

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

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In the Matter of)	
)	
LAFARGE S.A. ,)	
a corporation,)	
)	
BLUE CIRCLE INDUSTRIES PLC ,)	
a corporation,)	Docket No. C-4014
)	
BLUE CIRCLE NORTH AMERICA, INC. ,)	
a corporation, and)	
)	
BLUE CIRCLE, INC. ,)	
a corporation.)	
_____)	

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and of the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission (the "Commission"), having reason to believe that Respondent Lafarge S.A. ("Lafarge") has entered into an agreement to acquire all of the securities of Respondent Blue Circle Industries PLC ("Blue Circle PLC"); and having reason to believe that the transaction between Respondents is in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS AND JURISDICTION

- Respondent Lafarge S.A. is a corporation organized, existing and doing business under and by virtue of the laws of France, with its office and principal place of business located at 61 rue des Belles Feuilles, Paris, France. Lafarge S.A. owns more than 50% of the common stock of Lafarge Corporation whose office and principal place of business in the United States is at 12950 Worldgate Drive, Suite 600, Herndon, VA 20191. Lafarge, among other things, is engaged in the manufacture and sale of cement and lime.
- Respondent Blue Circle Industries PLC is a company registered in England and Wales under number 66568 whose registered office is located at 84 Eccleston Square, London,

England. Blue Circle Industries PLC does business in the United States through Blue Circle North America, Inc., Blue Circle, Inc., BlueChem, L.L.C. and other entities. Blue Circle PLC, among other things, is engaged in the manufacture and sale of cement and lime.

3. Respondent Blue Circle North America, Inc., a corporation controlled by Blue Circle PLC, is organized, existing and doing business under and by virtue of the laws of the State of Georgia, and has its office and principal place of business located at 1800 Parkway Place, Suite 1100, Marietta, GA 30067. Blue Circle North America, Inc., among other things, is engaged in the manufacture and sale of cement and lime.
4. Respondent Blue Circle, Inc., a corporation controlled by Blue Circle PLC, is organized, existing and doing business under and by virtue of the laws of the State of Alabama, and has its office and principal place of business located at 1800 Parkway Place, Suite 1100, Marietta, GA 30067. Blue Circle, Inc., among other things, is engaged in the manufacture and sale of cement and lime.
5. Respondents are, and at all times relevant herein have been, engaged in commerce as defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and are corporations who business is in, or affects, commerce as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

II. THE TRANSACTION

6. On January 8, 2001, Lafarge and Blue Circle PLC approved an acquisition agreement pursuant to which Lafarge will acquire the outstanding common stock of Blue Circle PLC for an amount valued, at the time of entering into the agreement, at approximately \$3.8 billion (the "Acquisition").

COUNT I

CEMENT IN THE GREAT LAKES REGION

7. Paragraphs 1-6 are incorporated by reference as if fully set forth herein.
8. One relevant line of commerce in which to analyze the effects of the Acquisition is the manufacture, marketing and sale of cement.
9. Cement is the essential binding ingredient in concrete. Cement is a construction raw material that users mix with water and aggregates (crushed stone, sand, or gravel) to form concrete. Cement is a closely controlled chemical combination of calcium (normally from limestone), silicon, aluminum, iron and small amounts of other ingredients.

10. Cement is made by quarrying, crushing and grinding the raw materials, burning them in large kilns at extremely high temperatures and finely grinding the resulting marble-size pellets (called "clinker") with gypsum into an extremely fine, usually gray, powder. The term "cement" includes its related products, including, but not limited to, portland cement and masonry and mortar cement. Cement produced by one manufacturer is virtually indistinguishable from that manufactured by another.
11. One relevant geographic market in which to analyze the effects of the Acquisition is the Great Lakes region (hereafter the "Great Lakes Region").
12. The Great Lakes Region consists of the province of Ontario, Canada, all of Michigan and the coastal areas around Lake Superior, Lake Michigan, Lake Huron, Lake Erie and Lake Ontario, including, but not limited to, Green Bay and Milwaukee, WI, Chicago, IL, Cleveland, OH and Buffalo, NY.
13. The market for cement in the Great Lakes Region is highly concentrated, and the Acquisition, if consummated, would substantially increase that concentration.
14. Entry into the Great Lakes Region cement market would not be timely, likely or sufficient to deter or offset the adverse competitive effects arising from the Acquisition.
15. The effects of the Acquisition, if consummated, may be to substantially lessen competition for cement in the Great Lakes Region because, among other things:
 - a. it would increase concentration substantially in a highly concentrated market;
 - b. it would eliminate actual, direct, substantial, and potentially increased competition between Respondents;
 - c. it would facilitate the unilateral exercise of market power by the merged firm;
 - d. it would increase the likelihood of coordinated interaction among the remaining firms; and
 - e. it will likely result in increased prices for cement.

COUNT II

CEMENT IN THE SYRACUSE, NY REGION

16. Paragraphs 1-10 are incorporated by reference as if fully set forth herein.

17. One relevant geographic market in which to analyze the effects of the Acquisition is the market for cement in the region within approximately 70 miles of Blue Circle PLC's terminal located in Solvay, New York, including all of the surrounding metropolitan areas (the "Syracuse Region"). The metropolitan areas in the Syracuse Region include Syracuse, Utica, Rome, Elmira, and Binghamton, NY.
18. The market for cement in the Syracuse Region is highly concentrated, and the Acquisition, if consummated, would substantially increase that concentration.
19. Entry into the market for cement in the Syracuse Region would not be timely, likely or sufficient to deter or offset the adverse competitive effects arising from the Acquisition.
20. The effects of the Acquisition, if consummated, may be to substantially lessen competition in the market for cement in the Syracuse Region because, among other things:
 - a. it would increase concentration substantially in a highly concentrated market;
 - b. it would eliminate actual, direct, substantial, and potentially increased competition between Respondents;
 - c. it would facilitate the unilateral exercise of market power by the merged firm;
 - d. it would increase the likelihood of coordinated interaction among the remaining firms; and
 - e. it will likely result in increased prices for cement.

COUNT III

LIME IN THE SOUTHEASTERN UNITED STATES

21. Paragraphs 1-6 are incorporated by reference as if fully set forth herein.
22. One relevant line of commerce in which to analyze the effects of the Acquisition is the manufacture, marketing and sale of lime.
23. Lime is produced through the combination of calcium (normally from limestone) and other raw materials, and is produced by quarrying, crushing and grinding the raw materials, and then burning them in kilns at high temperatures. Lime is used in a variety of applications, including, among others, the steel and paper industries and water treatment plants. Lime produced by one manufacturer is virtually indistinguishable from that manufactured by another.

24. One relevant geographic market in which to analyze the effects of the Acquisition is the market for lime in the Southeastern region of the United States consisting of Alabama, Georgia and Florida (the “Southeast”).
25. The market for lime in the Southeast is highly concentrated, and the Acquisition will substantially increase that concentration.
26. Entry into the market for lime in the Southeast would not be timely, likely or sufficient to deter or offset the adverse competitive effects arising from the Acquisition.
27. The effect of the Acquisition may be to substantially lessen competition in the market for lime in the Southeast because, among other things:
 - a. it would increase concentration substantially in a highly concentrated market;
 - b. it would reduce actual, direct, substantial, and potentially increased competition between Respondents;
 - c. it would increase the likelihood of coordinated interaction; and
 - d. it will likely result in increased prices for lime.

III. VIOLATIONS CHARGED

28. The agreement referenced in Paragraph 6 entered into by Lafarge and Blue Circle PLC constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Further, the Acquisition, if consummated, would constitute a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this 15th day of June, 2001, issues its Complaint against said Respondents.

By the Commission.

SEAL

Benjamin I. Berman
Acting Secretary