

# "Newseyletter" Decatur Chapter No. 4, USCS

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## US Navy Orders 10 New Subs for Record \$17.6B

Christopher P. Cavas, Defense News, Apr 28

WASHINGTON — The US Navy announced a record \$17.645 billion contract Monday to build 10 new SSN 774 Virginia-class nuclear-powered attack submarines. The order assures prime contractor General Dynamics Electric Boat and chief subcontractor Huntington Ingalls Newport News Shipbuilding of submarine orders through 2018. The fixed-price incentive multiyear contract for 10 Block IV subs provides for two ships per year over the five-year period, each yard delivering one sub per year. The two shipbuilders share equally in a teaming arrangement to build the subs, with each yard responsible for certain portions of each hull. "The Block IV award is the largest shipbuilding contract in US Navy history in terms of total dollar value," said Rear Adm. Dave Johnson, program executive officer for submarines at Naval Sea Systems Command (NAVSEA). It "builds upon the Virginia-class program's successful Navy and industry relationship," he added, calling the program "a model of acquisition excellence." In a joint statement, the shipbuilders chimed in. "This is the largest number of boats ordered to date in a single contract block, which is great news — particularly in light of today's challenging economic and political environments," said Newport News Shipbuilding President Matt Mulherin. "This award has great significance for the US Navy, our company and the entire submarine industrial base," Jeffrey Geiger, president

of Electric Boat, said in the statement. "By continuing to produce two ships per year, the Navy and industry team retains the stability required to achieve increased efficiencies, providing the fleet with the submarines it needs to sustain the nation's undersea dominance." The Block IV award covers hull numbers SSN 792 through SSN 801. None of the ships have yet been named. SSN 792 is funded in fiscal 2014. Construction of SSN 792, Electric Boat said, will begin May 1. SSN 801 is scheduled to be delivered to the fleet in 2023. "The Navy and shipbuilders worked together to produce a contract that is both fair to the Navy and industry," Johnson said. "This contract lowers the per-ship cost compared to Block III." Ten Virginia-class submarines already have been delivered and are in service, while another eight are under construction or on order. The North Dakota, first of the Block III group, is to be delivered this summer (see note in next column about delay). Electric Boat fabricates most of their submarine work at Quonset Point, R.I., and assembles the hulls at Groton, Conn. Newport News builds and assembles its submarines in Newport News, Va. The Navy contract announcement noted that the award for \$17,645,580,644 includes options for on-board repair parts for each submarine. If those options are exercised, the Navy said, the total contract value would reach \$17,827,808,738. Nearly all Virginia-class submarines have been procured under block buy or multiyear contracts, which provide shipbuilders with greater opportunities for construction efficiencies. Each successive

block buy has introduced further improvements into the design.

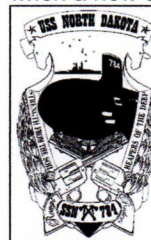


Block III Virginia-class submarine *North Dakota* (SSN 784) rolls out from GDEB's production facility in Groton, Connecticut. The US Navy let a USD17.6 billion contract for 10 Block IV boats. (General Dynamics Electric Boat)

"Block IV submarines will incorporate modifications that reduce acquisition and lifecycle costs," NAVSEA said in its statement. "Reducing the ships' total lifecycle cost, an initiative called '3:15,' aims to decrease the number of major shipyard availabilities from four to three, allowing for an additional deployment per hull — raising each submarine's capability from 14 to 15 full-length deployments." The added deployment means, according to the Navy, that the price-per-deployment is lower for Block IV subs. "With the decrease in cost and the increase in capability," Johnson said, "we are essentially getting more for less."

## USS North Dakota SSN-784 Commissioning delayed by Navy

With problems in electronics in her newly designed bow, the commissioning of the *USS NORTH DAKOTA* SSN-784 will not take place on 31 May as previously announced. Sea trials and delivery dates have also been delayed. The proposed postmark will be revised when a new date is set.



**Commissioning Ceremony Sta.**

**Groton Ct 06340  
May 31 2014**

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