

**GENERAL DYNAMICS**  
Bath Iron Works

**Dirk A. Lesko**  
President

June 11, 2020

Congresswoman Chellie Pingree  
Congress of the United States  
District of Maine  
2162 Rayburn House Office Building  
Washington, DC 20515

Congressman Jared Golden  
Congress of the United States  
2<sup>nd</sup> District of Maine  
Washington Office  
1223 Longworth House Office Building  
Washington, DC 20515

Dear Congresswoman Pingree and Congressman Golden:

As you know, IAMAW Local S6 and Bath Iron Works (“BIW”) have been engaged in negotiations for a new collective bargaining agreement since May 26. We are taking the necessary steps to secure the competitiveness of one of the state’s largest employers and, in response to your letter to me of June 10, 2020, I would like you to hear from those who own the responsibility to operate this enterprise. The assertion that anyone is “blaming the workforce for inefficiencies,” have “plans to further expand subcontracting” or that BIW’s loss of the FFG(X) contract was unrelated to our schedule performance are not based in fact. They are instead a repetition of union talking points.

We value our people. We have approached these negotiations with fairness, and the wellbeing that BIW employees derive from having employment stability. We prefer our own people and invest in them, spending in excess of \$13,000,000 training employees in 2019. Our own proposals restrict our ability to subcontract in a trade where people are on layoff.

We continue to hire. BIW hired more than 1,500 employees into represented areas of the shipyard in the last year and we are trying to hire 1,000 more.

There are times, however, when the work in the shipyard exceeds the capacity of our workforce and additional help is required. This was a point communicated to both of you directly by Rear Admiral William Galinis, the U.S. Navy Program Executive Officer with responsibility for Navy surface combatant construction during your visit to the shipyard on January 17, 2020 with Representatives Courtney (D-CT) and Whitman (R-VA), the Chair and Ranking members of the Seapower Subcommittee of the House Armed Services Committee. As you may recall, in stressing the need for BIW to deliver ships on time, Rear Admiral Galinis noted that the other shipyards with which the Navy does business, our competitors, regularly use subcontractors to address shortfalls in skilled labor or to overcome schedule challenges.

We have the right to subcontract today. Subcontracting is not part of a broader plan to shift work normally done by BIW employees away from the bargaining unit on a permanent basis. We seek only efficient access to all available resources to improve our ability to deliver to the U.S. Navy on time. Restrictive and archaic language in our current collective bargaining agreement has left us with idle workers and periodic layoffs at times when we have more than enough work for those employees in other areas. The contractual process is broken in this regard. It took months of talks before we could engage Maine companies just to shovel snow last year when we needed our shipbuilders focused on building ships.

700 Washington Street  
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As you note, many Maine businesses failed over the last three months. I am grateful BIW was not among them. I am hopeful that, for those who cannot return to their former jobs, BIW's good paying jobs with attractive benefits may represent an opportunity. Despite the pandemic challenges, we are back hiring new employees who will join our shipbuilding family.

To be clear, however, our current challenges go beyond just numbers. We need to have people with the right skills available on the right shift, at the right time, and with the right supervision to get the work done well and on time. It is management's responsibility to ensure that we have facilities, tools, people and a plan to do this consistently. Given the variability we face today in each of those dimensions, the processes in the current collective bargaining agreement do not get the work done on time.

We are seeking to negotiate these issues with representatives of IAMAW LS6 who responded not by listening or engaging in a constructive process, but by walking out of the first day of negotiations. On the second day, they turned their backs rather than participate in the business overview briefing by the Company, which came just days following our loss of the FFG(X) contract – our fourth loss in a row in a ship construction competition. We must be responsive to changes in our workforce, our shipyard and to the needs of our customer. We are not currently.

I do not blame employees for our current shortcomings; I am accountable for the performance of this shipyard. To improve that performance, we are investing capital to ensure our employees have the tools and facilities that enable them to perform at their fullest and we are investing in our employees with wages more than 20% above the Maine manufacturing average, an excellent benefits package and training to help employees develop a trade that can last a lifetime. However, tools, facilities and investments in people are not enough. The process matters too. We need to remove obstacles, including contract language that keeps us from being our best together. We began contract negotiations with the objective of finding a fair and equitable outcome for everyone, including the shipyard that provides for 6,700 BIW employees and their families. We remain committed to that objective.

In closing you point out that "Maine taxpayers are providing your company approximately \$3 million per year for a total of \$45 million as a way to support job creation and retention." You then go on to imply that BIW has fallen short of a "commitment to providing good jobs for the people of Maine." As you are aware, BIW is committed to being a good steward of those funds as outlined in BIW's December 23, 2019 letter to Maine Legislative Leadership and my January 13, 2020 letter to Congressman Golden. (See Attached). The fact is, we have and will continue to live up to our responsibilities related to the tax credit and the Maine Department of Economic and Community Development has certified BIW has met all the qualifying criteria.

We would appreciate your support for BIW's efforts to hire, train and invest in Maine workers.

Sincerely,



Dirk A. Lesko

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