



Herman R. Potter, President
Mark Veach, Vice President

LOCAL 689

October 17, 2011

Curt Larsen, Senior Manager
Labor Relations
Fluor-Babcock Portsmouth

Subject: Negotiations

Dear Curt:

The USW 689 Negotiating Committee is inquiring when Fluor-Babcock Portsmouth Management intends to resume collective bargaining agreement negotiations. There have been rumors that the local USW leadership doesn't have any interest in resuming negotiations. We assure you that this is not true.

After the proposed contract ratification failed, the Union expected formal notification of when FBP would like negotiations to resume. The only correspondence we received was an informal email in regards to negotiations. It has been our understanding that the lack of new direction by the Department of Energy, other union contract negotiations and discussion on the re-scope of work has delayed the scheduling of negotiation meetings.

Since there seems to be some miscommunication, the USW Negotiating Committee would like some direction on the Company's intentions regarding future contract negotiations. Your expeditious response to this request is greatly appreciated so that the Union may formulate the necessary arrangement in order for contract negotiations to resume.

Sincerely,

Herman R. Potter
President

cc: Dave McLean, USW