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September 20, 2011

VIA FACSIMILE AND EMAIL

Mr. Joe Lindsay
Acute Care/Sutter Division Director
California Nurses Association
2000 Franklin Street
Oakland, CA 94612

RE: Children's Hospital & Research Center Oakland/CNA

Dear Joe:

This letter responds to the email you sent me at 4:11 pm yesterday. Contrary to your assertion, the Hospital has never refused to bargain with CNA, and has bargained with CNA in good faith for the past sixteen (16) months, in an effort to reach a successor contract to the one that expired on July 13, 2010. Since May 19, 2010, the parties have met thirty-five (35) times, some of which sessions have included FMCS Mediator Lim. The parties have exchanged numerous proposals on a myriad of topics, and the Hospital has given CNA twenty-six (26) comprehensive sets of proposals. The parties have signed off on three (3) full sets of tentative agreements, which address over thirty-six (36) contract provisions. Moreover, the Hospital has responded to CNA's multiple voluminous information requests, and provided extensive financial data in the course of so doing.

Since early in negotiations, the Hospital has repeatedly identified health care premium contributions and adjustments to weekend staffing as its major bargaining goals. The Hospital consistently has offered one no-employee contribution HMO plan, and requested/proposed a fifteen percent (15%) contribution for the more expensive PPO plan. The Hospital has also asked repeatedly for some relief on the contractual provision that nurses with over twenty (20) years of seniority need not work weekends, and has proposed requiring those nurses to work one (1) weekend per month. The Hospital has provided all requested data and information in connection with both proposals, and engaged in extensive discussions with CNA concerning the rationales behind each. To date, CNA has never countered on the weekend

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staffing issue, other than to offer recently that it would be willing to set up a committee to explore the issue.

Until yesterday, CNA had never agreed to any health care premium contribution. Yesterday, CNA said it wanted two no-employee contribution plans, the one the Hospital offered, plus a more expensive HMO which requires approximately the same premium as the PPO. In exchange, CNA said it would be willing to have nurses with one dependent contribute \$25.00/month to the PPO plan, and nurses with more than one dependent contribute \$50.00/month. CNA continued to insist that nurses without dependents should not be required to make any contributions. Although CNA claims it made "significant" movement yesterday, the Hospital does not consider no movement on weekend staffing, and only a minor health premium contribution for nurses with dependents, as "significant," especially since CNA added an additional high-cost health care plan with no employee contribution whatsoever. Moreover, although CNA moderated its contract term wage increase from 16.75% to 12%, CNA proposed to extend the contract term so it will expire just two (2) months after our contract with our other major bargaining unit expires, a proposal CNA undoubtedly knew the Hospital would not accept.

We presented the Hospital's Last, Best and Final Offer to CNA on August 24, 2011. Subsequently, you advised us that your membership rejected our offer, but that you were willing to keep meeting. We replied that we saw no reason to meet, unless CNA was prepared to break the bargaining impasse by modifying its proposals in the critical areas of health care, wages and weekend staffing. You chose to respond through the mediator, and conveyed that CNA wanted to meet on September 19 in a mediated session and was prepared to present "significant" modifications to CNA's proposals. For the reasons explained above, we considered and continue to view CNA's September 19th proposals, presented yesterday, as insignificant, unsatisfactory, modifications. In our final face-to-face meeting yesterday with the parties' senior negotiators and the mediator, we rejected CNA's proposals and held to our Last, Best and Final Offer. In response, Mediator Lim said he saw no purpose to further negotiations, and adjourned the meeting.

Your email also claims that yesterday's meeting was scheduled in an effort to avert the strike noticed for September 22, 2011. That is the first time you have communicated to the Hospital that the noticed strike concerns issues at our bargaining table. Our understanding is that CNA has issued strike notices for simultaneous strikes at approximately thirty-three (33) hospitals throughout California on September 22, 2011. Some of these notices concerned primary negotiations, whereas others concerned sympathy strikes. It appears that CNA is attempting to pressure the hospital industry by creating a potential health-care crisis in California on September 22. For that reason, and given the lack of any communication from CNA to us to the contrary, we never understood that CNA considered yesterday's meeting an attempt to avert the September 22 strike.

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Joe, we have worked long and hard over the past sixteen (16) months in an attempt to reach a successor contract with CNA, including yesterday's almost five (5) hour negotiating session. Unfortunately, despite our efforts, we remain at impasse.

Sincerely,



Bonnie Glatzer

BG/my
cc: Mr. Gregory Lim
Ms. Nancy Shibata
Mr. Konard Jones
Ms. Brenda Husband