

UNITED STATES TARIFF COMMISSION
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[APTA-W-6]

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

The Tariff Commission today reported to the Automotive Agreement Adjustment Assistance Board the results of its investigation No. APTA-W-6, 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 Adrian, Michigan, plant of the Lyon Division, Rockwell-Standard Corporation.

Only certain sections of the Commission's report can be made public since much 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 this material, the report also contained information concerning the factors causing the changes in employment at the plant.

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-6, which was ordered in response to a request received January 16, 1967, 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 January 10, 1967, by Local 1268, International Association of Machinists and Aerospace Workers, Adrian, Michigan, on behalf of a group of workers of the Lyon Division, Rockwell-Standard Corp., Adrian, Michigan.

The petition alleged that the threatened dislocation of more than 214 employees between January 5 and March 30, 1967, when production at the Adrian plant was scheduled to cease, is due to pressure from Rockwell-Standard Corporation's customers to manufacture larger quantities of wheel covers in Canada. The petition further stated that the petitioners believe the primary factor causing, or threatening to cause, the unemployment at the Adrian plant is the existence of the United States-Canadian Automotive Agreement.

The Commission instituted the investigation on January 18, 1967; public notice thereof was given in the Federal Register (32 F.R. 833) on January 24, 1967. Neither the petitioners nor any other party requested a hearing before the Commission, and none was held.

The information reported herein was obtained from Rockwell-Standard Corp., the workers concerned and their local union officials, the major U.S. motor-vehicle manufacturers, the Commission's files, and by fieldwork by members of the Commission's staff.

The automotive product involved--wheel covers and hubcaps

Wheel covers and hubcaps are protective and decorative articles that are fastened to the wheels of passenger automobiles and certain other motor vehicles. Wheel covers completely cover the outside portion of a mounted wheel, whereas hubcaps cover only the center portion.

Wheel covers and hubcaps perform essentially the same function and are produced by similar manufacturing processes utilizing the same type of equipment. Data for the two products, therefore, have been combined in this report.

Imported wheel covers and hubcaps that are parts of motor vehicles are dutiable under item 692.27 of the Tariff Schedules of the United States at the rate of 8-1/2 percent ad valorem, unless imported from Canada for use as original motor-vehicle equipment, in which case they are duty free under item 692.28.

Rockwell-Standard Corp. and its Lyon Division

Rockwell-Standard Corp., with headquarters in Pittsburgh, Pennsylvania, is a large corporation that includes 34 plants in the United States and 11 plants in Canada. It had net sales of \$636 million in 1966; parts for trucks, trailers, and buses accounted for 43 percent of sales, and parts of passenger automobiles, 22 percent. In addition to wheel covers and hubcaps, the motor-vehicle parts manufactured by Rockwell-Standard include axles, transmissions, spring suspensions, brakes, universal joints, bumpers, and lamp assemblies.

Rockwell-Standard Corp. acquired the assets of Lyon, Inc., Adrian, Michigan, in November 1965, for \$21 million. The Lyon, Inc., properties, which became Lyon Division of Rockwell-Standard Corp., included plants in Bracebridge, Parry Sound, and Windsor, Ontario; Grenada, Mississippi; Huntland and Memphis, Tennessee; and Adrian, Michigan.

Four of the plants acquired with Lyon, Inc., (Parry Sound, Windsor, Grenada, and Adrian) produce wheel covers and hubcaps almost exclusively. The Adrian, Windsor, and Grenada plants are of principal importance in this report. At the Adrian facility wheel covers and hubcaps have been produced for the last 13 years. During this time, the plant has been owned successively by the following firms: Hurd Lock and Manufacturing Co.; Avis Industrial Corp.; Lyon, Inc.; and Rockwell-Standard Corp. The Adrian operation is housed

in buildings that are about 80 years old. The main building
is a multi-level, masonry structure (partly four floors, partly two).**

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