



## **Lockheed CEO: LCS ships built in Wisconsin on schedule, budget**

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The CEO of Lockheed Martin said the ships it is building in Marinette remain on schedule and on budget.

Marillyn Hewson made the comments Tuesday as part of a news conference tied to the company's media day. Lockheed Martin and Marinette Marine Corp. have delivered a pair of Littoral Combat Ships to the U.S. Navy with more under construction — and more planned to be built — in Marinette.

“We delivered our second ship (the USS Fort Worth) ahead of schedule and the other ships are on schedule and we're meeting our costs,” she said. “We will respond to any challenges as they come along in development but, frankly, the program is going well and we're learning by each ship.”

Lockheed Martin is building one of two variants of the Littoral Combat Ship at Marinette Marine Corp. Its parent company, Fincantieri Marine Group, has poured about \$74 million in upgrades into the Marinette yard, in large part to support the LCS program.

A different design of the ship is being built in Alabama by Austal USA.

The program — both designs of the ship — has drawn the ire of critics from some corners during its development.

Issues have been raised ranging from the survivability of the ships, assertions it doesn't pack enough fire power, logistical issues tied to two variants of the same ship, and issues related to the number of crew.

The first Littoral Combat Ship, USS Freedom, deployed to Singapore about a month ago to take part in naval operations. USS Freedom is one of the Marinette-built Lockheed Martin ships.

Four of the ships are in production at Marinette, which employs about 1,400 people.

Much of Tuesday's discussion revolved around across-the-board government cuts and their impact on programs and Lockheed Martin. Hewson said the company is still waiting on final budgetary plans from its customers, namely the U.S. military, before the full impact becomes apparent.

Lockheed Martin produces systems and weapons ranging from jet fighters and transport aircraft to ships and missile-defense systems.

It estimates the cuts could cost the company \$825 million in this year, and that the impact may be greater in 2014 and beyond, Hewson said.

"It takes some time on some parts of our business. Because it's a longer cycle of business for it to actually be felt," she said. "For aircraft, for example, it takes about three years from the time you get the contract to when we deliver the aircraft. Satellites sometimes can take five to seven years ... you won't see an immediate impact on those longer-cycle businesses."

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