

From: Treat, Noel R

Sent: Tuesday, November 07, 2017 10:45 AM

To: mike.perucci@firstgroup.com

Cc: McEvoy, Pegi <pmcevoy@seattleschools.org>; Sanders, James (Perkins Coie) <JSanders@perkinscoie.com>

Subject: First Student Letter to Seattle Public Schools

Dear Mr. Petrucci:

I am writing in response to your November 1, 2017, letter to Pegi McEvoy. Please direct all of your future correspondence regarding this matter to me as General Counsel for the Seattle Public Schools. While a more detailed reply to your letter may be forthcoming from our litigation counsel with Perkins Coie, I want to reply to some of the issues raised in your letter.

First, as a sophisticated, multi-billion dollar, multi-national corporation, you have the ability, the resources and the expertise to navigate a path to agreeable resolution to your current labor dispute. We are confident you will be able to find a resolution. If you fail to provide service and the matter is litigated, however, you will be held to the commitments made in the agreement, including the obligation to pay liquidated damages.

The District rejects any attempt to shift the risk of a labor action from First Student onto the District. Our agreement clearly provides that it is First Student's duty to provide its employees with sufficient pay and benefits and to maintain labor peace so that services are not interrupted. The present situation was readily foreseeable and is a problem caused solely by First Student's own decisions and actions. It was First Student's choice to agree to a clause that would allow the union to re-open negotiations during the current contract with the District. First Student entered that agreement before the District had even issued an RFP for the new bus contract and before you entered a contract with the District. First Student was fully aware of the Teamster's strong desire to expand health coverage to cover part-time drivers when you agreed to that re-opener and knowingly subjected itself to the risk of the current situation. Because of First Student's agreement and because of its failure to proactively address the health care issue, the current threatened strike was completely foreseeable.

The drivers are your employees. Seattle Public Schools will not, and has no legal obligation to, pay for your employees' benefits (nor could we given our almost \$2 million transportation budget shortfall). This obligation is fully First Student's. Our contract terms are clear. First Student has the duty to provide sufficient pay and benefits to retain a workforce. First Student has the duty to maintain labor peace and resolve the risk of any labor dispute. Finally, and most important to our present situation, First Student has the duty to provide uninterrupted bus service and to pay liquidated damages if it fails to do so.

Contrary to your assertion, there has been no “interference” on the part of the District as to First Student. The District has done nothing other than continue to convey encouragement to both parties to resolve the dispute and avert a strike. We have also communicated an appropriate reminder that the District will enforce the contract if service is disrupted. These are lawful and appropriate actions for us to take as the public school system with whom you contract. In order to keep our families apprised, we will continue to communicate publicly as appropriate regarding the status of this situation and the District’s position.

Finally, with respect to Seattle Public Schools meeting with First Student and the Teamsters as proposed by Kim Worster’s November 7, 2017, letter, please know that such a meeting would not be appropriate. The labor dispute is solely for First Student and its employees’ union to resolve directly with one another. The District will not, and cannot, mediate your dispute or provide funding to solve your labor issues. We hope you will continue to pursue an independent mediator and negotiations to facilitate a solution. We are happy to continue to work directly with you as our contractor and provide any information you need that might help resolve the dispute.

We continue to encourage you to resolve your labor issues so that the lives of our many students and families are not disrupted by a strike.

Sincerely,

Noel Treat

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