

# Navy Goes Big With Virginia Block V Sub Multi-Year Contract, Builders to Add Thousands of Workers



James Geurts, assistant secretary of the Navy for Research, Development and Acquisition, praised the multi-year contract as one that will ensure stability. General Dynamics Electric Boat.

ARLINGTON, Va. – The Navy awarded its largest shipbuilding contract ever with an order for nine Block V Virginia-class nuclear-powered attack submarines (SSNs), with an option for a 10th SSN, Navy officials said in a Dec. 2 media roundtable in the Pentagon. The \$22.2 billion contract to General Dynamics Electric Boat (EB), teamed with Huntington Ingalls Industries' Newport News Shipbuilding (NNS) as a major subcontractor to EB, will mean that the shipbuilders will soon be building three submarines per year – including one Columbia-class ballistic-missile submarine – and will add thousands of new jobs to meet the demand.

The nine Block V boats will be funded over five years through the 2019–2023 budgets, beginning with SSN 802, the only boat in the block that will be built without a Virginia Payload Module (VPM), a hull extension that adds four payload tubes for up to 28 more Tomahawk cruise missiles (for a total of 40, including the bow tubes) or other future payloads, including special operations forces equipment. The VPM-equipped Block V boats will enable the Navy eventually to retire the four Ohio-class guided-missile submarines.

The contract allows approximately \$455 million for the long-lead purchase of material and equipment for the option of a 10th Block V boat, enabling the Navy to order the material at

economic order quantities and preserve the supplier industrial base. If the option is exercised, the 10<sup>th</sup> boat would cost an additional \$1.9 billion, raising the contract value to a total of \$241 billion.

Government-furnished equipment, such as nuclear reactors and propulsion machinery, will add \$13 billion to the program, said James F. Geurts, assistant secretary of the Navy for Research, Development and Acquisition, speaking to reporters at the roundtable.

Geurts said the multi-year aspect of the contract will garner savings of a minimum of 7% (\$1.8 billion) and potentially 17% (\$4.4 billion) if the planned delivery schedule is sustained.

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*Rear Adm. David Goggins, the Navy’s program executive officer for Submarines*

The first Block V boats, SSN 802, are scheduled for a 70-month construction period. The second and third boats – SSNs 803 and 804, the first subs with the VPM – are under a 74-month construction schedule. Subsequent boats are planned for 72-month construction timelines. Delivery of SSN 802 is scheduled for 2025, with the subsequent boats following through 2029.

Rear Adm. David Goggins, the Navy’s program executive officer for Submarines, also speaking at the roundtable, said the Navy has delivered 18 Virginia-class SSNs, with all 10 Block IV boats under construction, and that the program has shortened the total span of the construction program by 3.5 years. He said the last Block IV boat, SSN 801, will be completed in 60 months.

“Over the life of the Virginia program, shipbuilders have driven delivery timelines from 88 months in Block I to a current average rate of 68 months, while doubling the build rate of submarines to two ships per year and consistently increasing ship capability,” EB said in a Dec. 2 release.

Goggins praised the increasing quality of production of the Virginia SSNs, noting that the newest, the future USS Delaware, scored a 0.96 on its review by the Bureau of Inspection and Survey.

EB and NNS have a teaming arrangement whereby each builder produces certain sections of the submarines and alternate as final assembly and delivery yards for the Virginia class. Because EB will be the delivery builder for the upcoming Columbia class, NNS will be the delivery yard for six of the nine or 10 Block V SSNs, and EB will deliver three, plus one more, the 10th, if the option is exercised.

Kevin Graney, president of Electric Boat, also speaking at the roundtable, said that EB has invested \$1.7 billion in new facilities in Connecticut and Rhode Island, including a 750,000-square-foot construction hall for the Virginia Payload Modules. He said EB has hired 15,000 new workers and expects to hire 13,000 more by 2027 for the two submarine programs.

Jennifer Boykin, president of Newport News Shipbuilding, said that the parent company, Huntington Ingalls, has hired 10,000 workers and expects to hire 1,500 more. Huntington Ingalls has invested more than \$1 billion in new facilities, more than half to the NNS yards.

Geurts praised the multi-year contract as one that will ensure stability for the shipyard and their work force, noting that the contract “was built for stability,” a factor that will enable shipyard workers “to know their future” and for shipyards to “retain high-caliber talent.”

He also noted that “the greatest risk to Columbia was an

unstable Virginia program.”

“Block V Virginias and Virginia Payload Module are a generational leap in submarine capability for the Navy,” Goggins said in a Dec. 2 release. “These design changes will enable the fleet to maintain our nation’s undersea dominance.”

“The Block V contract balances the right mix of undersea quantity and capability with a profile that continues to stabilize the industrial base. This balance and stability will enable the success of submarine acquisitions across the enterprise,” said Virginia-class Program Manager Capt. Christopher Hanson. “Our warfighters, the Navy and the nation will benefit greatly from the new capabilities that the Block V submarines will bring to the fleet.”