

UNITED STATES TARIFF COMMISSION
Washington, D.C.

[APTA-W-3]

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August 10, 1966

TARIFF COMMISSION SUBMITS REPORT TO THE
AUTOMOTIVE AGREEMENT ADJUSTMENT ASSISTANCE BOARD
IN ADJUSTMENT ASSISTANCE CASE PERTAINING
TO CERTAIN WORKERS OF THE FRAM CORPORATION

The Tariff Commission today reported to the Automotive Agreement Adjustment Assistance Board the results of its investigation No. APTA-W-3, conducted under section 302(e) of the Automotive Products Trade Act of 1965. The Commission's report contains information for use by the Board, which determines the eligibility of the workers concerned to apply for adjustment assistance. The workers in this case were employed in the Birmingham, Ala., plant of the Fram Corp.

Virtually none of the Commission's report can be made public since nearly all of the data it contains were received in confidence. The sections of the report that can be made public are reproduced below. In addition to the material printed below, the report contains extensive information concerning changes in employment at the Birmingham plant and the factors causing those changes.

U.S. Tariff Commission
August 10, 1966

Introduction

In accordance with section 302(e) of the Automotive Products Trade Act of 1965 (79 Stat. 1016), the U.S. Tariff Commission herein reports the results of investigation No. APTA-W-3, which was ordered in response to a request from the Automotive Assistance Committee of the Automotive Agreement Adjustment Assistance Board. The Committee's request resulted from a petition for adjustment assistance filed with the Board on June 16, 1966, by the International Association of Bridge, Structural & Ornamental Iron Workers, on behalf of Shopmen's Local No. 539, a group of workers employed by the Fram Corp. in Birmingham, Ala.

The petition alleged that 28 workers were unemployed and that 87 other workers were threatened with unemployment because of the phasing out of production of carburetor air filters at the Birmingham plant of the Fram Corporation, and the transfer of its production of air filters to Canada. The petition further alleged, in effect, that the operation of the United States-Canadian automotive agreement was the primary factor causing the unemployment and the threat thereof.

The Commission instituted the investigation upon receipt of the Committee's request on June 21, 1966. Public notice of the institution of the investigation was given by publication in the Federal Register (31 F.R. 9036) on June 30, 1966. Neither the petitioners nor any other party requested a public hearing, and none was held.

The information reported herein was obtained from the Commission's files, the union local concerned, the Fram Corporation, and the Department of Industrial Relations of the Alabama State Employment Service, and by field work by members of the Commission's staff. The Commission subpoenaed certain information from the Fram Corporation.

Description of the automotive product concerned

A carburetor air filter or cleaner assembly 1/ consists of a filtering element enclosed in a cylindrical metal housing (generally called a silencer). The air filter cleans the air drawn into the carburetor; the metal housing, in addition to holding the filter element in place, absorbs or muffles some of the sounds generated by the carburetor's intake of air. Nearly all motor vehicle engines except those of racing cars have air filters, although the specifications vary from one engine to another. The housing for both types is manufactured of light-gage metal stampings.

Air filters are of two types--the dry type and the oil-bath type. The filter element for the dry type is designed for replacement at regular intervals; that for the oil-bath type is designed for permanent installation but must be serviced at regular intervals. The dry type is used predominantly on automobiles and light trucks, whereas the oil-bath type is used almost entirely on trucks, buses, and other heavy automotive equipment.

1/ For convenience, a carburetor-air-filter assembly will generally be referred to in this report as an air filter.

The Fram Corp.'s carburetor-air-filter operations

The Fram Corp. produces a wide variety of filtration equipment, automotive and aerospace equipment, and light manufactures for industrial uses. Net sales by the corporation in 1965 amounted to almost \$60 million.

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Statistical data pertinent to determination
under sections 302(b)(2) and (3)

The Tariff Commission obtained data representative of United States production, imports from Canada, and exports to Canada, and Canadian production of carburetor air filters for use as original equipment in the assembly of motor vehicles (table 2 in Appendix A). These data indicate that U.S. production of air filters in recent months has about equaled that in the corresponding months of the 1964 model year * * *.

The data presented in table 2 were compiled by the Commission from information furnished by the major United States and Canadian motor vehicle producers 1/ on their use of air filters in the assembly of motor vehicles; they were asked to distinguish between the air filters obtained in the United States and those obtained in Canada. The data were reported on a quantity basis. Several companies found it necessary to submit estimated data. No satisfactory indication of the degree of error embodied in these estimates is available.

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1/ United States and Canadian companies that produce only a relatively small number of motor vehicles were not requested to supply information; data respecting the use of air filters by these companies could not affect the trends shown by the compiled data to a meaningful extent.

Table 2.--United States production, imports from Canada, and exports to Canada and Canadian production of air filters for use as original equipment in the assembly of motor vehicles, model years, 1962-66, 1/ and by months, March-June 1964 and March-June 1966.

(In thousands of units)					
	U.S. produc- tion	U.S. imports from Canada	U.S. exports to Canada	U.S. exports to Canada	Canadian produc- tion
Model year <u>1/</u> :					
1962-----	7,293				
1963-----	8,075				
1964-----	8,806				
1965-----	9,748				
1966-----	9,348				
March-June					
1964:					
March-----	809	<u>2/</u>	<u>2/</u>	<u>2/</u>	
April-----	877				
May-----	814				
June-----	869				
March-June 1966:					
March-----	978				
April-----	853				
May-----	840				
June-----	863				

1/ The model year begins about Aug. 1 of the year preceding that shown, and ends about July 31 of the year shown.

2/ Publication of data might reveal the operations of individual concerns.

Source: Compiled by the U.S. Tariff Commission from data supplied by motor vehicle producers.

Note.--The data reported by several companies were estimated. No indication of the probable error is available.