

# S.D. firms are rivals for huge Navy pact

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WASHINGTON — Two San Diego firms, National Steel & Shipbuilding Co. and Hughes Aircraft's Naval and Maritime Systems, are on rival teams in an intense competition for an estimated \$10 billion Navy contract to build a new class of amphibious ships.

The Navy earlier this week called for bids to build 12 of the new type of amphibious transport dock ships, which are called the LPD-17 class for the hull number of the first ship.

The contract will be awarded to one of the teams late this summer. The current defense budget has \$938.5 million to build the first ship and to buy components for the next ones.

The project is strongly supported by the Navy and the Marine Corps because the vessels will correct a shortage in amphibious assault capability caused by the early retirement of several types of older ships.

When completed, the LPD-17s will join 12 "large deck" amphibious assault ships and the relatively new dock landing ships to form the 12 amphibious groups considered necessary to meet the operational commitments of the Navy and Marine Corps.

Five or six of the ships will be home-ported at San Diego Naval Station.

The competition for the LPD-17 contract is particularly fierce because it may be one of the last major Navy construction programs the hard-pressed U.S. shipbuilding industry can expect for a decade.

To reduce their chances of being left out, a number of shipyards and electronics firms, which normally go head-to-head for any Navy business, have formed two teams to bid for the contract.

National Steel (NASSCO) is a junior partner in a team led by Ingalls Shipbuilding of Litton Industry. It

The other team includes Hughes, Avondale Shipyard, Bath Iron Works, Loral, Sperry Marine and AT&T.

Ingalls has shared in construction of the Ticonderoga-class cruisers and the Arleigh Burke-class destroyers and is building all seven of the Wasp-class amphibious assault ships.

Newport News builds all of the Nimitz-class aircraft carriers and has shared work on all the Navy's submarines for several decades. The shipbuilders would build different sections of the ship, which would be joined at the Ingalls yard in Louisiana.

Lockheed Martin, which has integrated electronics and weapons systems into a variety of ships and submarines, would perform that role on the LPD-17 project.

NASSCO recently has built primarily commercial ships and Navy logistic and cargo vessels and has performed major maintenance and overhauls on a variety of Navy ships.

It will use its maintenance and repair experience to help design a ship that would be cheaper to operate and maintain, said Steve Streifer, business development manager. That life cycle savings is expected to be an important part of the team's bid, Streifer said.

The yard also would expect to be responsible for maintenance of the ships that are based in San Diego.

Streifer would not say how much money the contract could bring the company but said it "will mean jobs and revenue for NASSCO."

On the rival team, the ship construction would be shared by Avondale, which has built a variety of Navy ships, and Bath, which has split the Ticonderoga and Burke contracts with Ingalls.

Hughes would help supply and integrate the electronics and weapons systems into the LPD-17s, which will be the best-armed amphibious ships in history, said Richard L. Goodlake, business manager for Hughes.