

This is a printer-friendly version of an article from www.theday.com or www.zip06.com.
To print this article open the file menu and choose Print.

[Back](#)

Article published Jan 14, 2014

Electric Boat plans \$100 million upgrade

[Jennifer McDermott](#)

Submarine builder to prepare for new types of work

Groton — Electric Boat plans to spend about \$100 million to upgrade its facilities here in the coming years.

The investment is evidence of what new EB President Jeffrey S. Geiger says is a “significant shift” at the company, where, in five years’ time, EB expects to be building or buying parts for four types of submarines instead of just one.

Within the next 12 to 18 months, however, Geiger predicted there will be some layoffs in Groton because maintenance and modernization projects will finish and the North Dakota will be commissioned as the 11th member of the Virginia class in the spring.

The Virginia-class submarine program accounted for more than half of EB’s more than \$4 billion in revenue in 2013. But soon, Geiger said, the company will ramp up its work on a new class of ballistic-missile submarines, as well as on the Virginia-class submarines that will have a module to boost firepower and on two Los Angeles-class submarines that will be converted to serve as training platforms.

“Quite frankly, we’re very fortunate to have the opportunity to have this kind of work spread across these different programs,” he said.

Overall, Geiger said, the business outlook is “very strong” despite cuts to defense spending because submarine programs enjoy strong continued support in Congress, the demand for attack submarines exceeds the supply, and the military’s strategic focus on the Pacific region will mean a greater reliance on the Navy.

“Clearly anybody building platforms for the Navy is going to fare better in this kind of environment,” he said.

In his first meeting with local lawmakers, at the Mystic Marriott on Tuesday, Geiger said EB plans to build a new module-testing facility for the ballistic-missile submarines, replace and increase the capacity of the vessel that transports modules from EB’s Quonset Point facility to Groton, and upgrade one of the graving docks. EB is demolishing some of its older buildings because of their condition and to make room for the additions, he added.

The projects will start in 2016 to 2017 so they will be finished before the work on the ballistic-missile submarines, which will replace the Ohio class, reaches Groton, Geiger said. Construction on the lead ship is scheduled to begin in 2021.

EB will spend an additional \$150 million or more for new fixtures and buildings at its facility in the Quonset Business Park in North Kingstown, R.I., where EB recently signed a new 25-year lease. Construction on one building will start in the third quarter of this year, since the work on the modules for the Ohio-class replacement will begin there first, he added.

EB plans to hire about 3,000 employees at Quonset Point to build the ballistic-missile submarines. Geiger said the workforce in Groton will grow by the thousands through the 2020s too, but he could not yet give a specific number.

Geiger hesitated to specify the number of employees who could be laid off this year because the company is trying to find additional work or phase projects differently, but said it could be “on the order of several hundred people.”

EB hired about 1,100 new employees in 2013, primarily in the trades in Groton and at Quonset Point as the shipyard’s submarine maintenance and modernization work nearly doubled. EB employs about 12,000 people at those two sites and in New London.

EB is close to reaching an agreement with the Navy for the next block of 10 Virginia-class submarines, Geiger said, and the contract will likely be signed early this year. The two sides could not sign the contract while the government was operating under a continuing resolution, he said. Congress reached an agreement on a \$1.1 trillion spending bill Monday night to fund the government through September, which Geiger described as “the very best news we could’ve hoped for.”

Geiger, who previously was the president of General Dynamics Bath Iron Works, has led EB since Nov. 4. He told the lawmakers that while he is new to submarines, he is not new to shipbuilding, having spent 30 years building surface combatants in Maine for the Navy. He said he is impressed with the skill, dedication and spirit of the EB employees he has met so far, which is an important factor in a shipyard’s success.

Bob Ross, executive director of the state’s Office of Military Affairs, said after the annual legislative breakfast that it was a positive report, as he knew it would be, because the national security strategy is “placing a high premium on these submarines.”

State Sen. Andrew Maynard, D-Stonington, also said the outlook is “exciting” because the newer submarine programs will keep EB employees busy for decades. And, he said, he hoped the actual number of layoffs will be far less than what EB is predicting, as has happened in the past.

j.mcdermott@theday.com
