



Press Release

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DDG 1001 and DDG 1002 Ship Construction Contract Award Announced

By NAVSEA Office of Corporate Communications

WASHINGTON - Today, the Navy awarded a \$1,825,665,914 contract to General Dynamics-Bath Iron Works (BIW) for the construction of DDG 1001 and DDG 1002.

These multi-mission surface combatants are the second and third ships of the Zumwalt-class destroyer program.

This fixed-price incentive contract includes firm-fixed-price line items for class common equipment.

The pricing approach shares the risk of over-target cost growth between the government and industry, and establishes a ceiling on the government's liability. If the cost exceeds the ceiling, industry would have to bear those additional costs.

The contract marks the culmination of careful and deliberate negotiations between government and industry, and builds on previous construction efforts already underway in Bath, Maine, for the first ship of class, DDG 1000, the future USS Zumwalt.

"This contract award demonstrates the Navy's commitment to balancing cost, capability and industrial base considerations to improve the affordability of this shipbuilding program," said Assistant Secretary of the Navy Sean Stackley. "This is a great example of putting in place should-cost targets to meet validated warfighting requirements."

BIW assumed ship construction responsibility for DDG 1001 and 1002 as a result of the April 2009 memorandum of agreement (swap) with BIW and Northrop Grumman Shipbuilding (NGSB) to re-allocate ship construction workload for the DDG 1000 class program and the DDG 51 restart program. Huntington Ingalls Industries, the successor company to NGSB, will be responsible for construction of the deckhouse, helicopter hangar and aft peripheral vertical launch system on DDG 1000 class ships. DDG 1001 is expected to deliver in fiscal year 2015, with delivery of DDG 1002 in fiscal year 2018.

The mission of the DDG 1000 class destroyer is to provide credible independent forward presence and deterrence. DDG 1000 will provide advanced land attack capability in support of the ground campaign and contribute naval, joint or combined battle-space dominance in littoral operations.