table 14.—Parts for self-propelled bituminous paving equipment: Average net selling prices received by Barber-Greene Co. and Allatt, Ltd., for selected parts for Barber-Greene pavers, by quarters, 1972-76, and January-March 1977

Period	18 high-wear parts sold by both Barber-Greene and Allatt 1/				Index of average price received by Barber-Greene for its 10 best selling parts not sold by Allatt
	Average price received by--		Index of average price received by--		
	Barber- Greene	Allatt	Barber- Greene	Allatt	
	Dollars	Dollars	1972=100	1972=100	1972=100
1972:					
January-March-----	***	***	100.0	100.0	100.0
April-June-----	***	***	100.0	100.0	100.0
July-September-----	***	***	100.0	100.0	100.0
October-December-----	***	***	100.0	100.0	100.0
1973:					
January-March-----	***	***	106.0	100.0	105.8
April-June-----	***	***	106.0	100.0	105.8
July-September-----	***	***	106.0	100.0	105.8
October-December-----	***	***	117.1	107.4	113.0
1974:					
January-March-----	***	***	117.1	107.4	120.8
April-June-----	***	***	120.1	107.4	120.8
July-September-----	***	***	120.1	107.4	120.8
October-December-----	***	***	129.6	120.1	131.8
1975:					
January-March-----	***	***	138.4	120.1	143.5
April-June-----	***	***	138.4	139.7	143.5
July-September-----	***	***	138.4	139.7	143.5
October-December-----	***	***	147.7	151.6	155.1
1976:					
January-March-----	***	***	147.7	151.6	155.1
April-June-----	***	***	147.7	151.6	155.1
July-September-----	***	***	127.0	151.6	171.0
October-December-----	***	***	127.0	127.8	171.0
1977: January-March-----	***	***	127.0	127.8	171.0

1/ During the period January-September 1976, these 18 parts accounted for * * * percent of Barber-Greene's shipments of paver parts and for * * * percent of Allatt's shipments to the United States of paver parts for Barber-Greene pavers.

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

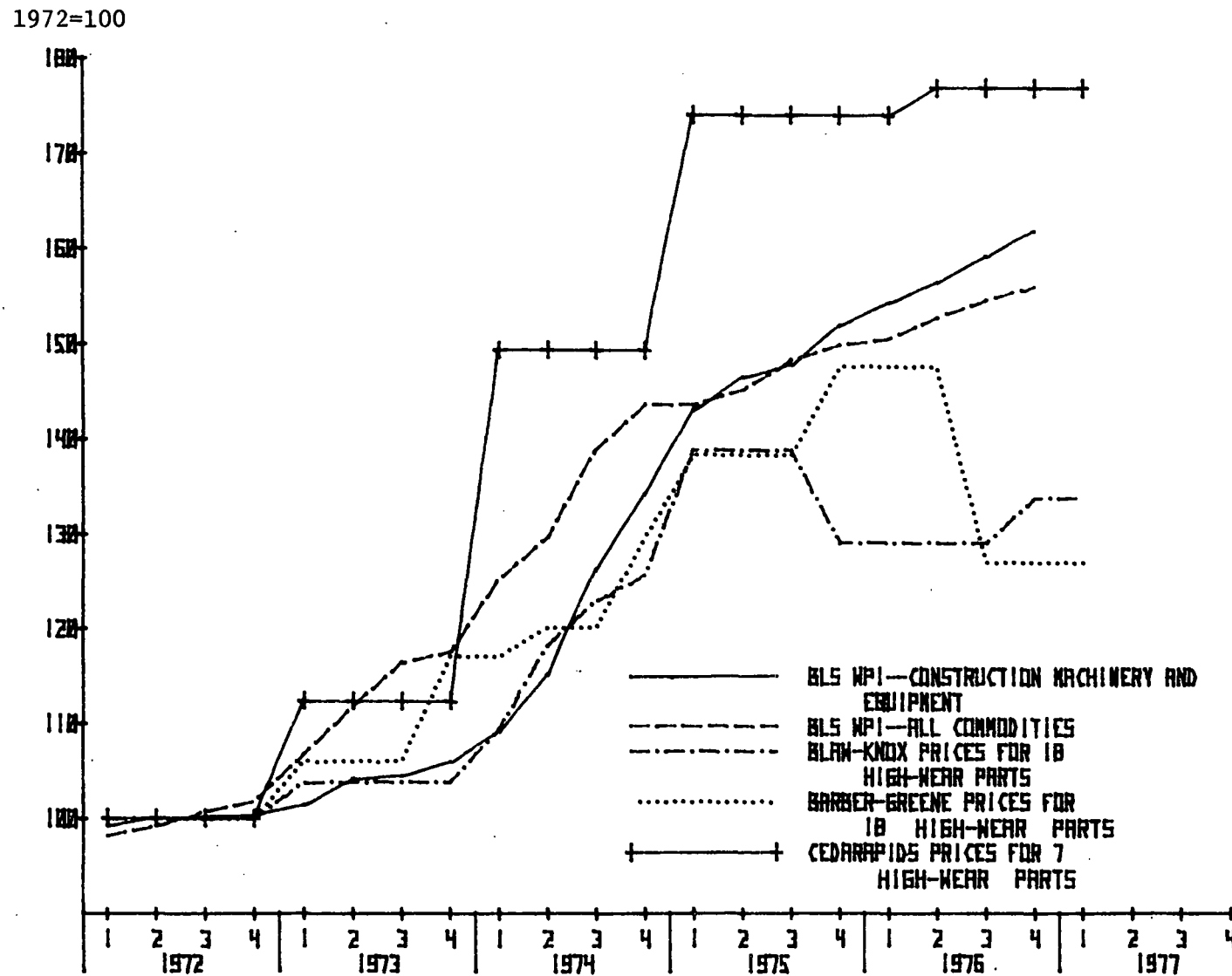
Table 15.--Parts for self-propelled bituminous paving equipment: Average net selling prices received by Iowa Manufacturing Co. (Cedarapids) and Allatt, Ltd., for selected parts for Cedarapids pavers, by quarters, 1972-76, and January-March 1977

Period	7 high-wear parts sold by both Cedarapids and Allatt 1/				Index of average price received by
	Average price received by--		Index of average price received by--		Cedarapids for its 11 best selling parts not sold by Allatt
	Cedarapids	Allatt	Cedarapids	Allatt	
	Dollars	Dollars	1972=100	1972=100	1972=100
1972:					
January-March-----	***	***	100.0	100.0	100.0
April-June-----	***	***	100.0	100.0	100.0
July-September-----	***	***	100.0	100.0	100.0
October-December-----	***	***	100.0	100.0	100.0
1973:					
January-March-----	***	***	112.3	100.0	106.8
April-June-----	***	***	112.3	106.4	106.8
July-September-----	***	***	112.3	106.4	106.8
October-December-----	***	***	112.3	106.4	106.8
1974:					
January-March-----	***	***	149.4	106.4	119.9
April-June-----	***	***	149.4	106.4	119.9
July-September-----	***	***	149.4	142.6	119.9
October-December-----	***	***	149.4	142.6	119.9
1975:					
January-March-----	***	***	174.2	142.6	135.2
April-June-----	***	***	174.2	153.5	135.2
July-September-----	***	***	174.2	153.5	135.2
October-December-----	***	***	174.2	156.4	135.2
1976:					
January-March-----	***	***	174.2	156.4	135.2
April-June-----	***	***	177.1	156.4	135.2
July-September-----	***	***	177.1	156.4	144.9
October-December-----	***	***	177.1	159.8	144.9
1977: January-March-----	***	***	177.1	159.8	144.9

1/ During the period January-September 1976 these 7 parts accounted for * * * percent of Cedarapids' shipments of paver parts and for * * * percent of Allatt's shipments to the United States of paver parts for Cedarapids pavers.

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

Figure 5.--Wholesale Price Indexes for Selected Items, By Quarters,
1972-76, and January-March 1977.



Source: Official statistics of the U.S. Bureau of Labor Statistics, and tables 13-15 of this report.

* * * * *

Price suppression and price depression.--The data obtained from the domestic producers and from Allatt offer evidence for the following conclusions:

(1) Prices of parts for self-propelled bituminous paving equipment have increased more slowly than have wholesale prices for most items since mid-1974. This was especially pronounced in the second half of 1975 and throughout 1976.

(2) Prices received by all three domestic producers for "competitive" paver parts (i.e., those also produced by Allatt) have risen very little since late 1975, and at least two producers * * * have made reductions in list prices of certain high-wear items. Such reductions have, in particular instances, been substantial.

(3) Although prices of "noncompetitive" paver parts (i.e., those not produced by Allatt) have in certain instances also been reduced, prices of such parts have, in general, risen more rapidly than have those of parts that are produced by Allatt.

(4) Whatever the domestic producers have done in

setting prices, either by way of an increase or a decrease, has been paralleled by Allatt.

* * * * *

(5) The allegation by Allatt during the Commission's hearing and in its post hearing brief that distributors and dealers add a premium on top of the U.S. producers' suggested list prices has some basis in fact. While this practice does not appear to be the norm, the Commission's sample of prices obtained by distributors did reveal that certain distributors customarily followed the practice. On the other hand, some distributors regularly discounted the suggested list prices. In either case, the deviations were generally small, ranging from 2-10 percent of the list prices.

1/ * * *.

APPENDIX A

TREASURY DEPARTMENT LETTER TO THE COMMISSION ADVISING
THE COMMISSION OF ITS DETERMINATION OF SALES
AT LESS THAN FAIR VALUE



A-59

THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

DOCKET NUMBER
442
Office of the Secretary Int'l Trade Commission

APR 4 1977

Dear Mr. Chairman:

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, you are hereby advised that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold at less than fair value within the meaning of the Act.

The Treasury Department is at this time making the file relative to this determination available to the International Trade Commission under a separate cover. This file is for the Commission's use in connection with its investigation 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 this merchandise into the United States.

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

Sincerely yours,


John H. Harper

Acting Assistant Secretary
(Enforcement, Operations & Tariff Affairs)

The Honorable
Daniel Minchew, Chairman
United States International Trade Commission
Washington, D.C. 20436

APPENDIX B

UNITED STATES INTERNATIONAL TRADE COMMISSION
NOTICES OF INVESTIGATION AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-166]

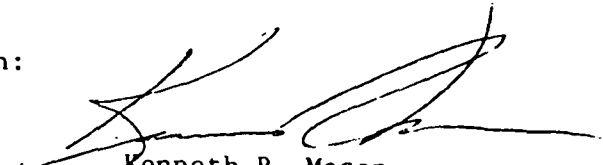
CERTAIN PARTS FOR SELF-PROPELLED BITUMINOUS PAVING
EQUIPMENT FROM CANADA

Notice of Investigation and Hearing

Having received advice from the Department of the Treasury on April 7, 1977, that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold at less than fair value, the United States International Trade Commission on April 19, 1977, instituted investigation No. AA1921-165 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), 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.

Hearing. A public hearing in connection with the investigation will be held in Chicago, Illinois, on Wednesday, May 4, 1977. The location and time of the hearing will be announced at a later time. All parties shall there and then have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(d)), shall be filed with the Secretary of the Commission, in writing, not later than noon, Friday, April 29, 1977.

By order of the Commission:


Kenneth R. Mason
Secretary

Issued: April 20, 1977

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-166]

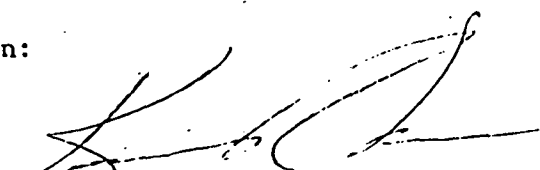
CERTAIN PARTS FOR SELF-PROPELLED BITUMINOUS PAVING
EQUIPMENT FROM CANADA

Correction of Notice of Investigation and Hearing

Having received advice from the Department of the Treasury on April 7, 1977, that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold at less than fair value, the United States International Trade Commission on April 19, 1977, instituted investigation No. AA1921-166 in lieu of investigation No. AA1921-165 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), 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.

Hearing. A public hearing in connection with the investigation will be held at 10:00 a.m. on Wednesday, May 4, 1977. The hearing will be held in court room 2503 of the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois. All parties shall there and then have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(d)), shall be filed with the Secretary of the Commission, in writing, not later than noon Friday, April 29, 1977.

By order of the Commission:



Kenneth R. Mason
Secretary

Issued: April 22, 1977

APPENDIX C

TREASURY DEPARTMENT ANTIDUMPING PROCEEDING NOTICE
AS PUBLISHED IN THE FEDERAL REGISTER
OF OCTOBER 7, 1976

submissions, along with the need for analysis of all submissions and the need for resolution of technical issues that have arisen in connection therewith, makes it inadvisable to take tentative action at this time.

This notice is published pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)).

JERRY THOMAS,
*Under Secretary of
the Treasury.*

OCTOBER 1, 1976.

[FR Doc.76-29417 Filed 10-6-76;8:45 am]

PARTS FOR SELF-PROPELLED BITUMINOUS PAVING EQUIPMENT FROM CANADA

Antidumping Proceeding Notice

On September 3, 1976, information was received in acceptable form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel for Blaw-Knox Construction Equipment, Inc., Mattoon, Ill., a domestic manufacturer of construction equipment, and the Colwell Equipment Co., Inc., Canton, Mich., a distributor of Blaw-Knox' products, indicating that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

There is evidence on record concerning injury to or likelihood of injury to or prevention of establishment of an industry in the United States. This evidence indicates substantial margins of underselling by the subject imports from Canada, the extent of which underselling is made possible by the alleged sales at less than fair value. That underselling has apparently contributed to declining sales and market share which the petitioners have suffered in recent years. In addition, by reason of the alleged less than fair value sales, Blaw-Knox may have experienced a declining return on investment, increased excess plant capacity and increased unemployment.

Having conducted a preliminary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29), and having determined as a result thereof that there are grounds for so doing, the U.S. Customs Service is instituting an inquiry to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold or offered for sale, for exportation to the United States are, or are likely to be, less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

PETER O. SUCHMAN,
*Acting Assistant
Secretary of the Treasury.*

OCTOBER 1, 1976.

[FR Doc.76-29430 Filed 10-6-76;8:45 am]

DEPARTMENT OF DEFENSE USAF SCIENTIFIC ADVISORY BOARD Meeting

OCTOBER 4, 1976.

The USAF Scientific Advisory Board ad hoc Committee on Aeronomy will hold a meeting on November 17, 1976 from 8:00 a.m. to 5:00 p.m. at the Space and Missile Systems Organization, Los Angeles, California.

The Committee will conduct informal classified discussions and working sessions on Aeronomy.

The meeting concerns matters listed in section 552(b) of Title 5, United States Code, specifically subparagraph (1) thereof, and that accordingly the meetings will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at (202) 697-4648.

FRANKIE S. ESTEP,
Directorate of Administration.

[FR Doc.76-29451 Filed 10-6-76;8:45 am]

Department of the Air Force USAF SCIENTIFIC ADVISORY BOARD Meeting

OCTOBER 4, 1976.

The USAF Scientific Advisory Board Science and Technology Advisory Group Standing Committee on Research, Air Force Systems Command, will hold a meeting on October 27, 1976 from 8:00 a.m. to 4:45 p.m. and on October 28, 1976 from 8:00 a.m. to 3:30 p.m. at the Air Force Weapons Laboratory, Kirtland Air Force Base, New Mexico, in Building 497.

The Group will receive classified briefings and participate in classified discussions relating to selected Air Force Weapons Laboratory Programs.

The meetings concern matters listed in section 552(b) of Title 5, United States Code, specifically subparagraph (1) thereof, and that accordingly the meetings will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at (202) 697-4648.

FRANKIE S. ESTEP,
Directorate of Administration.

[FR Doc.76-29449 Filed 10-6-76;8:45 am]

USAF SCIENTIFIC ADVISORY BOARD Meeting

OCTOBER 4, 1976.

The USAF Scientific Advisory Board Guidance and Control Panel will hold a meeting on November 11, 1976 from 9:00 a.m. to 5:00 p.m. at Wright-Patterson Air Force Base, Ohio.

The Panel will receive classified briefings from the Air Force on the aspects of Inertial-Global Positioning System Integration. The Panel will meet in Executive Session to discuss future efforts/tasks.

The meeting concerns matters listed in section 552(b) of Title 5, United States Code, specifically subparagraph (1)

thereof, and that accordingly the meetings will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at (202) 697-4648.

FRANKIE S. ESTEP,
Directorate of Administration.
[FR Doc.76-29450 Filed 10-6-76;8:45 am]

DEPARTMENT OF THE INTERIOR

Land Management Bureau

[N-13249]

BEN PARKER CO.

Nevada

Airport Lease Application

SEPTEMBER 29, 1976.

1. Notice is hereby given that pursuant to the Act of May 24, 1928 (49 U.S.C. 211-214), Ben Parker Co. has applied for an airport lease for the following lands:

MOUNT DIABLO MERIDIAN, NEVADA

T. 15 N., R. 20 E.,
Sec. 1, E½ of lots 1 and 2 of NW¼NE¼;
T. 16 N., R. 20 E.,
Sec. 36, SE¼SW¼, SE¼SE¼;
T. 15 N., R. 21 E.,
Sec. 6, W½ of lots 1 and 2 of NW¼;
T. 16 N., R. 21 E.,
Sec. 31, lots 3 and 4.

2. The purpose of this notice is to inform the public that the filing of this application segregates the described lands from all other forms of appropriation under the public land laws.

3. Interested persons desiring to express their views should promptly send their names and addresses to the District Manager, Bureau of Land Management, 801 North Plaza, Carson City, Nevada 89701.

CHARLES E. HANCOCK,
*Acting Chief, Division of
Technical Services.*

[FR Doc.76-29462 Filed 10-6-76;8:45 am]

[23293]

COLORADO

Notice of Pipeline Application

Western Slope Gas Co.

SEPTEMBER 29, 1976.

Notice is hereby given that pursuant to section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), Western Slope Gas Co., PO Box 840, Denver, Colorado 80201, has applied for a right-of-way for a 12-inch natural gas pipeline and other related facilities in the following townships:

SIXTH PRINCIPAL MERIDIAN, COLORADO

T. 1 S., R. 75 W.,
Secs. 19 and 20.
T. 1 S., R. 76 W.,
Secs. 19 through 24.
T. 1 S., R. 77 W.,
Secs. 18 through 24, 26, 27, 28.
T. 1 S., R. 78 W.,
Secs. 10 through 13, 15 through 18, 20, 22, 29, 33 and 34.
T. 2 S., R. 78 W.,
Secs. 3, 10, 11, 14, 23, 26, 34 and 35.
T. 3 S., R. 78 W.,

APPENDIX D

TREASURY DEPARTMENT WITHHOLDING OF APPRAISEMENT NOTICE
AND DETERMINATION OF SALES AT LESS THAN FAIR VALUE
AS PUBLISHED IN THE FEDERAL REGISTER OF APRIL 12, 1977

NOTICES

19212

DEPARTMENT OF THE INTERIOR

Bureau of Outdoor Recreation, outdoor recreation on-site survey—1977, outdoor recreation telephone survey—1977, BOR 8-219, single time, individuals over 12, Maria Gonzalez, 295-6132.

EXTENSIONS

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

Universe Screening Questionnaire: "U.S. Arts and Cultural Trend Data Systems", single time, nonprofit arts and cultural organizations, Maria Gonzalez, 395-6132.

DEPARTMENT OF COMMERCE

Domestic and International Business Administration, participation agreement, DIB 4008P, weekly, manufacturers and exporters, Lowty, R. L., 395-3772.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social Security Administration, request for change in your social security records, OAA-7003, on occasion, individuals who want to update/correct applications for social security, human resources division, 395-3532.

DEPARTMENT OF LABOR

Employment and Training Administration, employer record-agricultural, ES-334, on occasion, employers of agricultural workers, Marsha Traynham, 395-4529.

DEPARTMENT OF THE INTERIOR

Bureau of Mines:

Natural Gas Processing Plant Report, 6-1305-M, monthly, natural gas processing plants, Marsha Traynham, 395-4529.

Bituminous Coal and Lignite Production and Mine Operations, 6-1401-A, annually, producers of over 1,000 tons of bituminous coal annually, Marsha Traynham, 395-4529.

Blast Furnace and Steel Furnace Report, 6-1067A, annually, producers of Pig Iron, Marsha Traynham, 395-4529.

Gas Well Data—Survey of Hellum-Bearing Natural Gas, 6-15, on occasion, natural gas wells or fields, Marsha Traynham, 395-4529.

Byproduct Sulfuric Acid (Production), 6-1128-A, annually, producers of byproduct sulfuric acid, Marsha Traynham, 395-4529.

PHILLIP D. LASSEN,

Budget and Management Officer.

[FR Doc. 77-10764 Filed 4-11-77; 8:45 am]

DEPARTMENT OF THE TREASURY

PARIS FOR SELF-PROPELLED BITUMINOUS PAVING EQUIPMENT FROM CANADA ANTIDUMPING

Withholding of Appraisal Notice and Determination of Sales at Less Than Fair Value

AGENCY: United States Treasury Department.

ACTION: Withholding of Appraisal and Determination of Sales at Less Than Fair Value.

SUMMARY: This notice is to advise the public that an antidumping investigation has been completed and that it has been determined that parts for self-propelled bituminous paving equipment from Canada are being, or are likely to

be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market. This case is being referred to the United States International Trade Commission for it to determine whether an industry in the United States is being injured. Simultaneously, appraisements of entries of this merchandise will be withheld for 3 months, pending an injury determination by the International Trade Commission.

EFFECTIVE DATE: This notice will be effective on April 12, 1977.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229 (202-566-5492).

Information was received in proper form on September 3, 1976, from counsel acting on behalf of Blaw-Knox Construction Equipment, Inc., Mattoon, Illinois, and Colwell Equipment Co., Inc., Canton, Michigan, alleging that parts for self-propelled bituminous paving equipment from Canada were being sold at less than fair value, thereby causing injury to, or the likelihood of injury to, or the prevention of the establishment of an industry in the United States, within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of October 7, 1976 (41 FR 44197).

DETERMINATION OF SALES AT LESS THAN FAIR VALUE

I hereby determine that, for the reasons stated below, parts for self-propelled bituminous paving equipment from Canada are being, or are likely to be, sold at less than fair value within the meaning of section 201(a) of the Act (19 U.S.C. 160(a)).

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.* Virtually all of the imports of the subject merchandise from Canada are manufactured by Allatt Ltd., Ontario, Canada. Therefore, the investigation was limited to this manufacturer.

b. *Basis of Comparison.* For the purposes 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 the 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 to the United States were made to non-related customers. Home market price, as defined in § 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 for fair value.

In accordance with § 153.3(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning imports and home market sales during the period January 1 through September 30, 1976.

c. *Purchase Price.* For the purposes of this determination of sales at less than fair value, since all merchandise was purchased or agreed to be purchased prior to the time of exportation, by the persons by whom or for whose account it was imported, within the meaning of section 203 of the Act, the purchase price has been calculated on the basis of the f.o.b. Buffalo, N.Y. price to unrelated purchasers with deductions for United States duty, brokerage, trucking, a freight discount, and additions for taxes rebated or not collected by reason of the exportation of the merchandise.

The deductions for duty, brokerage, and trucking were based on charges, which were included in the price, incurred in bringing the merchandise from the point of shipment to the point of delivery in accordance with section 203 of the Act. The deduction for the freight discount was made in order to reflect the price actually paid for the merchandise. The additions for taxes which were refunded or not collected were related to noncollection of the Canadian sales tax on the merchandise exported and the refund of that tax on merchandise purchased by the manufacturer and subsequently incorporated into the merchandise which was exported, in accordance with section 203 of the Act.

d. *Home Market Price.* For the purposes of this determination of sales at less than fair value, the home market price has been calculated on the basis of the f.o.b. plant price to unrelated purchasers in Canada with an adjustment for commissions.

The adjustment for commissions is related to the difference in commissions in the United States and Canada in accordance with § 153.10(b), Customs Regulations (19 CFR 153.10(b)).

e. *Results of Fair Value Comparisons.* Using the above criteria, comparisons were made on approximately 63 percent of the parts of self-propelled bituminous paving equipment which were sold to the United States during the representative period. Those comparisons indicate that the purchase price was less than the home market price of such or similar merchandise. Margins were found ranging from approximately 10 to 38 percent on 100 percent of the sales compared. The weighted average margin of those sales on which comparisons were made amounted to 30.61 percent.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to § 153.40, Customs Regulations (19 CFR 153.40).

Further, and based on the reasons noted above, Customs officers are being directed to withhold appraisal of parts for self-propelled bituminous paving equipment from Canada in accordance with § 153.48, Customs Regulations (19 CFR 153.48).

This withholding of appraisal notice is published pursuant to § 153.35(a), Customs Regulations (19 CFR 153.35(a)), and shall become effective on April 12, 1977. Such action shall cease to be effective on or before July 11, 1977, unless previously revoked.

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

This determination is being published pursuant to section 201(d) of the Act (19 U.S.C. 160(d)).

JOHN H. HARPER,
Acting Assistant Secretary
of the Treasury.

APRIL 4, 1977.

[FR Doc.77-10664 Filed 4-11-77;8:45 am]

Office of the Secretary

VISCOSE RAYON STAPLE FIBER FROM AUSTRIA

Antidumping Proceeding Notice

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether or not imports of viscose rayon staple fiber from Austria are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: This investigation will begin on April 12, 1977.

FOR FURTHER INFORMATION CONTACT:

John R. Kugelman, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue, N.W., Washington, D.C. 20229, telephone (202) 566-5492.

SUPPLEMENTARY INFORMATION: On March 3, 1977, information was received in proper form pursuant to § 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Avtex Fibers, Inc., Valley Forge, Pennsylvania, a domestic producer of the subject merchandise, indicating a possibility that viscose rayon staple fiber from Austria is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this notice, the term "viscose rayon staple fiber" refers to viscose rayon staple fiber in non-continuous form, not carded, not combed and not otherwise processed, wholly of filaments (except laminated filaments and plexiform filaments).

There is evidence on record concerning injury to, or likelihood of injury to, or prevention of establishment of an industry in the United States. This evidence indicates that imports of viscose rayon staple fiber from Austria increased dramatically during the last two years. During this time, a significant increase in U.S. market share on the part of the Austrian imports has occurred. Further, there is information indicating that the

margin by which domestic producers are being undersold by Austrian imports would be completely eliminated were the price differential between prices in the Austrian home market and for export to the United States eliminated.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined that there are grounds for doing so, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold for exportation to the United States are less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

Dated: March 31, 1977.

JOHN H. HARPER,
Acting Assistant Secretary.

[FR Doc.77-10595 Filed 4-11-77;8:45 am]

VETERANS ADMINISTRATION

VETERANS EDUCATION

Policies and Procedures

AGENCY: Veterans Administration.

ACTION: Request for public comment.

SUMMARY: These circulars contain statements of policy and outline administrative procedure to be followed by the Veterans Administration and other involved parties for the implementation of the provisions of Pub. L. 94-502 (90 Stat. 2383) concerning advance payment of educational assistance allowances, the bar to prepayment of educational assistance allowances and the new educational assistance program, chapter 32, title 38, United States Code available to persons who initially serve in the Armed Forces on or after January 1, 1977.

DATES: Comments must be received on or before May 12, 1977. The effective dates are shown in the body of the circular.

ADDRESSES: Interested persons are invited to submit written comments, suggestions or objections regarding the proposal to the Administrator of Veterans Affairs (271A), Veterans Administration, 810 Vermont Avenue NW., Washington, D.C. 20420. All written comments received will be available for public inspection at the above address only between the hours of 8 a.m. and 4:30 p.m. Monday through Friday (except holidays), during the mentioned 30-day period and for 10 days thereafter. Any person visiting Central Office for the purpose of inspecting any such comments will be received by the Central Office Veterans Services Unit in room 132. Such visitors to any VA field station

will be informed that records are available for inspection only in Central Office and furnished the address and the above room number.

FOR FURTHER INFORMATION CONTACT:

June C. Schaeffer, Assistant Director for Benefits and Facilities, Education and Rehabilitation Service, Department of Veterans Benefits, Veterans Administration, 810 Vermont Avenue NW., Washington, D.C. 20420 (202-389-2092).

SUPPLEMENTARY INFORMATION: Comments received will be used in determining appropriate regulations to implement these provisions of Pub. L. 94-502. The provisions published herein as to the new educational assistance program, (chapter 32) have been concurred in by DOD (Department of Defense).

By direction of the Administrator.

Approved: April 5, 1977.

RUFUS H. WILSON,
Deputy Administrator.

[DVB Circular 20-77-24]

MARCH 18, 1977.

CHANGES TO PREPAYMENT, ADVANCE PAYMENT AND RELATED PROCEDURES

1. *General.* This circular describes changes to the prepayment and advance payment procedures brought about by Pub. L. 94-502. (See DVB Circular 20-76-84.) It also provides instructions on related subjects including confirmed enrollments, end of full course certifications, interval payments, summer enrollments, computer-generated reenrollment forms, special payments, April check stuffer and required liaison actions. Enrollments with effective dates on or after June 1, 1977, may now be processed. Instructions for chapter 31 will be issued at a later date.

2. *End of Prepayment.* Regular monthly benefits will no longer be prepaid at the beginning of each month after May 1977. This means that regular monthly checks issued on or after June 1, 1977, will represent payment for the preceding month rather than for the current month. The regular monthly checks for June will not be issued under the new system until July 1. Under most circumstances, students will not receive a check in June of this year.

3. *Advance Payment.* Effective June 1, 1977, the law provides that advance payment may not be made unless the veteran or eligible person requests such payment and the Veterans Administration finds that the educational institution has agreed to and can satisfactorily carry out the advance payment provisions of the law.

(a) All affected schools in your area should be advised immediately by letter of the new requirements for advance payment listed in subparagraphs b and c below which apply to enrollments with beginning dates on or after June 1, 1977. The letter should request each school to state in writing whether or not they wish to receive advance payments. A school that agrees to receive advance payments will be asked to certify in their reply that they can satisfactorily carry out the advance payment provisions in 38 U.S.C. 1780(d)(5) (B) and (C), and (6). (These parts will be quoted in the letter to the school.) A response will be requested within 30 days. A 30-day control will be established and a fol-

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Library Cataloging Data

U.S. International Trade Commission.

Parts for self-propelled bituminous paving equipment from Canada. Determination of injury or likelihood thereof in investigation no. AA1921-166 under the Antidumping act, 1921, as amended, together with the information obtained in the investigation. Washington, 1977.

"USITC Publication 824"

1. Pavements, Bituminous--Maintenance and Repair.
I. Title.

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D C 20436

OFFICIAL BUSINESS

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PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



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- ☐ Remove from List
- ☐ Change as Shown
- ☐ Please detach address label and mail to address shown above.