

10/24/79

Memo to Paul Tsongas
From Missy Grealy, Paul Shone

Subject: General Dynamics Quincy Shipyard
Status Report

1. Trade Adjustment Assistance

The Department of Labor has denied Quincy Shipyard Union's claim for Trade Adjustment Assistance. In denying the claim, DOL stated that GD Quincy had failed to compete with foreign shipbuilders for award of contracts, and could therefore not demonstrate job loss due to foreign competition. DOL also stated that GD Quincy did not demonstrate the capacity to produce vessels other than LNG tankers.

The Union will appeal the DOL decision within the next few days. Additional information will be provided to DOL supporting both points made in the denial. There will be heavy reliance on the similarities between GD Quincy and the Bethlehem Steel facility at Sparrow's Point, where TAA was provided even though no actual contracts were bid in competition with foreign firms, because the facility made the determination that they could not bid competitively with those firms.

The Congressional delegation is drafting a letter of support for that appeal.

2. President Carter's Comments on GD Quincy in Boston
The President said last weekend in a press interview that the Sea Systems Cable Repair Ship modernization contract was of "equal value" to the Cable Repair Ship which was awarded to San Diego. In fact, the dollar value and the jobs generated are only 1/4 the value.

A letter from the delegation will go to the President clarifying that point, and asking for his immediate assistance in 1) Providing Trade Adjustment Assistance and 2) Additional overhaul work for Quincy.

3. Governor King is establishing a service center, job match center and crisis center at Quincy, and will provide consumer counselling, job counselling and related services for men who have been laid off.

4. Governor King is also preparing an EDA assistance package for GD Quincy, but it is my feeling that EDA does not have a program which can fit Quincy's needs. They provide capital assistance to firms with projects. GD Quincy has capital but no projects.