

NOTICE TO MEMBERS OF IUOE LOCAL 30 REGARDING RIGHTS AND
OBLIGATIONS OF AGENCY FEE/FINANCIAL CORE EMPLOYEES

Sections 8(a)(3) and 8(b)(2) of the National Labor Relations Act permit unions to enter into collective bargaining agreements with employers that require employees, as a condition of employment, either to join the union (and thereby enjoy the full rights and benefits of membership) or to pay fees to the union (and thereby satisfy a financial obligation to the union without enjoying the full rights and benefits of membership). This requirement serves the legitimate purpose of ensuring that every employee who benefits from union representation is obligated to pay his or her fair share of the cost of that representation. THE GOAL OF SUCH "UNION SECURITY PROVISIONS" IS TO ELIMINATE "FREE RIDERS" WHO BENEFIT FROM THE UNION CONTRACT WITHOUT CONTRIBUTING TO THE UNION'S COST OF NEGOTIATING, ADMINISTERING, AND ENFORCING THAT CONTRACT.

When a collective bargaining agreement requires that an employee either join or pay fees to the union, the fees charged to nonmembers are generally identical to the amount of union dues and initiation fees charged to union members. In a 1988 court case, *Communications Workers of America v. Beck*, the United States Supreme Court held that a nonmember has the right to object to paying any portion of the fee which will be expended on activities unrelated to collective bargaining, contract administration, or grievance adjustment. All nonmember fee payers are required to pay the portion of the fee which will support expenditures germane to the collective bargaining process, including, but not limited to negotiations, contract administration, grievance adjustment, meetings with employer and union representatives, and internal union administration and litigation related to the above activities. Nonmember fee payers who object to doing so have the right not to pay the portion of the fee which will be expended on other, "non-chargeable" activities, including expenditures, if any, made for political purposes, for general community services, or for members-only benefits. In order to reduce the fee they pay to the union, objectors must follow the procedure described below.

The so-called *Beck* rights described above apply only to nonmembers--individuals who have resigned from the union or who have never joined. Under federal labor law, every person has the right to join and support a labor union, to refuse to join a labor union, and to resign from a union membership at any time. However, only union members have the following valuable rights, among others: the right to attend local union meetings and speak out at such meetings on any and all issues affecting Local 30, the International Union of Operating Engineers ("IUOE"), and its members; the right to participate in the formulation of union policy; the right to influence the nature of the Local's activities and the direction of its future; the right to nominate and vote for candidates for Local office and to run for office; the right to participate in the negotiation process for new or successor collective bargaining agreements; the right to participate in contract ratification votes and strike votes; and the right to nominate and vote for delegates to IUOE.

Objection Procedure

- 1) A nonmember who pays fees to the union pursuant to a union security provision in a collective bargaining agreement has the right to object to any portion of the fee which will be expended on activities unrelated to collective bargaining, contract administration, or grievance adjustment.
- 2) The objection must be in the form of a letter, signed by the objector, and sent to the Local's Business Manager at: 115-06 Myrtle Avenue, Richmond Hill, New York 11418. The objection must contain the objector's name and address, and must identify the collective bargaining agreement(s) under which the objector works.
- 3) The objection must be postmarked during the month of April, or within 30 days of the objector's becoming a nonmember of the union, or the objector first being required to pay fees to the union.
- 4) The Local will determine the amount of the reduced fee and the amount, if any, of pre-paid fees to be refunded to the objector. The reduction will be accompanied by an explanation of how the reduction amount was determined. Any objector who disagrees with the reduction amount can file an appeal within thirty (30) days thereafter. The appeal must be in writing and state the basis for the challenge. Appeals will be decided by an impartial arbitrator appointed by the American Arbitration Association through its Rules for Impartial Determination of Union Fees.
- 5) A portion of the objector's fee equal to the amount which is challenged will be held in interest-bearing escrow while the objector pursues that challenge. Details on the method of making such a challenge and the rights accorded to those who do so will be provided to challengers along with the explanation of the fee calculations.