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UNIONS PROPOSE 'BILL OF RIGHTS' AT MCCORMICK PLACE

Greater Transparency Necessary to Pass Savings Along to Customers

The unions representing workers at McCormick Place have called for a customer “bill of rights” for exhibitors as part of the major reforms that must be implemented for Chicago to remain a top destination for conventions and trade shows.

Reforms have been proposed by labor leaders from Teamsters Local 727, United Steelworkers Local 17 (Decorators Union), Machinery Movers, Riggers & Machinery Erectors Local 136, IBEW Local 134 and Carpenters Regional Council.

“The Teamsters want to ensure the services offered to McCormick Place exhibitors are executed by hardworking men and women who can most effectively do the job,” said John T. Coli, Secretary-Treasurer of Local 727. “The union is interested in reviewing the model for operation at McCormick Place without compromising the fine quality of service exhibitors deserve.”

In the interest of making Chicago an even greater destination for conventions and trade shows, the unions proposed:

- A customer “bill of rights” that clearly delineates standards by which labor and management must work with customers to maximize their satisfaction at McCormick Place;
- Audits of charges and fees to determine whether savings are in fact passed along to customers.

Over the last 15 years, the unions have agreed to three separate rounds of major contract adjustments, including reducing overtime hours, reducing overtime rates, giving exhibitors the ability to do more of their own setup work and removing jurisdictional designations between trades.

“No one understands the importance of conventions and trade shows in the city and its communities more than the men and women of organized labor,” said Dennis Gannon, Chicago Federation of Labor President. “That is why the unions at McCormick Place have worked with management time and again to lower their costs and make work rules more customer-friendly to improve the experience for exhibitors. But the whole business model must change, not just labor contracts.”



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The proposed “bill of rights” would give exhibitors a chance to address any concerns they might have regarding labor before a show begins. The unions would like the opportunity to hear directly from customers about their experience so they can address any potential problems.

“The opportunity to have a direct dialogue with our customers would better educate us on their issues,” said Kevin McLaughlin of Carpenters Local 10. “This would help us to improve future experiences for both exhibitors and show managers.”

According to Tradeshow Week, the two biggest cost complaints by customers in the industry are materials handling (drayage) and exhibit space—not labor. Union leaders noted that they haven’t received complaints about labor costs in five years during labor-management meetings.

Tradeshow Week also reported that labor rates in Chicago are comparable to other large markets like New York and Los Angeles. For example, the hourly rate charged to exhibitors for a carpenter is \$96.68 in Chicago, compared to \$148.89 in New York and \$99.96 in Los Angeles.

The hourly rate charged to an exhibitor for a carpenter in Rosemont is \$85, where the same McCormick Place unions represent workers. But the price charged to the exhibitor is almost \$11 cheaper. Rosemont exhibitors pay \$55 per hour for drayage, but more than \$80 in Chicago. Drayage can account for close to 50 percent of an exhibitor’s show services bill, according to Michael Hughes, vice president of research and consulting for Tradeshow Week.

“Our customers have the right to know exactly what they’re paying for when they make a decision to hold their convention or trade show at McCormick Place,” said Tony DeGrado, Steelworkers Local 17 President. “Our labor rates are negotiated and reasonable. Unfortunately, the labor rates that contractors charge to exhibitors are much, much higher than the rates that we charge them. How is that fair?”

The unions also called for audits to be performed to review charges and fees, address concerns raised by exhibitors and discuss customer cost savings.

With recent convention defections to Orlando and Las Vegas, unions made clear that tourism dollars available to increase business in Chicago don’t match those of its competition. The Chicago Convention and Tourism Bureau’s 2010 annual budget is \$13.7 million—down from \$14.1 million last year. This pales in comparison to rival Orlando’s \$47.7 million and the \$143 million sales and marketing budget for Las Vegas. Las Vegas and Orlando hold the top-two places in annual tourism budget rankings. Chicago places 16th on the list.