

HONORABLE ROBERT S. LASNIK

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CHAMBER OF COMMERCE OF
THE UNITED STATES OF
AMERICA,

Plaintiff,

v.

CITY OF SEATTLE, *et al,*

Defendants.

Case No. C16-322RSL

DECLARATION OF
SAMATAR GULED IN
SUPPORT OF PLAINTIFF’S
OPPOSITION TO MOTION TO
DISMISS

I, Samatar Guled, hereby declare as follows:

1. I submit this declaration in support of Plaintiff’s Opposition to Defendants’ Motion to Dismiss. I have personal knowledge of each fact stated in this declaration, to which I could and would competently testify if called as a witness in this matter.

2. I am the General Manager of Eastside For Hire, Inc. (the “Company”), a for-hire driver dispatch service in the Seattle area.

3. The Company is a member of the Chamber of Commerce of the United States of America.

1 4. The Company contracts with licensed vehicle owners and drivers to
2 provide them with ride-referral services, which the drivers use in their for-hire
3 transportation businesses. Drivers purchase dispatch, advertising, and other
4 administrative services from the Company. These are priced as a weekly fee,
5 payable by the driver to the Company. The Company contracts with more than 50
6 drivers operating in Seattle.

7 5. The Company uses advertising and a preexisting client base to
8 generate transportation requests from the passengers, who call, text, or email the
9 Company to request a ride. The Company then refers the request for a driver via a
10 Mobile Data Terminal (MDT).

11 6. The drivers operate their businesses in various ways. Some drivers
12 own a licensed vehicle, while others lease the licensed vehicle from a separate
13 leasing company or individual owners of licensed vehicles.

14 7. The Company has no employee-employer relationships with these
15 drivers; they are independent contractors. When drivers begin a business
16 relationship with the Company they sign an agreement confirming that they are not
17 employees of the Company.

18 8. Under this arrangement, passengers purchase transportation services
19 from the driver of the vehicle, not from the Company, which merely facilitates the
20 transaction between the driver and the passenger.

21 9. One of the administrative services the Company provides to the
22 drivers is payment processing. This occurs when a passenger uses a credit card to
23 pay the driver of the vehicle. Although the Company processes the transaction for
24 the passenger and driver, the Company does not take ownership of the payment or
25 collect the payment on its own behalf. Instead, the Company collects the payment
26 as an agent of the driver and remits the payment to the driver.

DECLARATION OF SAMATAR GULED - 2

1 10. The Seattle collective-bargaining ordinance is having an immediate
2 adverse impact on the Company. For example, on April 18, 2016, a representative
3 of the City requested records from the Company of the trip dates, pick-up times,
4 and drop-off times for all Seattle drivers, for the purpose of implementing the
5 Ordinance. The Company is expending resources to comply with this request.

6 11. The Company immediately wishes to amend its existing driver
7 contracts to preclude drivers from providing statements of interest to any
8 “Qualified Driver Representative” seeking to act as an “Exclusive Driver
9 Representative” for purposes of collective bargaining under the Ordinance. The
10 Company understands, however, that the City has taken the position that § 3(K) of
11 the Ordinance prohibits seeking or enforcing a promise not to provide such a
12 statement of interest. Thus, if the Company amends its contracts in this way, it
13 risks private lawsuits from drivers as well as fines of up to \$10,000 per day under
14 the Ordinance. In order to avoid these adverse consequences imposed by the
15 Ordinance, the Company has refrained from adopting these otherwise lawful
16 contractual amendments.

17 12. Further, the Company has already expended, and continues to expend,
18 substantial time and resources educating drivers about the disadvantages of
19 choosing to be represented by an exclusive union representative. In addition, the
20 Company has an immediate need to prepare for coverage under the ordinance by
21 engaging labor experts for advice about navigating the collective-bargaining
22 process and recruiting and hiring labor-relations personnel to serve as permanent
23 staff members.

24 13. Finally, the Ordinance will require disclosure of the identities of
25 drivers with whom the Company contracts. The Company has taken steps to keep
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1 this information confidential, such as by maintaining physical records in a secure
2 location and electronic records on a secure server. Further, the information has
3 value to the Company from not being generally known. If other dispatch or ride-
4 referral companies were to obtain the information, they could use it to recruit the
5 Company's drivers, which would negatively impact revenues.

6
7 I declare under penalty of perjury under the laws of the United States of
8 America that the foregoing is true and correct.

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10 Executed on May 7, 2016

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13 Samatar Guled

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CERTIFICATE OF SERVICE

I hereby certify that on May 9, 2016, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the parties who have appeared in this case

DATED: May 9, 2016 at Seattle, Washington.

STOEL RIVES LLP

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