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May 14, 2010

Sent by Facsimile & U.S. Mail

Laurence R. Arnold
Foley & Lardner LLP
One Maritime Plaza, Suite 600
San Francisco, CA 94111

Re: CRONA Negotiations

Dear Mr. Arnold:

As you are aware, on March 30 the hospitals made what they termed their “last, best and final offer” to CRONA. With respect to certain items in the proposal that would ultimately make sweeping changes to the wages, benefits and working conditions of the hospitals’ 2700 nurses, the hospitals’ final offer was either no different, or very little different, than its initial proposal. That was especially true with regard to the PNDP.

The CRONA negotiating team put the hospitals’ final proposal to a vote of the nurses. They overwhelmingly rejected it by a margin of 9-1. Since that time, CRONA has requested the hospitals to resume bargaining. Every such request has been rebuffed by the hospitals, despite the fact that CRONA made a counter proposal in which it agreed to accept several items that it had previously rejected.

Sarah Staley, Packard’s spokesperson, has stated publicly that as far as the hospitals are concerned, “The bargaining process was done in March.” And you have written to me that the “Hospitals have not solicited and are not soliciting, counter proposals.”

I have participated in many collective bargaining negotiations over the last 35 years, and I have never witnessed, on the part of any employer, the intransigence and unwillingness to bargain in good faith that Stanford and Packard hospitals have shown. As I said to you several

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weeks ago, it seems clear that the hospitals are attempting to force their nurses to strike. In fact, while the hospitals will not meet with CRONA, their nurse managers are telling nurses that the hospitals have scabs in the wings just waiting for CRONA's strike.

A strike, of course, will not only hurt our nurses, but also the hospitals and the patients and community that our nurses serve. We have tried to get the hospitals back to the table by making a significant counter proposal, but you have told us not to waste our time with another counter proposal. Therefore, in yet another effort to resolve the current labor dispute, CRONA is requesting the hospitals to join it in final and binding interest arbitration, to establish the terms of our next contract. If the hospitals' last, best and final offer is as good as the hospitals claim, and if that offer simply asks CRONA to agree to terms that are common in other Bay Area hospitals, then the hospitals should have no problem convincing an experienced neutral labor arbitrator to rule in their favor.

CRONA sincerely hopes that the hospitals will accept this offer. We believe that the nurses and the hospitals owe it to their patients and community they serve to resolve their differences amicably and expeditiously. We look forward to your response.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Peter D. Nussbaum', with a long horizontal flourish extending to the right.

Peter D. Nussbaum

PDN/dal

cc: Lorie Johnson, CRONA
Greg Lim, Federal Mediation and Conciliation Service