

CARLA A. HILLS

“When we discuss international issues at a board meeting, everybody waits to see what Carla thinks,” reports **Condoleezza Rice**. Rice is a senior fellow at the Hoover Institution, a member of Stanford University’s faculty, and a director of **Chevron**. The Carla to whom she refers is fellow Chevron director **Carla Hills**.

Hills has served on the Chevron board for a total of 17 years – from 1978 to 1989, and from 1993 to the present – interrupted only by her time in government. She was a member of both the Ford and Bush administrations. Throughout this period, Chevron has benefited again and again from her international trade expertise. Most recently, Hills’ insight was useful to Chevron during the Asian financial and currency debacle.

“In 1998, she kept telling us we were too optimistic about Asia,” says Chevron CEO **Ken Derr**. “At one budget meeting, everyone was very optimistic that the trouble in Asia was only a blip. Carla was very cautious and said it would be a long downturn.”

Hills’ caution influenced the assumptions about the price of oil that were used in drawing up Chevron’s budget. “My view was that their assumption was too optimistic,” she explains. As it turned out, Hills was correct.

As U.S. Trade Representative from 1989 to 1993, Hills was President **George Bush**’s principal advisor on international trade policy. She also served as the nation’s chief negotiator, representing American interests in trade negotiations throughout the world. Colleagues confirm that she brings this experience to all her boardroom assignments.

Such is the case at **Time Warner**, where Hills has been a director since 1993. During this period, the media conglomerate’s global strategy has been evolving. Time Warner operates in every country in the world, “but is not yet a global company,” says **Dick Parson**, Time Warner president. “As we attempt to become more attuned to realities and risks around the world, Carla gives us good advice about making the transition to a global company,” he explains.

For example, Time Warner CEO **Gerald Levin** recently met Chinese president **Jiang Zemin** at a White House dinner. Levin “was intrigued by the Chinese market and by the possibilities in that country,” Parson relates. “He was able to turn to Carla and get advice about how to build a relationship between the company and the world’s most populous country.” As a result of Hills’ help, Time Warner management is now poised to get some firsthand insight into the Chinese market.

Perhaps the most significant, and ongoing, contribution Hills has made to Chevron is the work she did to clear political roadblocks during its purchase of **Gulf Oil**.



BORN

January 3, 1934, in Los Angeles, California

EDUCATION

B.A., Stanford University; LL.B., Yale University

CAREER HISTORY

Chairman & CEO, Hills & Company, International Consultants; Formerly U.S. Trade Representative and Secretary, U.S. Department of Housing and Urban Development

FAMILY

Married to Rod for 41 years; one son, three daughters, four grandchildren

HOME

Battery Kemble Park, Washington, D.C.

HOBBIES

Grandchildren, reading, tennis

RECENT BOOKS

In the Time of the Americans, by David Fromkin, “a great book about the people who shaped America;” *The Last Lion: Winston Spencer Churchill*, by William Raymond Manchester

MOST ADMIRED PEOPLE

Presidents Ford and Bush, and their respective spouses Betty and Barbara

CURRENT BOARDS

American International Group, Chevron, Lucent Technologies, Time Warner

In the mid-1980s, Chevron bought Gulf for \$13.3 billion in cash, “an unprecedented sum,” notes then-chairman **George Keller**. This purchase doubled Chevron’s reserves, and, more importantly, diversified Chevron’s oil resources.

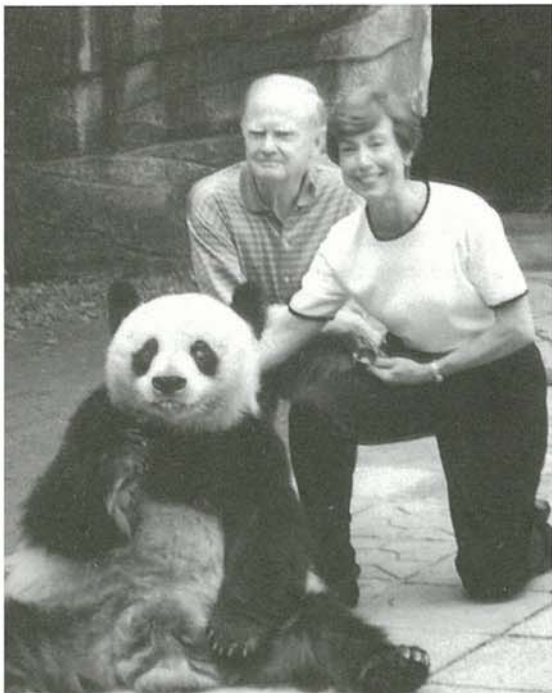
Before buying Gulf, Chevron had been largely dependent on the Persian Gulf region. The company was looking to broaden its sources of oil, and to de-emphasize the increasingly volatile Persian Gulf. Gulf’s operations in West Africa, most importantly in offshore Angola, made it attractive to Chevron.

Congress stepped in, however, with a bill proposed by Senators **Bob Dole** and **Charles Grassley**. The bill placed an embargo on oil imported from any communist government. At that time, however, “most third world countries were communist,” says Hills dryly.

Angola was in the midst of a civil war. Its Soviet Union-backed government had imported troops from Castro’s Cuba to help with the fighting. The U.S. and South Africa supported the rebel leader, Jonas Savimbi.

“Carla knew her way around

Hills with husband Rod in China.



Washington; she worked the Senate cloakroom and we won that vote,” Keller smiles. “Carla worked to show the U.S. government why its policies weren’t good for government or for business,” nods fellow Chevron director **John Young**.

Today Chevron is the fourth-largest oil company in the U.S. It boasts a presence in more than 90 countries,

“I’ve met no one who contributed more as a knowledgeable, hardworking representative of shareholder interests than Carla.”

—**George Keller, Former Chairman, Chevron**

and operates more than 8,000 gas stations. Former chairman Keller attributes some of that success to Hills. “In my years on the Chevron board and on other boards on which I serve, I’ve met no one who contributed more as a knowledgeable, hardworking representative of shareholder interests than Carla.”

Chevron does not “use Carla as a direct lobbyist” today, reports current CEO Derr. But it still takes advantage of her knowledge and reputation inside the Beltway. “She does a lot of work in Washington informally,” notes Derr.

Hills is something of a trailblazer, too. She is only the third woman to hold a Cabinet position, as Secretary of the Department of Housing and Urban Development during the Ford Administration. Currently she is kept busy by her role as chairman and CEO of Hills & Company, International Consultants. The firm provides advice to U.S. businesses on investment, trade, and risk assessment issues abroad.

Hills serves as co-chair of the International Advisory Board of the Center for Strategic and International

Studies, and as a vice chair of the National Committee on U.S.-China Relations and U.S.-China Business Council. She also belongs to the boards of the Asia Society, the Council on Foreign Relations, the America-China Society, and the Institute for International Economics.

In January of 1998, she became a member of a group called Americans

for Humanitarian Trade with Cuba. Its mission is to relax the U.S. embargo on trade with Cuba to permit the sale of food and medical supplies.

What does Hills like the most about boardroom service? Having the opportunity to learn about different economic sectors. “I serve on four boards of four very different companies,” she explains. She also enjoys her colleagues. “They represent considerable diversity – there are CEOs and academics, among others – and they’re a very interesting group of people.”

What does she see as the critical issue facing boards today? “There’s more responsibility for directors today than there was 20 years ago. Today more Americans have money in the stock market, through 401(k) plans and mutual funds and pensions, than they have invested in their homes. We have to take care with respect to their investments,” she says. “We have to safeguard the trust they’ve placed in the corporation.”

“I don’t know anyone who wouldn’t enjoy sitting next to her at dinner, discussing Asian foreign policy or her grandchildren,” sums up Derr.