

**CONFIRMATION OF RECEIPT OF
CONTROLLED SUBSTANCE & ALCOHOL TESTING (CSAT) AGREEMENT
AND STATEMENT OF CONSORTIUM'S LIMITATIONS**

Dear: _____

This letter serves as notification that American Alliance Drug Testing (AADT), a subsidiary of California Drug & Alcohol Testing Alliance (C-DATA), has received a Controlled Substance and Alcohol Testing Agreement (CSAT Agreement) between you as the Overlying Carrier/Broker (Broker) and the Independent Contractor Owner-Operator (Owner-Operator) listed below for the stated service period.

It is important to note that under federal controlled substance and alcohol testing laws adopted by California, motor carriers are considered either an employer or an employee, and Owner-Operators operating under their own authority, direction and control can be both an employer and an employee. The CSAT Agreement is an unsanctioned document which purportedly allows an owner-operator to provide specific CSAT compliance information to another motor carrier (including a Broker) that may be emulative of an "employer and employee" relationship for purposes of drug and alcohol testing compliance only.

However, pursuant to federal law found in Title 49 of the Code of Federal Regulations, Part 40.321, service agents such as AADT are strictly "...prohibited from releasing individual test results or medical information about an employee [*in this case, the Owner-Operator*] to third parties without the employee's specific written consent." As a Broker, and based on the information you provided us, you are likely considered a "third party" as defined in 49 CFR 40.321(a). Also, the received CSAT Agreement does not provide specific written consent, and is likely a "blanket release," which is prohibited under 49 CFR 40.321(b), which we have set out for your reference:

49 CFR 40.321(b): "Specific written consent" means a statement signed by the employee that he or she agrees to the release of a particular piece of information to a particular, explicitly identified, person or organization at a particular time. "Blanket releases," in which an employee agrees to a release of a category of information (e.g., all test results) or to release information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which employee may apply for employment), are prohibited under this part.

The only information that AADT is permitted to send you without specific written consent is whether the Owner-Operator is active or inactive in our program. Should the Owner-Operator become inactive for any reason, AADT will send you this information in the form of a Notification of Owner-Operator Inactivity, in which the following explanation will be provided:

Please be advised that the Independent Contractor Owner-Operator (Owner-Operator) listed below is no longer active in the American Alliance Drug Testing (AADT) controlled substance and alcohol testing program. Also note that there are many reasons as to why the Owner-Operator may have become inactive with AADT. Reasons include, but are not limited to, non-payment for services rendered, incorrect company/driver information, a positive controlled substance or breath alcohol test result, or failure to comply with the U.S. Department of Transportation (DOT) requirements of a return to duty process including an Employee Assistance Program. Additionally, the Owner-Operator may have also requested to be inactivated for reasons including, but not limited to, illness or disability, temporarily out of service, permanently ceased operations, or elected the services of another consortium.

Before you are eligible to receive any notification of the Owner-Operator's activity status, you must have completed the AADT Consent to Release Activity Status document. This agreement must contain your signature as the Broker or Broker D&A Supervisor and the signature of the Owner-Operator for which you wish to receive notification of his or her activity status. If further information is necessary for your compliance with federal and California controlled substance and alcohol testing requirements, it is recommended you contact the Owner-Operator directly should he or she become inactive.

Independent Contractor Owner-Operator's Name: _____

Independent Contractor Owner-Operator Company Name: _____

AADT Account Number: _____ Effective Date: _____

Overlying Carrier/Broker D&A Supervisor's Name: _____

Overlying Carrier/Broker Company Name: _____

AADT Representative's Name: _____

Title: _____ Date: _____