

NOTICE TO AGENCY FEE PAYERS REPRESENTED BY TEAMSTERS LOCAL 381

This notice is provided to all employees represented by Teamsters Local 381 whose wages, hours and working conditions are governed by a memorandum of understanding between the Union and their employer which includes an agency fee provision requiring those employees who choose not to be a member of the Union to pay their fair share of the costs of the Union's representation.

Employees, who elect to become agency fee payers, rather than full-fledged members of the Union, forfeit the right to a number of benefits available only to Union members. For example, only Union members are entitled to attend and participate in union meetings; to run for Union office and to nominate and vote for candidates for Union office; to participate in contract ratification and strike votes; to participate in the development of formulation of Union policies; to participate in the formulation of Union collective bargaining demands; and to serve as delegates to the International Convention.

Agency fee payers are generally charged the same dues and initiation fees uniformly required of Union members. However, agency fee payers may object to supporting certain union activities and may obtain a reduction in their agency fees. Those who object are referred to as "objectors" and are charged only for activities or projects that are directly related to collective bargaining. Examples of "chargeable" activities are negotiating collective bargaining agreements; meeting with employer representatives; meeting with employees on employment-related issues; participating in proceedings on behalf of workers, up to and including arbitration; and managing internal Union affairs. Among activities considered "nonchargeable," which objectors are not required to support, are contributions to political candidates; general community service; legislative activities; organizing efforts; and certain costs of affiliation with non-Teamster organizations.

Attached is an audit summary of the Union's projected chargeable and nonchargeable expenditures for January 1 through December 31, 2002, (the most recent year for which there is a completed audit). The audit reflects that 96.22% of the Union's expenses are chargeable. Accordingly, the current Union dues are \$20.00 per month; and, the objector fee is less than 96.22% of that, or \$18.00.

PROCEDURE FOR FILING OBJECTIONS

Objections must be made annually and will be effective for a single calendar year. Notice of the Procedure will be provided to nonmember employees on an annual basis, by mail, no later than April 1, and will also be given individually to all employees newly required to pay an agency fee by, for example, being hired or transferred into the bargaining unit, or by resigning from union membership.

Each agency fee payer who wishes to file an objection must do so in writing, addressed to the Union's Secretary-Treasurer, Teamsters Local 381, 115 West Bunny Avenue, Santa Maria, California 93458. In filing their objections, objectors must include their name, address, their Social Security number, name of employer and work location. Objections must be postmarked at any time during the month of May preceding the year for which the objection will be in effect; or, during the first 30 days after an employee becomes an agency fee payer and receives the notice of rights. All objections must be renewed annually.

REDUCTION IN AGENCY FEES

The agency fees of employees who file timely objections to paying the full agency fee will be reduced for the 12-month period beginning June 1 of the year for which they have filed their objections, and ending May 31 of the next year. Timely objections filed by employees who begin paying agency fees in the middle of the year will likewise be effective through May 31.

Until advised by the Union that their objections have been timely filed and processed, the objecting employees will be expected to remit the full amount of agency fees. No later than May 31 (or as soon as possible, in the case of timely mid-year objections), the Union will mail to each employee who filed timely objections a check reflecting the reduction in payments to which he or she is entitled. The reduction checks will be accompanied by an explanation of how the amount was determined and an explanation of the procedure for appealing the calculation.

PROCEDURE FOR CHALLENGING THE REDUCED FEE

An objector who believes that the amount of the reduced agency fee does not accurately reflect the Union's expenditures on chargeable activities may file an appeal. The appeal must be made in writing and must be received by the Union's Secretary-Treasurer within thirty days of the date on which the Union mails the objector his or her reduction check. The appeal must explain the particular items of the reduced fee the objector believes to not be accurate.

An impartial arbitrator will be appointed by the American Arbitration Association ('AAA') through its Rules for Impartial Determination of Union Fees, issued on June 1, 1986. All pending appeals will be consolidated to the extent practicable and heard as soon as the AAA is able to schedule the hearing. The presentation to the arbitrator will be in writing or at a hearing, if requested by an objector. If a hearing is held, an objector who does not want to attend may submit his or her views in writing by the date of the hearing. If a hearing is not requested, the arbitrator will set a date by which all written submissions must be received and will decide the case based on the records submitted. The Union will have the burden of justifying its calculations. The costs of the arbitrator's services will be borne by the Union. Individually incurred costs will be borne by the party challenging the Union's calculations.

Beginning with the first reduced agency fee due after the objector has timely filed his or her challenge to the Union's calculations and while the matter is pending before the arbitrator, the Union will hold in an interest-bearing escrow account the full agency fees paid by the objector. Once the arbitrator has rendered a decision, the appropriate sum will be either returned to the challenger or the Union, with interest.

If the arbitrator finds in favor of the challenger, appropriate adjustments will be made to the reduced agency fees paid by all objectors, retroactive to June 1 of the year the challenges were filed.