

WASHINGTON, DC – During a live telephone town hall held by Congressman Joe Courtney with over 6,000 constituents from eastern Connecticut, Robert Hamilton, Electric Boat’s (EB) director of communications, shared the latest information on the company’s employment situation and outlook. Congressman Courtney applauded the outlook, which is brighter thanks to two-a-year submarine production and design work on the Ohio class replacement submarine.

Hamilton said employment levels at EB’s Groton/ New London operations started the year at 8,340 in January, and have climbed to 8,619 today – driven mainly by increases in Engineering and Designers.

“The talented men and women of Electric Boat have demonstrated an unparalleled ability to produce submarines ahead of schedule and under budget,” **said Congressman Courtney.** “With a greater emphasis on submarines’ versatility and intelligence-gathering capabilities, the workforce in Groton will continue to play an important and growing role in our national security strategy in the years ahead.”

Engineers/Designers

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Much of the new hiring at Electric Boat has been in the area of engineering, design and draftsmen, spurred in large part by work on the Ohio Replacement Program, or SSBNx. Under current plans, the Navy plans to conduct research, development and design of the new SSBN for much of the next decade, with construction of the lead ship currently planned for 2021.

In 2011, EB hired 424 new engineers. So far in 2012, 222 new engineers have been hired, with 119 more ‘accepts’ being processed. Additionally, EB has hired 91 designers, with 33 more ‘accepts’ being processed. In total, the combined engineering/Marine Draftsmen Association (MDA) workforce has increased from 4,531 in January 2011 to 4,819 today. To date, approximately \$1.2 billion has been approved by Congress for work on SSBNx. For FY2013, the President’s budget included \$546.9 million for the program, with an additional \$4.89 billion planned between FY14 and FY17.

Waterfront

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On the waterfront side, then-EB President John Casey indicated in January 2012 that the company would face some layoffs and furloughs through the year as submarine maintenance workloads fluctuated.

Today, the employment levels in the Metal Trades Council along the waterfront are higher than in January 2012 – up from 1,990 to over 2,100. EB anticipates that by the end of 2012, a majority of trades personnel who are on lay-off or furlough will have been recalled.

Two factors drive fluctuations of employment levels on the Groton waterfront. First, due to the process by which Electric Boat builds new submarines, some of the initial work on hull fabrication and other construction is done first at its Quonset Point, RI, facility before coming to Groton. As such, the impact of the Navy ordering two submarines per year, approved in 2011, has not fully hit the Groton waterfront, but will by 2014.

Second, Electric Boat shares much of the submarine maintenance workload with Portsmouth Naval Shipyard, a public yard in New Hampshire. Under the law, public yards must first be fully loaded before maintenance work is offered to private shipyards. Currently and for the foreseeable future, Portsmouth is fully loaded with work – meaning that yards like EB are called on by the Navy to provide assistance with submarine maintenance, both by sending its employees to Portsmouth and other public shipyards to address workloads that exceed the public workforce levels, or by scheduling maintenance availabilities at Electric Boat.

Throughout the year, Congressman Courtney has held regular conference calls with the Navy to discuss potential maintenance support that could be provided by Electric Boat to both address the Navy's needs and reduce potential layoffs or furloughs on the waterfront. While the Navy initially anticipated providing Electric Boat with 51,000 man-days of work at the start of the year, they now anticipate more than 71,000 by the end of the year.

Recently, EB received a \$6 million contract from the Navy to plan maintenance availabilities for the HARTFORD and TOLEDO, a project that, when fully up and running, will support hundreds of jobs next year. Further, there could be additional opportunity for Electric Boat to support the repair of the USS MIAMI, which was severely damaged by a fire last month.

Submarine Production

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Once the work on two submarines per year fully materialize at the Groton waterfront, much of the workforce fluctuation of recent years would be stabilized. In 2008, the Navy and EB signed a multi-year contract that included the building of two submarines a year between 2011-2013, a year earlier than originally planned. The pending 2013 budgets in Congress all fully fund the request for funding needed to build the two 2013 submarines.

The Defense Department's 2013 budget plan included a request for the next multi-year procurement "block" to buy submarines over the 2014-2018 period. While the plan as outlined in the 2012 budget had been to buy nine submarines over that period at a rate of 2-2-2-2-1, the 2013 budget altered that schedule so that nine submarines would be built at a pace of 1-2-2-2-2. As a result, only one submarine would be built in 2014, with two subs being built each year after through 2018. It is estimated that this alteration of the build plan would have increased the cost of the next "block" of submarines by \$600 million due to interruption in production efficiency and the yard's learning curves.

Navy officials testified to Congress that this change to the build plan was done only for budgetary reasons, and did not indicate any reduction in support by the Navy for the program or the strategic need for submarine investment. Congressman Courtney worked with his colleagues on both sides of the aisle to reverse this proposal. To this end, all four of the pending defense budget bills include support for restoring the second 2014 submarine and sustaining a stable build rate of two submarines each year in the new block, or 10 submarines over the next five years.

Currently, the House has passed its Authorization and Appropriations measures, while the Senate versions have been approved in committee and are awaiting consideration in the full chamber.

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