

Local S6 claims arbitrator bias in February grievance on outsourcing

BATH — The largest union at Bath Iron Works filed a lawsuit in U.S. District Court on Wednesday against the company, charging an arbitrator in a high-profile grievance with ruling in favor of the shipyard's management as a way of removing himself from the company's "strike list."

Local S6 of the machinists union alleges arbitrator James S. Cooper showed "sufficient partiality" when he ruled in February that the company did not violate the existing contract by outsourcing work, according to a complaint filed in U.S. District Court.

Shipyard management announced it would outsource work to reduce costs and competitively bid for future work. When the union filed a grievance, the arbitration was mandated by the union's prior contract. Both parties agreed to "accelerated" arbitration.

According to the complaint, the prior collective bargaining agreement dictates that 10 arbitrators rotate to preside over each successive accelerated arbitration. Cooper arbitrated 15 times between 2001 and 2009, but since ruling in favor of the union in September 2009, he has not been chosen to handle any case by the parties, the complaint states. Approximately three accelerated arbitrations have taken place in the past six years, the union alleges.

Before the 2009 case, according to the complaint, Cooper had



BDN FILE

Bath Iron Works' largest crane towers over the shipyard in Bath.

ruled in favor of the company in 10 successive disputes.

The union alleges that during a Sept. 22, 2015, meeting with Local S6 president Richard Nolon and company representative Dana McIntire, "Arbitrator Cooper stated to Mr. Nolon that he had gone six years without hearing a case between the parties because he had angered BIW's then-director of labor relations Gerald Stergio with his award in the 'no smoking' dispute. He further stated to Mr. Nolon that he did not want to continue on the 'strike list.'"

In February, Cooper denied the union's grievance, with Nolon signing in dissent.

The union alleges that Cooper's statement is evidence of "partiality or corruption" by admitting personal motivation and/or secondary gain as a motivating factor in his decision, and asks the court to vacate the February ruling in the prior suit.

Cooper did not return a phone call seeking comment.

Matt Wickenheiser, spokesman for Bath Iron Works, said Friday morning that shipyard management believes the arbi-

trator's award was issued properly.

"The award affirms BIW's right to buy ship components instead of building them if that helps to make BIW more competitive," Wickenheiser wrote in an email to the Bangor Daily News. "Because this is a standard business practice throughout the industry, it is extremely important to be on equal footing as BIW works to compete successfully for new shipbuilding contracts."

Nolon did not immediately return a phone call seeking comment.

	Close	Chg	YTD%	Volume
Destination (DEST)	5.49	-0.64	-10.4	1175
Shoe Carniva (SCVL)	21.27	-2.12	-9.1	3933
Quality Syst (QSIH)	13.29	-1.13	-7.8	12100
Foot Locker (FL)	54.77	-3.78	-6.5	125102
Campbell Soup (CPB)	59.90	-4.08	-6.4	85197
John B Sanp (JBSS)	50.43	-3.37	-6.3	1220
USA Truck (USAK)	18.65	-1.20	-6.0	1330
Deere (DE)	77.74	-4.51	-5.5	123490
Ross Stores (ROST)	52.49	-3.03	-5.5	115928

Fund	Last	Chg	1Y Rtn	Fund	Last	Chg	1Y Rtn	Fund	Last	Chg	1Y Rtn	Fund	Last	Chg	1Y Rtn
AMERICAN FUNDS				FIDELITY				JPMORGAN				TEMPLETON			
AMCP A	26.16	+0.25	-5.3	Balanced	21.33	+0.1	-3.1	Core Bond Sel	11.81	+0.01	+3.3	GI Bond Adv	11.29	+0.04	-6.5
Bal A	24.28	+0.09	+1.0	Blue Chip Gr	65.31	+0.59	-7.2	LAZARD				Growth A	21.33	+0.21	-15.1
Bal F	12.89	unch.	+2.9	Capital & Inc	9.18	+0.04	-4.6	Emg Mkt Eq Inst	14.09	+0.05	-20.2	THORNBURG			
CWB A	57.33	+0.29	-4.0	Contrafund	96.56	+0.59	-2.2	LOOMIS SAYLES				Intl Val I	23.54	+0.17	-13.9
CWGI A	43.01	+0.34	-9.5	Dividend Gr	30.11	+0.14	-6.0	Bd Inst	13.30	+0.04	-3.8	VANGUARD			
EucP A	43.86	+0.37	-14.2	Dvdsl Intl	33.94	+0.35	-12.1	OPPENHEIMER				500 Index Adm	189.91	+1.17	-2.0
Flnc A	51.20	+0.35	-1.5	Freedom 2020	14.41	+0.07	-4.4	Dev Mkts A	30.38	+0.13	-17.7	GNMA Adm	10.79	+0.01	+3.0
Gro A	40.63	+0.37	-3.9	Freedom 2025	12.27	+0.06	-5.2	PERMANENT				Health Care Adm	85.01	+0.93	-8.3
HI A	9.72	+0.03	-5.1	Freedom 2030	14.88	+0.09	-6.7	Port Permanent	37.36	+0.08	-0.8	Instl-Prot Inv	13.36	+0.01	+2.4
ICA A	34.42	+0.21	-2.6	Gro Company	128.93	+1.37	-6.6	PIMCO				Insf T StMk Insa	46.19	+0.34	-3.6
Inc A	20.69	+0.09	-1.9	Inc GNMA	11.64	+0.01	+2.6	All Asset Inst	10.66	-0.08	-6.4	Instl Idx Inst	188.04	+1.16	-2.0
Mut A	35.14	+0.17	-1.7	Low-Prcd Stk	47.53	+0.34	-7.6	Comm RR Str Inst	6.88	+0.07	-18.3	Intl-Tm Inv Adm	9.91	unch.	+4.4
NPer A	34.98	+0.28	-7.2	Magellan Fund	87.19	+0.49	-3.7	High Yield Inst	8.48	+0.03	-0.9	Intl-Tm TxEx Adm	14.46	+0.01	+3.0
NWId A	49.50	+0.36	-12.9	Puritan	20.18	+0.1	-2.9	Low Dur Inst	9.87	unch.	+0.0	Intl Gro Inv	20.62	+0.19	-16.7
SMCP A	42.57	+0.48	-11.6	Sp S&P 500 Inv	72.35	+0.44	-2.1	Real Rtr Inst	10.88	-0.02	+1.2	LId-Tm TxEx Adm	11.06	-0.01	+2.5
WSM A	39.06	+0.21	-1.1	Srs Inv Gd Bd	11.34	unch.	+3.4	Tot Rtr Inst	10.19	+0.01	+2.8	PRIMECAP Inv	96.85	+1.0	-5.7
BLACKROCK				Strat Inc	10.45	+0.02	-0.2	Uncons Inst	10.37	+0.01	-1.6	Sh-Tm Inv Adm	10.69	unch.	+2.1
GI Alloc A	17.71	+0.08	-7.4	Total Bond	10.57	+0.01	+2.7	JPMORGAN				Sh-Tm Tx-Ex Adm	15.83	unch.	+1.0
COLUMBIA				FIRST EAGLE				RET 500 IDX				STAR IN			
Acorn Z	19.00	+0.27	-11.3	Global A	53.78	+0.33	-2.0	Cap S&P 500 Idx	31.96	+0.2	-2.1	STAR Inv	23.49	+0.13	-3.9
DAVIS				FRANKLIN				T ROWE PRICE				T StMk Idx Inv			
NV Venture A	30.85	+0.22	-4.1	CA TFC Inc A	7.67	unch.	+7.6	BC Gro	68.53	+0.51	-3.6	Tgt Ret2015 Inv	14.50	+0.05	-2.2
DFA				Cust Inc A	2.13	+0.01	-7.4	Cap App	25.92	unch.	+4.2	Tgt Ret2020 Inv	27.62	+0.12	-3.2
Emg Mkts Value I	20.89	+0.06	-23.6	GMO				Eq Idx500	55.04	unch.	-2.3	Tgt Ret2025 Inv	15.85	+0.08	-4.0
DODGE & COX				Quality VI				Cust Inc A	29.26	unch.	-5.6	Tgt Ret2030 Inv	28.05	+0.15	-5.0
Balanced	93.83	+0.71	-4.7	HARBOR				Gro Stk	50.58	+0.42	-5.0	Tgt Ret2035 Inv	16.99	+0.1	-5.9
Income	13.59	unch.	+2.0	Cap Apprec Inst	56.93	+0.5	-5.8	MC Gr	72.51	unch.	-3.6	Tot Bd Adm	10.89	unch.	+3.6
Intl Stock	34.87	+0.39	-23.1	J HANCOCK II				New Inc	9.57	+0.01	+2.7	Tot Stk Inv	14.32	+0.1	-15.0
Stock	158.90	+1.76	-82.3	LS Bal I	14.33	+0.07	-5.2	Ret	19.91	unch.	-4.0	Wellesley Adm	61.59	+0.1	+4.1
FAIRHOLME				LS Gro I	14.80	+0.1	-7.5	Value	31.90						

PORTLAND — Maine's unemployment rate remained at 3.4 percent as the estimate of people looking for work and those with jobs ticked up for the month of April.

The rate of 3.4 percent for April was down from 4.5 percent one year ago. The national unemployment rate was also flat at 5 percent.

Over the year, the drop in Maine's jobless rate is due mostly to an estimated decline in the number of people looking for work.

The preliminary estimates show the state's workforce shrank by about 7,500 people from one year ago, while about 600 more people were employed. The unemployment rate reflects the share of those job seekers who can't find work.

Maine's unemployment rate was lower than the regional average of 4.4 percent, coming in higher than New Hampshire (2.6 percent) and Vermont (3.2 percent) and lower than Massachusetts (4.2 percent), Rhode Island (5.3 percent) and Connecticut (5.7 percent).

A separate survey of nonfarm payroll jobs was also up for the year, with an estimated 2,900 more jobs than one year ago. Meanwhile, government jobs continued to drop to the lowest level since 1999, according to the Maine Department of Labor.

Wall Street rallied on Friday, led by tech stocks on the back of Applied Materials' strong profit forecast, ending a volatile week on a positive note.

The S&P 500 eked out gains for the week after three straight weeks of losses, while the Nasdaq snapped a four-week losing streak. Despite gains on Friday, the Dow ended its fourth consecutive week in the red.

The tech sector led the way on Friday, lifted by a higher-than-expected profit forecast from chip company Applied Materials, which jumped 13.8 percent. Apple rose 1.1 percent and the shares snapped a four-week losing streak.

"The tech sector, which is pretty big, is having a pretty good day, led by the Applied Materials earnings," said Peter Tuz, president of Chase Investment Counsel in Charlottesville, Virginia.

The Federal Reserve surprised investors when the central bank's minutes, released on Wednesday, opened the door to a rate increase in June, roiling financial markets.

Traders now give a 30-percent chance of a rate hike at the Fed's June meeting, according to the CME FedWatch tool, about twice as high as they expected on Tuesday.

“The market is starting to come to grips with the Fed potentially moving in June,” said Walter Todd, chief investment officer at Greenwood Capital Associates in Greenwood, South Carolina. “I think it’s potentially a positive dynamic if the market can actually go up in the face of the Fed probability going up.”

The Dow Jones industrial average rose 65.54 points, or 0.38 percent, to 17,500.94, the S&P 500 gained 12.28 points, or 0.6 percent, to 2,052.32 and the Nasdaq Composite added 57.03 points, or 1.21 percent, to 4,769.56.

Nine of 10 S&P sectors ended higher.

The S&P is marginally positive for 2016. The benchmark index has rebounded some 13 percent off of February lows, but is little changed in recent weeks amid mixed corporate earnings and economic data.

Data on Friday showed U.S. home resales rose more than expected in April, suggesting the economy continues to gather pace during the second quarter. Economic data will garner most of the attention next week, with investors placing a heavy weight on a host of reports as they try and determine the likelihood of a June rate hike.