APPENDIX

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Appendix A

UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

No. 20-50319
December 22, 2020

ARTHUR BAISLEY,
Plaintiff—Appellant,
v.
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
Defendant—Appellee.

Appeal from the United States District Court for the Western District of Texas
USDC No. 1:19-CV-531

Before CLEMENT, HO, and DUNCAN, *Circuit Judges.*

JUDGMENT

This cause was considered on the record on appeal and was argued by counsel.

IT IS ORDERED and ADJUDGED that the judgment of the District Court is AFFIRMED.

IT IS FURTHER ORDERED that Appellant pay to Appellee the costs on appeal to be taxed by the Clerk of this Court.

Certified as a true copy and issued as the mandate on Jan 13, 2021
Attest: Lyle W. Cayce
Clerk, U.S. Court of Appeals, Fifth Circuit

Appendix B

UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 20-50319
December 22, 2020

ARTHUR BAISLEY,
Plaintiff—Appellant,
v.
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
Defendant—Appellee.

Appeal from the United States District Court for the Western District of Texas
USDC No. 1:19-CV-531

Before CLEMENT, HO, and DUNCAN, *Circuit Judges*.

EDITH BROWN CLEMENT, *Circuit Judge*:

The International Association of Machinists and Aerospace Workers ("IAM") is the exclusive union representative for United Airlines employees like Arthur Baisley. Baisley is not a union member. But, following longstanding practice and established case law, the IAM required Baisley— like all other dues objectors—to opt out of paying full union dues.

Baisley sued to invalidate the opt-out procedures as violative of his First Amendment rights, the Railway Labor Act ("RLA"), 45 U.S.C. § 152,

Eleventh, and the IAM's Duty of Fair Representation. Finding Baisley's claims foreclosed by the same precedents that animated the IAM's procedures, the district court dismissed his suit under Federal Rule of Civil Procedure 12(b)(6). Upon de novo review, *see Lampton v. Diaz*, 639 F.3d 223, 225 (5th Cir. 2011), we reach the same conclusion and affirm.

Baisley's challenge is far from novel. The Supreme Court has previously upheld the challenged statute, Section 2, Eleventh of the RLA, against facial and as-applied challenges. *Ry. Emps.' Dep't v. Hanson*, 351 U.S. 225 (1956); *Int'l Ass'n of Machinists v. Street*, 367 U.S. 740 (1961). In *Street*, the Court said that the RLA contemplates "forc[ing] employees to share the costs of negotiating and administering collective agreements," but not "forcing employees, over their objection, to support political causes which they oppose." *Street*, 367 U.S. at 764. Accordingly, the Court construed the statute "to deny the unions, over an employee's objection, the power to use his exacted funds to support political causes which he opposes." *Id.* at 768–69. Moreover, *Street* said, "dissent is not to be presumed—it must affirmatively be made known to the union by the dissenting employee." *Id.* at 774.

Following *Street*, which we recognized as "the seminal case on the matter," this court approved this very union's opt-out procedures. *Shea v. Int'l Ass'n of Machinists & Aerospace Workers*, 154 F.3d 508, 513 (5th Cir. 1998); *id.* at 515 (allowing opt-out procedure under the RLA, while striking union requirement that nonmembers annually renew objections). Just a few years ago, we reaffirmed an identical system. *See Serna v. Transp. Workers Union of Am. AFL-CIO*, 654

F. App'x 665, 665–66 & n.1 (5th Cir. 2016) (mem.) ("*Shea* obliges us to uphold the union's current opt-out policy.").

Against that line of private-sector cases, Baisley presents the Supreme Court's recent trio of decisions in *Knox v. SEIU, Local 1000*, 567 U.S. 298 (2012), *Harris v. Quinn*, 573 U.S. 616 (2014), and *Janus v. AFSCME, Council 31*, 138 S. Ct. 2448 (2018). Baisley especially points to *Janus*'s declaration that such opt-out procedures impose an unconstitutional burden on public employees' First Amendment rights. *Id.* at 2486. But *Janus* and those other cases dealt with public-sector unions, so it is undisputed that applying them to this private-sector dispute would require us to extend into a new realm. The difficulty for Baisley is that *Janus* itself cautions against such an extension. So, indeed, do *Knox* and *Harris*.

Knox, which says nothing about private unions, notes that "[b]ecause a public-sector union takes many positions during collective bargaining that have powerful political and civic consequences, the compulsory fees constitute a form of compelled speech and association that imposes a 'significant impingement on First Amendment rights.'" *Knox*, 567 U.S. at 310–11 (quoting *Ellis v. Ry. Clerks*, 466 U.S. 435, 455 (1984)) (citation omitted). And *Harris* warns against "fail[ing] to appreciate the difference between the core union speech involuntarily subsidized by dissenting public-sector employees and the core union speech involuntarily funded by their counterparts in the private sector." *Harris*, 573 U.S. at 636. "In the public sector, core issues such as wages, pensions, and benefits are important political issues, but that is

generally not so in the private sector." *Id.* These admonitions give us serious pause.

Janus itself says it is unclear whether "the First Amendment applies *at all* to private-sector agency-shop arrangements" like this one. *Janus*, 138 S. Ct. at 2480 (emphasis added). It is "questionable" whether "Congress's enactment of a provision [of the RLA] allowing, but not requiring, private parties to enter into union-shop arrangements was sufficient to establish governmental action." *Id.* at 2479 n.24. And even if the First Amendment does apply here, "the individual interests at stake still differ," for the reasons articulated in *Harris*. *Id.* at 2480 (citing *Harris*, 573 U.S. at 636). If *Knox* and *Harris* have us pumping the brakes, *Janus* brings us near a full stop.

Baisley's response is hardly reassuring. He urges extension because *Knox* tells us that *Street*'s approval of opt-out procedures was mere "dicta." *Knox*, 567 U.S. at 312–13 (citing *Street*, 367 U.S. at 774). With that foundation removed, Baisley says, *Shea* is ours to reconsider anew. *See, e.g.*, *Shea*, 154 F.3d at 513. Of course, it is not so simple. We are bound to follow a prior panel's opinion "until the decision is overruled, expressly or implicitly, by either the United States Supreme Court or by the Fifth Circuit sitting en banc." *United States v. Kirk*, 528 F.2d 1057, 1063 (5th Cir. 1976). Just as important, it is not clear that we should. Perhaps *Street* creates an opening to reconsider *Shea*'s First Amendment holding. *See Shea*, 154 F.3d at 515. If so, that just brings us right back to *Janus*'s query whether "the First Amendment applies at all." *Janus*, 138 S. Ct. at 2480. *Street*'s opt-out language may be dicta, but it

remains to be seen how the Supreme Court will interpret that distinction in a private-sector dispute. *Cf. Rizzo-Rupon v. Int'l Ass'n of Machinists & Aerospace Workers,* 822 F. App'x 49 (3d Cir. 2020) (unpublished) (upholding union opt-out procedures against facial challenge).

Indeed, that is the question for the whole *Janus* line. And, amidst all this uncertainty, we are reminded of the Supreme Court's caution: "If a precedent of this Court has direct application in a case, yet appears to rest on reasons rejected in some other line of decisions, the Court of Appeals should follow the case which directly controls, leaving to this Court the prerogative of overruling its own decisions." *Rodriguez de Quijas v. Shearson/Am. Express Inc.*, 490 U.S. 477, 484 (1989). Heeding that advice, we find no constitutional infirmity in the IAM's opt-out procedures under the settled decisions of the Supreme Court and this Circuit. By extension, Baisley's constitutional- avoidance statutory and Duty of Fair Representation claims also fail.

AFFIRMED.

Appendix C

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION

ARTHUR BAISLEY, PLAINTIFF,	§	
	§	
v.	§	CAUSE NO. 1:19-CV-531-LY
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DEFENDANT.	§	

FINAL JUDGMENT

Before the court is the above entitled cause of action. On this same date, the court rendered an order granting Defendant's motion to dismiss and dismissing Plaintiffs' complaint with prejudice. Accordingly, the court renders the following Final Judgment pursuant to Federal Rule of Civil Procedure 58.

IT IS HEREBY ORDERED that Defendant is awarded costs.

IT IS FURTHER ORDERED that the case is hereby CLOSED.

SIGNED this 19th day of March, 2020.

LEE YEAKEL
UNITED STATES DISTRICT JUDGE

Appendix D

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION

ARTHUR BAISLEY,	§	
PLAINTIFF,	§	
v.	§	CAUSE NO.
	§	1:19-CV-531-
INTERNATIONAL	§	LY
ASSOCIATION	§	
OF MACHINISTS	§	
AND AEROSPACE	§	
WORKERS,	§	
DEFENDANT	§	

ORDER ON MOTION TO DISMISS

Before the court are [International Association of Machinists and Aerospace Workers]'s Motion to Dismiss and Supporting Memorandum filed July 2, 2019 (Doc. #16); Plaintiff's Response to Defendant's Motion to Dismiss filed August 1, 2019 (Doc. #23); and [International Association of Machinists and Aerospace Workers]'s Reply Memorandum in Support of Motion to Dismiss filed August 8, 2019 (Doc. #25). Also before the court is the United States of America's Acknowledgment of Plaintiffs Notice of Claim of Unconstitutionality filed July 12, 2019 (Doc. #22).

The court conducted a hearing on the motion on September 13, 2019, at which the court entertained argument from counsel for the parties. Following the hearing, Defendant's Notice of Supplemental Authority was filed on December 16, 2019 (Doc. #30).

Plaintiff Arthur Baisely's Response to Defendant [International Association of Machinists and Aerospace Workers]'s Notice of Supplemental Authority was filed January 9, 2020 (Doc. #31). Having considered the motion, response, reply, statement, argument, and supplemental authority and response, along with the applicable law, the court is of the opinion that the motion to dismiss should be granted for the reasons to follow.

I. BACKGROUND

Plaintiff Arthur Baisley works as a ramp agent for United Airlines at Austin-Bergstrom International Airport and is subject to the exclusive representation of Defendant International Association of Machinists and Aerospace Workers ("the Association"), the certified collective-bargaining representative of United Airlines's ramp agents pursuant to a majority vote of employees in an election conducted by the National Mediation Board.[1] The collective-bargaining relationship between United Airlines and the Association is governed by the Railway Labor Act ("RLA").[2] Pursuant to union security clause contained in the a [sic] collective-bargaining agreement governing the terms and conditions of employment at United Airlines, employees including Baisley are not required to become members of the union, but they are required as a condition of employment to pay "service fees," also known as agency fees, to the union on a

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[1] The Association is one of the largest labor unions in North America. *International Association of Machinists and Aerospace Workers,* http://www.goiam.org/about (last visited Feb. 21, 2020).

[2] 45 U.S.C. § 152 (2007) (Supp. 2019).

monthly basis. Nonmembers of the union, such as Baisley, may become "dues objectors" and pay a reduced fee rate for expenses germane to the collective-bargaining process only and not for political activities. The Association administers a system outlined in its "Notice to Employees Subject to [the Association] Security Clauses" requiring employees who seek to become dues objectors to file an objection notice with the Association. The Association restricts the times at which an employee may opt-out for a reduced fee as a dues objector to: (a) November; (b) the first 30 days in which the employee becomes legally obligated to pay forced fees; or (c) within 30 days of resigning membership in the union. Baisley complied with the Association's procedures by notifying the Association of his objection by letter in November 2018, which was accepted by the Association on November 28, 2018.

Baisley asserts that the Association's objection procedures violate Section 2, Eleventh of the RLA by authorizing the Association and United Airlines to force employees to pay union fees under threat of termination. Baisley asserts in the alternative that the Association's procedures violate the First Amendment of the United States Constitution.

II. STANDARD OF REVIEW

Rule 12(b)(6) allows for dismissal of an action "for failure to state a claim upon which relief can be granted." Although a complaint attacked by a Rule 12(b)(6) motion does not need detailed factual allegations, in order to avoid dismissal, the plaintiffs factual allegations "must be enough to raise a right to

relief above the speculative level." *Bell Atl. Corp. v. Twombly,* 550 U.S. 544, 555 (2007); *see also Cuvillier v. Taylor,* 503 F.3d 397, 401 (5th Cir. 2007). A plaintiff's obligation "requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do." *Id.* The Supreme Court expounded on the *Twombly* standard, explaining that a complaint must contain sufficient factual matter to state a claim to relief that is plausible on its face. *Ashcroft v. Iqbal*, 556 U.S. 662, 677 (2009). "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.* In evaluating a motion to dismiss, the court must construe the complaint liberally and accept all of the plaintiff's factual allegations in the complaint as true. *See In re Katrina Canal Breaches Litig.,* 495 F.3d 191, 205 (5th Cir. 2009).

III. ANALYSIS

Baisley asserts that the Association's procedures violate the RLA because Section 2, Eleventh of the RLA does not permit the Association to charge employees for its political activities; therefore, Baisley argues, the Association "cannot lawfully require employees to pay for such activities unless and until they jump through union-created hoops." *See Communications Workers of America v. Beck*, 487 U.S. 735, 745 (1988) ("Over a quarter century ago we held that § 2, Eleventh of the RLA does not permit a union, over the objections of nonmembers, to expend compelled agency fees on political causes."). Baisley further argues that if the

Association's procedures are authorized by the RLA, the RLA violates the First Amendment as the United States Supreme Court held in *Janus v. American Federation of State, County, and Municipal Employees, Council 31*, ___ U.S.___, 138 S. Ct. 2448 (2018) and *Knox v. Service Employees Int'l Union, Local 1000*, 567 U.S. 298, 317 (2012).[3] These cases, Baisley contends, support construing the RLA to prohibit the procedures required to become a dues objector. *See, e.g.*, *Janus*, 138 S. Ct. at 2486 ("Neither an agency fee nor any other payment to the union may be deducted from a nonmember's wages, nor may any other attempt be made to collect such a payment, unless the employee affirmatively consents to pay.").

The Association argues that its procedures are consistent with binding Supreme Court and Fifth Circuit precedent and do not violate the RLA or the First Amendment. *See Int'l Ass'n of Machinists v. Street,* 367 U.S. 740 (1961); *Shea v. Int'l Ass'n of Machinists,* 154 F.3d 508 (5th Cir. 1998); *see also Serna v. Transp. Workers Union*, No. 3:13-cv-2469,

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[3] In *Janus*, the Supreme Court held that public-sector unions may not deduct agency fees or "any other payment to the union" from the wages of nonmember employees, unless the employees waive their First Amendment rights by "clearly and affirmatively consenting] before any money is taken from them." 138 S. Ct. at 2486. In *Knox*, the Court held that "[b]ecause a public-sector union takes many positions during collective bargaining that have powerful political and civic consequences, . . . the compulsory fees constitute a form of compelled speech and association that imposes 'significant impingement on First Amendment rights'." 567 U.S. at 310-11 (quoting *Ellis v. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, and Express and Station Employees,* 466 U.S. 435, 455 (1984)). Unlike *Janus* and *Knox*, the Association in this case is a private-sector union.

2015 WL 5239668 (N.D. Tex. March 30, 2015), *aff'd mem.,* 654 Fed. Appx. 665, n.1 (5th Cir. 2016) ("*Shea* obliges us to uphold the union's current opt-out policy"; *Street* and *Shea* foreclose challenge to opt-out procedures). In response, Baisley asserts that the cases that the Association cites do not foreclose Baisley's claims because they all predate *Janus*. Thus, Baisley contends, none of the cases the Association cites consider whether the RLA can be construed to avoid the First Amendment problem that *Janus* now poses, and this court is free to consider the question of statutory interpretation as a matter of first impression.

The Association asserts that *Janus* and *Knox* are inapposite because they involve public-sector employees through which the state, as the employer, compelled agency fees to be paid to public-sector unions, which by their nature are inherently political. *See Knox,* 567 U.S. at 310-11; *Janus,* 138 S. Ct. at 2467, 2473. In this case, the Association argues, private-sector agency fees agreed to in a private agreement raise no First Amendment issues, and Baisley's ability to dissent ends any potential RLA or First Amendment claim. *See Street,* 367 U.S. at 774. This court agrees.

The collective-bargaining relationship between United Airlines and the Association is governed by the RLA. Although Baisley refers to *Janus* in support of his claim that federal law makes the union security provision of the collective-bargaining agreement unlawful, the important distinction in this case is that *Janus* addressed First Amendment issues applicable only to public-sector employees. 138 S. Ct. at 2478.

The *Janus* Court held that arrangements whereby a governmental entity and a labor organization agree to require government employees to pay fees that are used by the union to negotiate how governmental funds are spent and in what amounts implicate the First Amendment in ways distinct from agency fees in the private sector. Public-sector fees involve "the government . . . compel[ling] a person to pay for another party's speech," on matters involving "the budget of government" and "the performance of government services." *Id.* at 2467, 2473. Private-sector agency fees raise no such issues.

Janus addressed no issues about a private-sector employee, such as Baisley, who works for a private company, such as United Airlines. "Congress' bare authorization of private-sector union shops under the Railway Labor Act [raises] a very different . . . question . . . than] when a State requires its employees to pay agency fees." *Id.* at 2479. Based on the collective-bargaining agreement negotiated between United Airlines and the Association, Baisley is required to pay all union fees to the Association unless he files an objection notice in accordance with the terms mandated by the Association's procedures.

> Any remedies, however, would properly be granted only to employees who have made known to the union officials that they do not desire their funds to be used for political causes to which they object. The safeguards of [Section] 2, Eleventh were added for the protection of dissenters' interest, but dissent is not to be presumed—it must affirmatively be made known to the union by the dissenting employee.

> The union receiving money exacted from an employee under a union-shop agreement should not in fairness be subjected to sanctions in favor of an employee who makes no complaint of the use of his money for such activities.

Street, 367 U.S. at 774. Thus, the RLA does permit the Association to charge employees for its political activities unless the employee affirmatively dissents.

Further, the Supreme Court in *Railway Employees' Department* v. *Hanson* upheld the constitutionality of Section 2 Eleventh of the RLA, stating explicitly "that the requirement for financial support of the collective-bargaining agency by all who receive the benefits of its work is within the power of Congress under the Commerce Clause and does not violate either the First of [*sic*] the Fifth Amendments." 351 U.S. 225, 238 (1956). *Janus* did not overrule *Hanson.* The *Janus* Court specifically differentiated between *Hanson,* which involved Congress's authorization of private-sector unions under the RLA and *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977), in which the Court recognized a very different First Amendment question that arises when a State requires its employees to pay agency fees. 138 S. Ct. at 2460. The *Janus* Court did not overturn Section 2, Eleventh or the cases cited by the Association, which control in this case. Because *Hanson* and the cases that rely on it are not overruled by *Janus,* this court concludes that Baisley's claim that Section 2 Eleventh of the RLA is unconstitutional under the Fifth Amendment must be denied.

IV. CONCLUSION

IT IS THEREFORE ORDERED that the International Association of Machinists and Aerospace Workers's Motion to Dismiss and Supporting Memorandum filed July 2, 2019 (Doc. #16) is GRANTED.

IT IS FURTHER ORDERED that Plaintiff Arthur Baisley's complaint is DISMISSED WITH PREJUDICE.

A Final Judgment shall be filed subsequently.

SIGNED this 19th day of March, 2020.

LEE YEAKEL
UNITED STATES DISTRICT JUDGE

Appendix E

RELEVANT CONSTITUTIONAL PROVISION AND LEGISLATIVE MATERIAL

U.S. Const., amend I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

RLA, Section 2, Eleventh, 45 U.S.C. § 152, Eleventh.

Notwithstanding any other provisions of this chapter, or of any other statute or law of the United States, or Territory thereof, or of any State, any carrier or carriers as defined in this chapter and a labor organization or labor organizations duly designated and authorized to represent employees in accordance with the requirements of this chapter shall be permitted—

(a) to make agreements, requiring, as a condition of continued employment, that within sixty days following the beginning of such employment, or the effective date of such agreements, whichever is the later, all employees shall become members of the labor organization representing their craft or class: *Provided*, That no such agreement shall require such condition of employment with respect to employees to whom membership is not available upon the same terms and conditions as are generally applicable to

any other member or with respect to employees to whom membership was denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership.

(b) to make agreements providing for the deduction by such carrier or carriers from the wages of its or their employees in a craft or class and payment to the labor organization representing the craft or class of such employees, of any periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership: *Provided*, That no such agreement shall be effective with respect to any individual employee until he shall have furnished the employer with a written assignment to the labor organization of such membership dues, initiation fees, and assessments, which shall be revocable in writing after the expiration of one year or upon the termination date of the applicable collective agreement, whichever occurs sooner.

(c) The requirement of membership in a labor organization in an agreement made pursuant to subparagraph (a) of this paragraph shall be satisfied, as to both a present or future employee in engine, train, yard, or hostling service, that is, an employee engaged in any of the services or capacities covered in the First division of paragraph (h) of section 153 of this title defining the jurisdictional scope of the First Division of the National Railroad Adjustment Board, if said employee shall hold or acquire membership in any one of the labor organizations, national in scope,

organized in accordance with this chapter and admitting to membership employees of a craft or class in any of said services; and no agreement made pursuant to subparagraph (b) of this paragraph shall provide for deductions from his wages for periodic dues, initiation fees, or assessments payable to any labor organization other than that in which he holds membership: *Provided*, *however*, That as to an employee in any of said services on a particular carrier at the effective date of any such agreement on a carrier, who is not a member of any one of the labor organizations, national in scope, organized in accordance with this chapter and admitting to membership employees of a craft or class in any of said services, such employee, as a condition of continuing his employment, may be required to become a member of the organization representing the craft in which he is employed on the effective date of the first agreement applicable to him: *Provided, further*, That nothing herein or in any such agreement or agreements shall prevent an employee from changing membership from one organization to another organization admitting to membership employees of a craft or class in any of said services.

(d) Any provisions in paragraphs Fourth and Fifth of this section in conflict herewith are to the extent of such conflict amended.

Appendix F

NOTICE TO EMPLOYEES SUBJECT TO IAM SECURITY CLAUSES

Employees working under collective bargaining agreements containing union security clauses are required, as a condition of employment, to pay amounts equal to the union's monthly dues and applicable initiation and reinstatement fees and, for those under the Railway Labor Act assessments. This is their sole obligation to the union, regardless of the wording of the clauses. Individuals who join the IAM as members pay monthly dues and applicable fees. For individuals who decide not to be members, such amounts represent "agency fees" for their receipt of representation services. In the public sector, nonmembers can elect to pay their fair share of the costs of collective bargaining by paying the agency fees, or they have the right to pay no fees. Initiation refers to the fee that is collected when a member or nonmember first becomes subject to a security clause or begins paying dues or fees. Reinstatement refers to the fee that is collected when a member or nonmember falls two months behind in satisfying his or her monthly obligations.

Nonmembers also have a right to file objections to funding expenditures that are "nongermane to the collective bargaining process" by following the procedures set forth below. Individuals should be aware that the union security clause contained in their collective bargaining agreement was negotiated by their fellow employees so that everyone who benefits from the collective bargaining process shares

in its cost. The working conditions of all bargaining unit employees are improved immeasurably when the union gains higher wages, better health care and pensions, fairness in the disciplinary system, over-time pay, vacations, and many other improvements in working conditions at the bargaining table. And while individuals may choose to meet their financial obligations as nonmember agency fee payers, before electing agency fee payer status, individuals should be aware of the additional benefits of union membership they will give up. Among the many opportunities available to IAM members are the right to attend and participate in union meetings; the right to nominate and vote for candidates for union office and the right to run for union office; the right to participate in contract ratification and strike votes; the right to participate in the formulation of IAM collective bargaining demands; the right to run for delegate to the International Union convention; the right to participate in the development and formulation of IAM policies; the right to enjoy the benefits provided by the Union Plus Program, including low cost phone service, discounted shopping, low interest credit cards, life insurance; legal and travel services; the right to benefit from the IAM's hardship assistance in times of natural disasters, scholarship opportunities for family members, and access to the IAM's Free College program.

Individuals who nevertheless elect to be nonmember agency fee payers may object to funding expenditures nongermane to the collective bargaining process and support only chargeable activities. Examples of expenditures germane to the collective bargaining process for which objectors may be charged are those

made for the negotiation, enforcement and administration of collective bargaining agreements; meetings with employer and union representatives; proceedings on behalf of workers under the grievance procedure, including arbitration; internal union administration; and litigation related to the above activities. Expenditures from the union's strike fund are chargeable because nonmembers have the same right to strike benefits as members if they meet the applicable requirements.

Expenditures nongermane to the collective bargaining process and, thus, nonchargeable to objectors, are those which are not directly related to collective bargaining such as those made for efforts on behalf of retirees, for general organizing activities; for general community services; for certain affiliation costs; and for legislative activities.

IAM objectors must file objections in accordance with the following procedures:

1. Beginning on November 1, 2018 and ending on November 30, 2018, or during the first 30 days in which an objector is required to pay agency fees to the union, that objector may request that his/her initiation fee, if applicable, and monthly fee payment be reduced so that he/she is only bearing the costs of chargeable activities. Agency fee reductions will be based on prior audited figures of the IAM Grand Lodge and on a sample of prior audited figures from the IAM's District and Local Lodge levels. For the calendar year 2019, the percentage reduction in monthly Grand Lodge per capita payments will be 27.77 percent; plus a 18.44 percent reduction in

district lodge per capita and a 33.21 percent reduction in local lodge fees. For objectors represented by TCU/IAM lodges, there will be a reduction during calendar year 2019 of 27.77 percent in Grand Lodge per capita and a reduction of 18.44 percent in the remainder.

2. A request must be in the form of a letter, signed by the objector and sent to the General Secretary-Treasurer of the International Association of Machinists and Aerospace Workers, 9000 Machinists Place, Upper Marlboro; MD 20772-2687, postmarked during the period described in paragraph 1 above. The request shall contain the objector's home address, employer, and local lodge number, if known.

3. Upon receiving a proper request from an objector, the General Secretary-Treasurer shall notify such objector that the request is perfected and provide a summary of major categories of expenditures showing how the reduction is calculated. The Grand Lodge maintains an escrow account that contains sufficient monies to cover any challenges to expenditures that may reasonably be in dispute.

4. Upon receiving the General Secretary-Treasurer's notice of the calculation of chargeable expenditures, an objector shall have 30 days to file a challenge with the General Secretary-Treasurer if he or she has reason to believe that the calculation of chargeable activities is incorrect.

5. If an objector chooses to challenge the calculation of the advance reduction, there shall be an expeditious appeal before an impartial arbitrator chosen through

the American Arbitration Association's (AAA) Rules for Impartial Determination of Union Fees.

a. Any and all appeals shall be consolidated and submitted to the AAA. The presentation to the arbitrator will be either in writing or at a hearing, as determined by the arbitrator. If a hearing is held, any objector who does not wish to attend, may submit his/her views in writing by the date of the hearing, or may participate by telephone, if a hearing is not held, the arbitrator will set the dates by which all written submissions will be received and will decide the case based on the evidence submitted.

b. The IAM shall pay the costs of the arbitration. Challengers shall bear all other costs in connection with presenting their appeal (travel, witness fees, lost time, etc.).Challengers may, at their expense, be represented by counsel or other representative of their choice.

c. A court reporter shall make a transcript of all proceedings before the arbitrator if a hearing is held. The transcript shall then be the official record of the proceedings.

d. The union shall bear the burden of justifying their calculations.

e. The union shall be bound by the decision of the arbitrator.

6. Objectors may choose to renew their requests for an advance reduction annually in compliance with the

above-described procedures, or they may indicate in their letter to the General Secretary-Treasurer that they want their objection to be treated as continuing in nature.

7. A person who was a member of the IAM at the time set forth in paragraph 1, but who subsequently resigns from membership, may request objector status for the remainder of the year. Said former member may, within the first thirty days after the effective date of resignation, write to the IAM General Secretary-Treasurer, as set forth in paragraph 2.