

Ha, Trung Q

From: Barcon, Barbara
Sent: Thursday, June 11, 2009 8:06 PM
To: Bottorff, Thomas E; Burt, Helen; Conway, John; Bell, Des; Harvey, Kent M (Corp); Johns, Christopher (Corp); McFadden, Nancy E. (Corp); Simon, John (Corp); Salas, Edward A (ET); Pruett, Greg S. (Corp); Park, Hyun (Corp); Williams, Geisha; Lawicki, Patricia; Rosenberg, Rand (Corp)
Cc: Keenan, Jack; Johns, Christopher (Corp); Ha, Trung Q
Subject: Headcount Planning
Sensitivity: Confidential

Officers:

As part of the budget reprioritization results, we know that a some organizations may have to sever employees in order to make their 2009 targets. Given the challenge of meeting the 2010 targets (which are flat or lower than 2009), we will most likely have to consider severance again to position us to make those targets. In addition, this may be an opportunity for us to evaluate the structure and mix of our employee base.

We are kicking off a joint process with your chief of staff, HR partner, and Finance to determine the total potential severance costs. A conference call with this team will be conducted on Friday and we'll update you on the plans and the timeline for this exercise early next week.

If the results of this exercise are large enough, it may allow us to exclude severance costs from earnings from operations as a "one time item" (similar to the accelerated gas leak survey work). If not, severance costs will be covered at the corporate level and will not impact your budget.

In the meantime, please let me know if you have any questions.

Barbara