

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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May 23, 2013

Mr. Fred E. Zuckerman, President  
Teamsters Local Union No. 89  
3813 Taylor Boulevard  
Louisville, Kentucky 40215-2614

Dear Sir and Brother:

The purpose of this letter is to address Local 89's response to instructions given by an International Auditor regarding compliance with the dues structure required by Article X, Section 3(d) of the International Constitution.

While the Auditor instructed Local 89 to review its overall compliance with the required dues structure, the Auditor did not instruct you to immediately increase the dues rates of the affected members to the full amount generated by applying the Constitutional 2.5 times the hourly wage rate to the earnings of part time employees. Moreover, following the audit, I met with you to discuss the reasonable adjustments that could be made to bring the dues rates into closer conformity with the Constitution without unreasonably burdening members with the significant increases that would result from strict application of the Constitution. In particular, we discussed the impact of applying the full 2.5 times the hourly rate formula to part-time workers at UPS. You neglected to inform me that you had already increased the dues on part-timers prior to the time of our conversation.

Not surprisingly, the large increases Local 89 decided to implement on its own generated calls from members complaining about the new rates. The Local Union responded by misrepresenting to its members that the International Union insisted that the dues increases be implemented. That misrepresentation is prominently featured in Local 89 publications and its website.

As you are well aware, the International Union encourages Local Unions to take into account the number of hours members work when applying the multiple of 2.5 times the existing hourly earnings rate. The International Union has approved waivers of the Constitutional mandate in order to ensure that members are not unreasonably burdened

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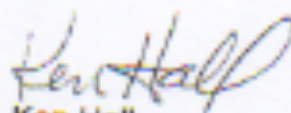
by sudden and significant increases in their dues. Indeed, Local 89 has received such waivers in the past.

It is the intent of the dues structure as required by the International Constitution that a member's dues rate be fair and equitable taking into consideration the work being performed. This office has been delegated authority to issue waivers to accomplish that objective. Accordingly, if you apply for a waiver to reduce the dues burden you have placed on the part-time UPS employees, I can assure you that it will be granted. Moreover, if you make such a request, the International Union will approve the waiver on a retroactive basis, which will allow Local 89 to refund the excessive dues it has been collecting. In such a situation, the International Union will refund the per capita tax collected on the higher rates.

In view of your efforts to publicize this matter and place the blame on the International Union, as well as the number of complaints we have received directly from your members, I am sending copies of this correspondence to Local 89's UPS members so they have a complete account of these events.

Of course, if you have any questions or require assistance in this matter, please do not hesitate to contact this office.

Fraternaly yours,



Ken Hall  
General Secretary-Treasurer

KH:rbv