

IAM Mechanic's Local 701
Press Release Re: NCDC Strike
August 2, 2021

IAM Mechanic's Local 701 has been negotiating in various forms with the 129 Chicagoland new car dealership's whose contract expired at midnight on July 31, 2021. Last week, the Union membership ratified an agreement with an association representing approximately 30 dealerships. These negotiations began in March and continued through July. The Union is close to reaching the same, or similar, agreement with a multitude of dealerships who did not join an association.

Another dealership association, the New Car Dealer Committee of Chicago for 2021 ("NCDC") represents approximately 55 dealerships. The Union began reaching out to the NCDC in January to begin the process. The NCDC formally began the process in May and offered June 16, 2021, as its first proposed bargaining date. The Union provided its proposal in advance and the parties met for the first time on June 17, 2021.

At approximately 11:30 p.m. on July 31, 2021, minutes before the contract expired, the NCDC made its latest counter-proposal. The Union held a meeting at 9:00 a.m. on August 1, 2021, in order to let its membership vote on the proposal. Ninety-seven percent (97%) of the members present, who voted, rejected the NCDC's proposal, and 99% then voted to initiate a strike. As a result, the affected members were on strike as of the start of business today, August 2, 2021.

Withholding labor until fair working terms and conditions are agreed to is a Union member's last resort and the decision was not made lightly. During the 2017 negotiations, when the NCDC represented these same 129 dealerships, the negotiations resulted in a protracted, seven-and-a-half-week strike. The Union hoped to avoid that result this contract cycle. In fact, since the last strike, the Union partnered with its own labor allies (the Chicago Federation of Labor and the State AFL_CIO), its legislative allies, as well as the dealership's association on supporting a house bill (HB3940).

HB 3940, which was signed into law by Governor Pritzker this past Friday, benefits both the dealership and the Union's members by ensuring that manufacturers are required to fairly pay the dealership and their technicians for warranty work performed. This fair pay requirement was intended to allow dealerships to fairly compensate their technicians, which in turn, will attract more qualified technicians to the field (there has been a lack of qualified technicians plaguing the industry for years now). In fact, David Sloan, the president of a Chicago dealership association, noted in the press release: "A shortage of technicians at franchised dealers has been a problem for many years. This new law will go a long way toward solving it." Despite the Union's collaborating with the dealerships to achieve this goal, the NCDC's current contract proposal suggests an unwillingness to collaborate on a fair contract.

STRIKE ISSUES

There are a number of open issues where the parties have not reached a tentative agreement. The issues that the Union's membership voiced as the basis for their rejection and strike vote include the following:

- The NCDC wants to make it easier to reduce a journeyman's (top position) weekly guaranteed pay (like a weekly salary that is paid to a journeyman because he or she is at the dealership for 40 hours per week) if the journeyman is not meeting the dealership's work expectations (such as generating enough income for the dealership to cover the journeyman's pay), even if it's not the journeyman's fault. With Covid-19 shutdowns, weather, economic cycles, and even the dealership's ability to attract customers being an issue, a journeyman should not have his or her pay docked when he or she is at work for 40 hours per week, but doesn't have a vehicle to work on for some reason outside his or her control.

- **The NCDC is unwilling to pay health insurance rates determined by the Health & Welfare Fund's Board of Trustees. These rates are based on the recommendations of the Fund's professionals. These rates are already being paid by all other employers in the industry and were agreed to by the other dealership association.**
- **The NCDC is insisting on language that undermines the bargaining process by allowing it to cherry-pick provisions that it sees as favorable in other agreements. The Union has contracts with dozens of other car dealerships. Each one of those dealerships, and even the NCDC, has always negotiated and lived with its own agreement. One of the primary purposes of an agreement is to set the terms and conditions for the term of the contract without any changes—this provides piece of mind and labor peace. The NCDC is insistent that it not have to play by these rules.**

These are the primary issues. There are others including an unwillingness to fully support training that will lead to more qualified technicians; an unwillingness to improve the retirement benefits; and so forth. The Union's guiding principle for these negotiations has been to improve the working terms and conditions in order to better attract qualified technicians. A problem even the NCDC has repeatedly acknowledged exists. The items the NCDC is stuck on, which triggered the strike, and its refusal to agree to these basic, low-cost improvements are counter-productive to this mutually beneficial goal.

We understand strikes can be inconvenient for customers. We understand strikes can be emotional. Our members are professionals, both in the shops as well as on the strike line. We appreciate the public's understanding, as well as support we are already receiving, in our fight to improve the working terms and conditions of our highly skilled technicians who fix our vehicles and keep American's moving safely on the road.

Any press or media outlets looking for additional information or interviews should contact our media liaison Local 701 Business Representative Ronnie Gonzalez at 708-728-5708 or email him at rgonzalez.mech701@gmail.com.