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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE SENIOR VICE PRESIDENT —
BUSINESS AND FINANCE

OFFICE OF THE PRESIDENT
300 Lakeside Drive
Oakland, California 94612-3550

August 20, 2007

Ms. Lakesha Harrison
President
American Federation of State, County & Municipal Employees, Local 3299
2201 Broadway Avenue
Oakland, CA 94612

Ms. Geraldine Jenkins
Council of Presidents, President-elect
California Nurses Association
2000 Franklin Street
Oakland, CA 94612

Re: UC response to AFSCME/CNA letter re: Hill & Knowlton

Dear Ms. Harrison and Ms. Jenkins:

I am writing in response to your August 1 letter to President Dynes regarding the University's relationship with Hill & Knowlton. Because labor relations falls within my area, I am responding on behalf of the University.

UC's current relationship with Hill & Knowlton began in 2005, in response to the California Nurses Association's threatened strike against UC medical centers. While CNA was blocked from striking by court order, the threat alone cost the University approximately \$9 million. This experience highlighted the need for additional communications support during negotiations in order to keep our employees, students and the general public adequately informed which is especially important given CNA's communications capabilities.

After considering several firms, Hill & Knowlton was hired to work as an adjunct to, and under the direction of, the University's communications office. Many organizations, including unions, look to outside professionals for advice and support regarding their communications efforts. And as the San Francisco Chronicle has reported, UC is not alone among universities in its use of outside professionals: <http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2006/12/05/BAGAAMPI351.DTL>

Hill & Knowlton has been very helpful to UC in keeping employees and the general public educated about UC labor negotiations and all UC does as an employer to recognize and reward employees. In fact, UC employees have expressed their appreciation for the clear, factual, and timely information they receive about negotiations.

Because UC is currently engaged in several contract negotiations for which Hill & Knowlton is providing communications support, we expect our relationship with Hill & Knowlton to continue into the fall until these negotiations are concluded.

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As for your comments about Hill & Knowlton's clients, we understand the firm works with a wide range of clients, including countless hours of pro-bono work for non-profit organizations like Brave Kids, a non-profit that serves families and care providers of children with serious and life-threatening illnesses; and the Student Conservation Association to promote the involvement of young people in the conservation of public lands. Hill & Knowlton has also done work for the California Department of Health Services Five-A-Day program regarding nutrition-related issues, and the State of California's BabyCal program to promote the health of infants and children.

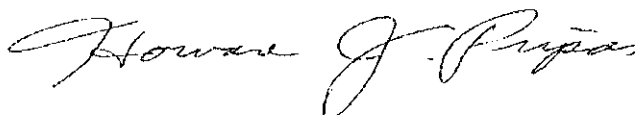
As for your comments about Hill & Knowlton's integrity, Hill & Knowlton is one of the most well-known, and well-respected firms in the world. The firm has a strict Code of Professional Conduct that all employees must sign and follow. Among other things, it demands openness, honesty and accuracy, and expressly forbids any employee from attempting to improperly influence the media, the public or government bodies, or disseminate false or misleading information. A copy of the Hill & Knowlton Code of Conduct is available at www.hillandknowlton.com/index/about_us/history

For additional information on this topic, please see our fact sheet at www.ucnurses.com/index.php/important_issues.html

I hope this clarifies matters for you, and I trust you will share this letter with the other signatories of your letter.

Please feel free to contact my office if you have any questions.

Sincerely,



Howard J. Pripas - Executive Director,
Systemwide Labor Relations
University of California

Cc: The Honorable Arnold Schwarzenegger
The Honorable Dianne Feinstein
The Honorable Barbara Boxer
The Honorable Nancy Pelosi
The Honorable Barbara Lee
The Honorable Don Perata
The Honorable Fabian Nunez
The Honorable Sheila Kuehl
The Honorable Jack Scott
The Honorable Leland Yee
The Honorable Mervyn Dymally
The Honorable Anthony Portantino
President Robert C. Dynes