

2021 NCDC/MECHANICS' LOCAL 701 NEGOTIATIONS

NCDC FINAL COMPREHENSIVE PROPOSAL

September 7, 2021

The NCDC proposes to extend all terms of the parties' current Agreement except as specifically modified below. This proposal includes all Tentative Agreements reached to date between the parties, as listed below, and is conditional on acceptance of all terms by the Union and the withdrawal of all Union proposals that are not specifically incorporated below. As part of this proposal, the NCDC offers to withdraw all its pending proposals that are not specifically incorporated below.

Summary of Changes to NCDC July 31, 2021 Proposal

- *Most favored nations proposal is withdrawn*
- *NCDC agrees to Union's proposed base pay reduction language at 90% thresholds*
- *NCDC modifies proposal to allow Skilled Technicians greater use of scan tools, limited to certain tasks for recalls or technical service bulletins that pay less than .6, per Union agreement with another dealer*
- *Added a tier for 36.1 – 39.9 booked hours for JTs while maintaining previously proposed tiers that are \$.55-60 higher than Defector Deal*
- *NCDC agrees to Union's proposed language to enhance pension benefits through development of Variable Annuity benefit within current pension fund*
- *NCDC agrees to Union proposal to delete H&W Premier Plan*
- *NCDC agrees to fund H&W at levels sufficient to maintain current reserves, and further proposes language to increase funding if reserves fall from current level*
- *NCDC proposes that Union provide copies of contracts entered with other dealers to NCDC and to techs upon request*

1. Wages (Appendix 1)

Summary of proposal:

- *Added a tier for 36.1 – 39.9 booked hours for JTs while maintaining previously proposed tiers that are \$.55-60 higher than Defector Deal*
- *Wages for all other positions equal to or higher than Defector Deal*
- *Increased weekly base pay; eliminate base pay rate*
- *Lowest hourly rate increased \$2.55 from current lowest hourly rate*
- *Higher wages for high-producing technicians*
- *New warranty repair law increases booking opportunities for all JTs*
- *Even at the lowest rate proposed here in year one, a full-time tech will earn over \$80,000*
- *If payments made by the dealers for health and pension benefits are added, the total exceeds \$100,000 – not counting vacation, other paid time off, and many other benefits provided by dealers*

A. Journeyman Service Technician

	Current Effective 8/1/20	89/*/2021	8/1/2022	8/1/2023	8/1/2024
Booked Hours/Week					
Base Pay Rate	\$36.30				
JT Hourly Rate <u>and 36.1 to 39.9 booked hours per week, retro to hour one**** (used for vacation, holidays, floaters, and training time)</u>	\$37.80	\$38.85 (+1.05)	\$39.90 (+1.05)	\$41.40 (+1.50)	\$43.15 (+1.75)
40-49.9	\$38.15	\$40.05	\$41.10	\$42.60	\$44.35
50.0-54.9	\$38.15	\$40.65	\$41.70	\$43.20	\$44.95
55.0-59.9	\$38.50	\$41.25	\$42.30	\$43.80	\$45.55
60.0-64.9	\$39.00	\$41.85	\$42.90	\$44.40	\$46.15
65+		\$42.45	\$43.50	\$45.00	\$46.75
Base Pay Hours and Weekly Base Pay	36 \$1306.80	\$1398.60	\$1436.40	\$1490.4	\$1553.4

- All incentives retro to hour one

*"Hourly" rate is the rate paid to hourly (non-incentive) Journeyman Service Technicians, and also the rate paid to both hourly and incentive Journeyman Service Technicians for paid time-off (vacation, holiday, floating dates) and training time.

**If the work week is reduced due to vacation, floating days, holidays or training time, the booked hour thresholds above will be reduced proportionately. See Article 4, Section 1 (c).

***~~Apprentices hired or promoted into the position after 7/31/13 who are paid on an incentive basis will be paid applicable weekly base pay hours times their applicable hourly rate as set forth in Section C below.~~

~~9/*/17 = the first day following ratification of this Agreement.~~ 89/*/21 = the first Monday following ratification of the new Agreement.

B. Journeyman Body Shop Technicians

	Current	8/1*/21	8/1/22	8/1/23	8/1/24
Hourly Rate* and Base Pay Rate	\$34.00	\$35.29	\$36.76	\$38.24	\$39.71
Rate per Booked Hour** (+\$0.60)	\$23.05	\$23.65	\$24.25	\$24.85	\$25.45
Rate Per Frame Time Hour (+\$0.60)	\$27.05	\$27.65	\$28.25	\$28.85	\$29.45
Incentive Technician Weekly Base Pay***	\$1156.00	\$1200.00	\$1250.00	\$1300.00	\$1350.00

* "Hourly" rate is the rate paid to hourly (non-incentive) Journeyman Body Shop Technicians, and also the rate paid to both hourly and incentive Journeyman Body Shop Technicians for paid time-off (vacation, holiday, floating days) and training time.

**Journeyman Body Shop Technicians are not eligible for the booked hour incentive pay rates described above for Journeyman Service Technicians.

~~**Apprentices hired or promoted into the position after 7/31/13 who are paid on an incentive basis will be paid the applicable weekly base pay hours times their applicable hourly rate as set forth in Section C below.~~

[9*/17-9*/21= the first Monday following ratification of this Agreement.

C. Apprentices (Service or Body Shop)

Summary of proposal:

- **Substantial wage increases (between \$2.65 and \$5.81) and annual adjustments of wage rate in addition to the increases provided in the wage progression**
- **Incentive pay based on service JT incentive tiers**

Time Period	Current	Hourly/Incentive	8/1 */21	8/1/23
Starting rate through 6 months	15.50	Hourly	\$21.00	22.00
Months 7-12	16.50	Hourly	22.50	23.50
Months 13-24	18.00	Hourly	24.00	25.00
Months 25-36	19.50	Hourly	25.50	27.00
Months 37-48	21.00	Incentive	27.00	29.00
Months 49-60	26.00	Incentive	29.00	31.00
Upon completion of 60 months		Incentive	Applicable Journeyman rate	Applicable Journeyman rate
		Incentive rates for such employees will be the same cents per hour difference from the hourly rate set forth in the chart in (A) above.	\$1,100 weekly guarantee for months 37-48 incentive apprentices	\$1,180 weekly guarantee for months 49-60 incentive apprentices

* Only progression increases as set forth in the above chart will be provided during the apprenticeship period; no additional contract year increases.

** The wage rate for those in the Apprentice position as of 7/31/~~17~~21 will be adjusted as of ~~9~~*/~~17~~8*/21 to the rate applicable to the employee's continuous length of service as an Apprentice.

~~9~~8*/21 = the first Monday following ratification of the new Agreement.

D. Skilled Technicians (Service)*

Summary of proposal:

- *Skilled Technicians starting rate increased by \$3.50/hour with substantial increases for all current Skilled Techs.*
- *Agree to change title to Skilled Technicians*

Time Period	Current Effective 8/1/20	9/8/*/21, for term**** of Agreement
Starting rate through 1 st six months	\$13.50	\$17.00
2 nd six months	\$14.00	\$17.50
Upon completion of 12-month progression period.	\$14.50	\$18.00
Annual wage adjustment each contract year on 8/1 following completion of 12-month progression period.	\$0.60	\$0.60

* Only progression increases set forth in the above chart will be provided during the first 12 months of employment; no additional contract year increases.

** ~~Semi-s~~Skilled technicians hired after 7/31/13 are not eligible for shift/work week premium. See Article 5, Section I(a)

*** ~~The wage rate for those in the Semi-S~~skilled position as of 7/31/~~1721~~ will be adjusted as of ~~9/*/179/*/21~~ to the rate applicable to the employee's length of service, or will be increased by \$.60, whichever results in the higher rate. ~~[9/*/17 = the first day following ratification of this Agreement.]~~ 9/8/*/21 = the first Monday following ratification of the new Agreement

****During the term of this Agreement, if the Employer is required to increase the wage of any Employee in order to comply with the requirements of minimum wage legislation, then the Employee will be held at that wage rate until it is exceeded by the wage requirements of this Agreement, at which time the Employee's wage rate will be increased to the level required by this Agreement.

E. Lube Rack Technicians and Skilled Body Shop Technicians*

	Current Effective 8/1/20	8/1/21, for the term of Agreement
Body Shop Technician Start Rate (including Part-time Express Team Technicians)	\$11.50	\$16.00
Annual wage adjustment each contract year after 2017 on 8/1/21	\$0.50	\$.50

***The wage rate for those in the Lube Rack Technician and Part-Time Express Team Technician position as of 7/31/17 will be adjusted as of 9/1/21 to \$16.00, or will be increased by \$.50, whichever results in the higher rate. [9/1/17 = the first day following ratification of this Agreement.]**

9/1/21 = the first Monday following ratification of the new Agreement.

** Lube Rack Technicians or Semi-Skilled Body Shop Technicians hired after 7/31/13 are not eligible for shift/work week premium. See Article 5, Section 1(a).

***During the term of this Agreement, if the Employer is required to increase the wage of any Employee in order to comply with the requirements of minimum wage legislation, then the Employee will be held at that wage rate until it is exceeded by the wage requirements of this Agreement, at which time the Employee’s wage rate will be increased to the level required by this Agreement.

2. Health and Welfare

Summary of proposal:

- *HW Fund currently has huge excess reserves; no increase in current contributions are required; however, inserting HW contribution at the level that has been identified by the HW Fund actuary as “Break Even” and will maintain the current excessive reserve level – fully paid by dealer with no increase in Ee contribution*
- *Add language that would increase employer contribution rates above those proposed below if necessary to maintain current reserve level*
- *Premier Plan deleted as proposed by Union*

		Current effective 8/1/20	8/1/21	8/1/22	8/1/23	8/1/24
Premier Plus Plan Design	Employer Weekly Contribution	\$307	\$308	\$326	\$347	\$370
	Employee Weekly Contribution	\$10	\$10	\$10	\$10	\$10
	Total Weekly Contribution	\$317	\$318	\$336	\$357	\$380
Premier Plan Design	Employer Weekly Contribution	\$287	\$290	\$307	\$325	\$346
	Employee Weekly Contribution	\$0	\$0	\$0	\$0	\$0
	Total Weekly Contribution	\$287	\$290	\$307	\$325	\$346
	Employer Weekly HRA Contribution	\$0	\$0	\$0	\$0	\$0

9/1/21 = the first Monday following ratification of the new Agreement

Add language at the end of Article 11, Section 1:

If at any time during the term of this Agreement, the reserves of the Health and Welfare Fund fall below the level that existed as of August 31, 2021 (the “2021 Reserve Level”) for a period of more than two consecutive months, as determined by the Fund actuary using reasonable actuarial assumptions, then the Employer shall be required to make an additional prospective contribution to the Health and Welfare Fund in an amount determined by the Fund actuary to be necessary to maintain the 2021 Reserve Level for the following 24 months; provided, that such additional contribution shall be no greater than the amount being contributed per week for each covered Employee by any other new car dealer. The additional contribution shall be owed starting with the second payroll period following the Employer’s receipt of written notice from the Health and Welfare Fund of the actuary’s report and the amount of the additional contribution due. The Employer’s contribution may be increased in this manner a maximum of two times during the term of this Agreement; provided that the second such increase can be imposed no sooner than two years after the first such increase. Notwithstanding the foregoing, if the reserves of the Health and Welfare Fund fall below the 2021 Reserve Level due to a decision by the Fund Trustees to divert a portion of the reserves to the Pension Fund and/or a Variable Annuity Pension Fund, then there will be no additional contribution due by any Employer.

3. Article 12 – Pension Fund

Summary of proposal:

- *NCDC will agree to the weekly contribution increases proposed by the Union.*
- *NCDC agrees to language proposed by Union to enhance pension benefits through development of Variable Annuity benefit within current pension fund*

	Current	8/9*/2021	8/1/2022	8/1/2023	8/1/2024
Pension	181	192	197	210	223

9*/21 = the first Monday following ratification of the new Agreement

- **Variable Annuity Pension Plan**

The Health/Welfare and Pension contribution rates presume no change in the structure of the Pension plan. If Trustee actions result in a change to the Pension structure (for example, a variable annuity pension plan design), the dealers may adopt new Health/Welfare and Pension contribution rates as appropriate resulting from this action. The parties agree to cooperate in the implementation of this change.

4. Training Fund

Summary of proposal:

- *NCDC will agree to continue to support Union Training Fund at current levels*
- *Additional investment in technician training to be made through enhancement of pay for training time and training-related travel expenses instead of increased contribution to Training Fund*

	Current	8/9/1*/2021
Local 701 Training Fund	3.20	3.20

9*/21 = the first Monday following ratification of the new Agreement

5. Article 2 Classifications – Duties:

Summary of proposal:

- *NCDC proposes a modest expansion of permissible Skilled Technician duties consistent with recent technology advancements and Union agreement reached with another dealer*

39. Use of any scan or diagnostic tool for the purpose of resetting tire monitor lights and manufacturer recalls, including but not limited to technical service bulletins, that pay less than .6, as long as the skilled technician is certified to do that repair, and/or the current NCDC skilled duties.

6. Article 4, Section 10(d) Skilled Tech Advancement

Within 90 days of ratification of this Agreement or within 30 days of completion of 24 months continuous service with the Employer in the Skilled Service Technician position (not body shop), whichever is later, the Employer shall notify in writing any such technician that the technician will or will not be placed on an Apprentice training track. Within 60 days thereafter, if placed on an Apprentice training track, the Employer shall provide such skilled technician the required course of study, deadlines, training classes and certification and testing requirements that must be completed and maintained, as determined in writing by the Employer with a copy to the Union and the employee for advancement to the next open Apprentice position as set forth in Article 4, Section 10(b) and (c) and Section 11. ~~An apprentice position will be deemed open if either an apprentice or journeyman position becomes an open, unfilled position.~~

Once the skilled technician completes and maintains all certifications and training as required by the Employer, the Employer will advance any such technician for the next open entry-level Apprentice position (per Article 3, Section 3).

Failure to notify the skilled technician as required by this Article shall be subject to the grievance/arbitration procedure, and a sustained/valid grievance shall result in an immediate \$0.50 pay increase (and immediate written notification to the employee as to the Employer's decision with respect to advancement). This \$0.50 pay increase penalty will remain in effect for a period of 12 months, at which time the dealer shall have the right to reduce the employee back to the contractually mandated rate.

An internal promotion under this section shall not serve as the basis for violation of Article 2, Section 8 (Ratios).

7. Article 5, Section 4. Base Pay Rules

Replace current section 4 (g) with the following:

(g) Incentive Journeymen Technicians shall be notified weekly of their shop efficiency compared to the overall shop average. When a Journeyman Technician fails to average booked hours greater than 90% of 36 hours and those total booked hours are less than 90% of the average of all Journeyman Technicians hours, both measured during a calendar year quarter, the Employer may, at the Employer's discretion, have his reduce the employee's guaranteed hours base pay reduced by up an amount equal to two hours of the weekly base pay guarantee Journeyman Technician base rate, for the following calendar-year quarter. The reduced weekly base pay guarantee will return to the current weekly base pay guarantee beginning with the first payroll period of the subsequent calendar-year quarter unless the Technician again fails to hit the metrics, in which case the employee's base pay may be reduced again as provided above. A Journeyman Technician who does not meet the metrics in three out of five consecutive quarters will be considered not able to earn weekly base pay regularly and remains will be subject to sub-section (f) of this Section 4.

8. **Duration:** Contract effective upon ratification; expiration four years from the date of ratification; All dates (primarily holidays) and internal cross-references to be revised as necessary. Upon request, the Union shall produce to the NCDC and represented technicians copies of any and all collective bargaining agreements it has with any new car automobile dealership within Cook County, Illinois or the eight surrounding collar counties.

9. Tentative Agreements Reached to Date

A. Article 3 Seniority Section 5 Probation

Change the word ~~complaint~~ to **grievance** in line #10 of the proposal.

B. Article 4 Wages, Section 2(a) Customer Pay Work

This must be done ~~within 60 days of the effective date of this Agreement, or within the month of August during each contract year in subsequent contract years.~~

C. Article 21 Credit Union/Guide Dogs of America

Section 2. Guide Dogs of America: Members of the bargaining unit covered by this Agreement may authorize and direct the Employer to deduct from their wages a voluntary contribution to Guide Dog of America, Inc. by executing and submitting to the Employer the authorization set forth in the following paragraph. The Employer agrees to forward the contribution to ~~Automobile either IAM Mechanics' Union Local 701, 450 Gundersen, Carol Stream Illinois 60188 or The Union~~ will forward said contribution to Guide Dogs of America, Inc., 13445 Glenoaks Blvd., Sylmar, California, 91342, in the name and on behalf of each contributing member. The Union shall be responsible for providing the employee with an appropriate receipt for this charitable donation. All such deductions are subject to any applicable legal limits on the amount of deductions permitted for the particular employee.

D. Article 28 Electronic Transfers

~~Effective January 1, 2018,~~ All reports and remittances required by Article 11 (Health and Welfare Fund), Article 12 (Pension Fund) and Article 26 (Defined Contribution Plan) will be submitted via I-Remit to the Local 701 Benefit's Funds' Office. All reports and remittances made pursuant to Article 27 (Mechanic's Local 701 Training Fund) as well as all remittances pursuant to Article 1 (Union Recognition), Section 3 shall be made by ACH or other electronic remittance to the respective entity.

E. Article 3 Seniority Section 5 Probation

Section 5. Probation. ~~An employee hired on or before July 31, 2017 will have probationary status under the terms and conditions specified in the prior Standard Auto Agreement (i.e., 60 working days, no welfare, etc.).~~ An employee hired after July 31, 2017 shall be considered a probationary employee until the employee has worked 60 calendar days.

F. Article 4 Wages, Section 2 Time Standards

Section 2. Time Standards. Technicians performing warranty work shall be compensated based on labor time standards that are used by the manufacturer to reimburse the dealer for the warranty work performed. Technicians shall be entitled to access information regarding these labor time standards for verification purposes. The Manufacturer's Time Standard Manual for each make and year of vehicle is the authorized manual for manufacturer-paid or Dealer-paid repairs for purposes of this Agreement, unless otherwise required by law.

G. Article 12 Pension Fund Section 1

Section 1. ~~Pursuant to the Funding Improvement Plan adopted by the Pension Fund Board of Trustees effective on October 21, 2015, the Employer hereby adopts the following terms that are consistent with the Preferred Schedule, which includes a \$75 increase in the Pension Fund weekly contribution rates and a corresponding \$75 decrease in the Welfare Fund weekly contribution rates. The Welfare and Pension weekly contributions set forth in this Agreement reflect this \$75 adjustment.~~

H. Article 13 Management Responsibility Section 9 Funeral Leave

Section 9. Funeral Leave. When an employee's spouse, **legally recognized domestic partner**, child, **child of custody**, **stepchildren**, sister, brother, ~~step siblings, niece, nephew~~, mother, father, legal guardian, mother-in-law, father-in-law, **brother-in-law**, **sister-in-law**, ~~aunt, uncle~~, or grandchildren dies, the employee shall be given up to a maximum of three (3) days off from work with pay ending the day of the funeral **or the day of the memorial service if not held immediately preceding after the death.** A day's pay for the purpose of this provision shall not exceed eight (8) hours times the applicable rate for the employee's classification for employees working eight (8) hour shifts, or ten (10) hours times the applicable rate for the employee's classification for employees working ten (10) hour shifts. When an employee must travel over three hundred (300) miles to the funeral, an unpaid extra day will be allowed for travel. An employee may request up to two (2) unused vacation or floating days already earned under this Agreement for use in conjunction with funeral leave.

In addition, each employee shall be entitled to one (1) day of funeral leave for the death of the employee's or current spouse's ~~grandparent or Spouse~~/**legally recognized domestic partner's or spouse's** grandparent. An Employer may require an employee to provide documentation sufficient to establish the basis for funeral leave.

I. Article 4 Wages Section 11(b) Pay for Training

(b) Pay for Non-Classroom Training. All required training, whether at home, off-site or at the Dealership, shall be compensated at the employee's hourly rate of pay. Time spent participating in required interactive distance learning or computer-based training shall be paid at the employee's hourly rate to the nearest tenth of an hour based upon the estimated

completion time associated with the course, if provided. For training at the Dealership, a training assignment record or an internal repair order will be generated and the time paid to the Technician will be affixed to the repair order after training completion. Training time that is not required by the Dealership will not be paid by the Dealership. ~~At no time shall any "at home training" or time spent on training after the employee's regular shift be used to make up base pay hours. A dealer may only apply time spent training during the employee's regular shift towards weekly base pay hours.~~

J. Article 4 Wages, Section 11 (a) Pay for Training/ASE

An employee attending required off-site classroom training *** such travel exceeds one hundred (100) miles). **Where an employee travels using a personal (non-dealership) vehicle, the employee will be reimbursed according to IRS business rate guidelines for travel between the dealership and the training facility.**

K. Article 6 Holidays Observed, Section 1 Floating Days

Effective 8.1.2021 Journeymen receive an additional floating day.

L. Change Semi-skilled to Skilled

M. Training done by Part-Time Express Team Technicians at the Local 701 Training Facility excluded from the 30-hour threshold for determining part-time status.

N. Pandemic-related Absences

- New Article 13, Section 6

Section 6. Pandemic-related Absences. The parties understand there may be unique situations where a medical doctor certifies in writing that an employee may not attend work during a government-declared pandemic (e.g., COVID-19) because doing so would unreasonably expose the employee or a household member (e.g., spouse) to an increased risk of death due to the exacerbation of an underlying serious health condition. The parties will work with the employee and his doctor to determine whether the employee may continue working with or without an accommodation (e.g., mask wearing, social distancing). If an accommodation is not offered by the employer and the employee is still prohibited by his doctor from working, on a one-time basis, the employee will be placed on an uncompensated leave of absence (e.g., no pay or fringe benefit contributions) for a period not to exceed 365 calendar days from the date of the doctor's certification and such leave will not result in a break in seniority under Article 3 of this Agreement. This provision shall not apply where a dealer determines its application would create an undue burden on operations.

*NCDC agrees this language is not intended to and does not otherwise alter any other provision of the agreement (i.e. interfere with an employee's right to leave or an employer's obligation to pay Welfare and Pension premiums during an occupational illness or injury, etc.)

O. The NCDC agrees to the Union's proposal "to continue any and all past practices" as set forth in the introductory paragraph in its July 31 Comprehensive Counterproposal.

P. Article 4 Section 10. A.S.E. and Certification Requirements

(a) A.S.E. Requirements. Apprentices must receive and maintain A.S.E. certifications required by the Dealership, within a reasonable time period as determined by the Dealership, but not less than **six three four-month periods** A.S.E. testing periods **totaling 18 months** from the date the employee is notified of the requirement. When the manufacturer requires A.S.E. certifications for specific manufacturer training or certification, this section shall also apply to the Journeymen classification in the service and body shop departments. Within 60 workdays after hire or promotion to the classification (or within 60 workdays of the effective date of this Agreement for employees currently in this classification), the Dealership must notify the Union and the employee, in writing, of the A.S.E. certifications that are required and also the time period requirement. The amount of A.S.E. certifications required may be increased by no more than **one (1)** in any **three four-month** interval or testing cycle. The employee is required to sign the letter and the Employer must forward the letter to the Union pursuant to Article 25.

Body Shop Technicians must also receive and maintain welding, ICAR Gold, ATEG, and/or paint certifications required by the Dealership, within a reasonable time period as determined by the Dealership, but not less than 18 months from the date the employee is notified of the requirement. Within 60 workdays after hire or promotion (or within 60 workdays of the effective date of this Agreement for employees currently in this classification), the Dealership must notify the Union and the body shop employee, in writing, of the certifications that are required and also the time period requirement. The number of certifications required may be increased by no more than two (2) in any 6-month interval. The employee is required to sign the letter and the Employer must forward the letter to the Union pursuant to Article 25.

(b) Manufacturer Certification Requirements. Employees must receive and maintain manufacturer certifications required by the Dealership or manufacturer within a reasonable time period as determined by the Dealership for promotion or wage progression, subject to the manufacturers training program schedule.

(c) Related Issues. The Dealership shall pay, in advance to the proper agencies, for all employees the actual cost of all tests necessary to achieve any A.S.E. or manufacturer certifications required by the Dealership but will not reimburse employees for the costs of tests that are not so required. The cost of the first two (2) A.S.E. tests for the same subject matter will be paid by the Dealership. If the employee twice fails a required A.S.E. certification test, the cost of the third or subsequent required A.S.E. re-test for the same subject matter will be paid by the employee. The employee shall provide a copy of all A.S.E. test results and certifications achieved to the Dealership.

Refusal to participate in required certification testing under this Section, or required training under Section 11 below, will be considered a refusal to work. If an employee is unavailable, due to fringes outlined in this Agreement during any training/testing period,

this shall not apply. Beginning with the **first 6-month** ~~fourth written~~ three-month A.S.E. testing period following the date of the written notice, a failure to pass any required A.S.E. or other certification or written A.S.E. recertification test will result in one written warning letter per ~~6-month~~ ~~four~~ three-month testing period. Written warning letters for failure to pass a required written A.S.E. or other certification or written A.S.E. recertification test will be valid for a period of twenty (20) ~~Eighteen-month (18)~~ months from the date of issuance and will be subject to the same grievance and rebuttal letter process provided in Article 13, Section 2 of this Agreement for other types of written warnings. Upon the third or subsequent warning letter, the employee may be discharged. Warning letters for failure to pass a required written A.S.E. or other certification or written A.S.E. recertification test shall not be combined with any other type of warning letter for progressive discipline purposes.

An apprentice who does not obtain the required A.S.E. or other certifications or recertification by the required date during the apprentice period shall not progress to the next level in the apprentice wage progression until completing such requirements, and the apprentice period will be extended accordingly. Apprentices may be reclassified as a semi-Skilled Technician at the appropriate semi-Skilled **Technician** wage rate based on the employee's seniority during the first sixty (60) working days as an apprentice, at the discretion of the Dealership. In the event an apprentice hired or transferred into the apprentice classification does not obtain a required A.S.E. or other certification or recertification by the required date during the first two years as an apprentice, the apprentice may then be reclassified as a semi-Skilled Technician at the appropriate semi-Skilled **Technician** wage rate based on the employee's seniority, within thirty (30) workdays after the initial two-year period, at the discretion of the Dealership.

***Includes Union's proposed change to paragraph B as set forth in its July 31 Comprehensive Counterproposal.**