

BIW Position on Subcontracting

SUBCONTRACTING



We've hired and we're hiring.

Bath Iron Works needs skilled people to build ships for the U.S. Navy. We are Maine's shipbuilder. We recruit in the state for jobs that are unique in the state. We provide good jobs for people from every county in the state.



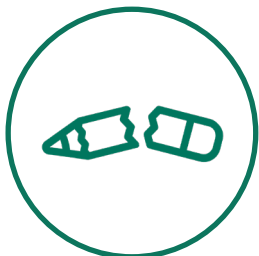
We're investing in our people. We're training.

At Bath Iron Works, we prioritize our own people. Last year, we hired more than 1,500 people into union-represented jobs in the shipyard. We expect to hire 1,000 more in the coming year. We hire good, hardworking people who come to us to learn, apply a trade and build a career. It takes years to develop a skilled shipbuilder.



We need efficient access to every available resource to serve our customers well.

There are limits to the number of people we can bring in and effectively train simultaneously. In the meantime, there is work to be done. Sometimes we face a temporary shortage of a specific skill. Other times we simply need more arms and legs to get the job done. Subcontracting is one temporary way to directly plug critical skill shortages or to free our own shipbuilders from non-production tasks like shoveling snow. We need efficient access to both.



We have the right to subcontract today, but the process is broken.

Today, Local S6 represents more than 4,000 employees inside the shipyard. BIW engaged with the union to introduce subcontractors in production areas last year. After almost four months of talks, only about 50 people have been brought in on production work as subcontractors. The existing process even took three months before a local Maine contractor could be engaged to shovel snow allowing shipbuilders to continue building ships. We are seeking a more streamlined approach because the process is broken and we must be able to respond quickly to needs in one area before they ripple throughout the shipyard, causing further delays.



We are proud of our people. We prefer them. Our proposal provides protections.

The Company's proposal restricts the use of subcontractors in trades where people are laid off. We seek only to expedite our ability to employ whatever resources are available as quickly as possible to meet our customer's needs in a way that is fair to our employees. Nothing in any of our proposals forces anyone out or displaces any employee. We need every skilled employee we can hire, today!