



FOR IMMEDIATE RELEASE
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EASTERN SHIPBUILDING GROUP SELECTED TO BUILD UNITED STATES COAST GUARD OFFSHORE PATROL CUTTERS

First series of Nine U. S. Coast Guard Offshore Patrol Cutters to be built by Panama City Florida
Shipyard

Panama City, FL, 1BSeptember 15, 2016 After conducting a thorough evaluation of proposals submitted by competing shipyards, the U.S. Coast Guard has awarded the largest vessel procurement contract in Coast Guard history to Eastern Shipbuilding Group in Panama City, Florida. Eastern Shipbuilding Group was selected to finalize its design and construct the first series of Nine Offshore Patrol Cutters to replace the Medium Endurance Cutters currently in service. The contract is initially for Nine vessels with options for Two additional vessels. The Coast Guard program goal is to build Twenty Five Offshore Patrol Cutters having a potential total contract value in excess of Ten billion dollars. Initially, Eastern has been awarded the detail design effort with a value of approximately One Hundred Ten million dollars. Construction of the first vessel is expected to commence in 2018.

“The OPC will be the backbone of Coast Guard offshore presence and the manifestation of our at-sea authorities. It is essential to stopping smugglers at sea, for interdicting undocumented migrants, rescuing mariners, enforcing fisheries laws, responding to disasters and protecting our ports.”

– Adm. Paul Zukunft,
Commandant of the Coast Guard

Eastern Shipbuilding is a family held shipbuilding company located in Panama City, Florida. A long time employer in Bay County for over 40 years, Eastern currently provides jobs for more than 1500 employees. Since 2008, Eastern has spent more than Seventy Five Million dollars in upgrading and

expanding its facilities and shipbuilding capabilities to continue growing and meeting the needs of its commercial and Government customers. At the full ramp up of the OPC contract Eastern anticipates expanding its workforce with additional craftsmen and additional engineering and administration staff to fulfill the contract requirements. Eastern will also continue to provide quality vessels for commercial customers, maintaining its success and providing numerous jobs in the competitive, cost-conscious commercial shipbuilding market.

Securing this contract was based on Eastern's reputation as an industry leader in the construction of mid-range tonnage commercial ships. With a record of delivering 149 out of 150 ships on time and on budget since 2002, Eastern's performance record is unmatched. Over the past 10 years, Eastern has delivered vessels, ranging from 80 feet to 433 feet in length, many with complexity comparable to the Offshore Patrol Cutter. Efficient, commercially based production processes ensure affordability in the construction of these Coast Guard vessels.

The Coast Guard's Program of Record, calls for procuring a total of Twenty Five Offshore Patrol Cutters as replacements for the Twenty Nine Medium Endurance Cutters currently in service. Eight shipbuilders originally provided draft designs for the cutters. The Coast Guard down selected to five shipbuilders to refine designs. In 2014, the U.S. Coast Guard awarded firm fixed-price contracts to Three shipyards to develop preliminary and contract design proposals for the project.

The Coast Guard conducted a thorough evaluation of the three proposals based on technical, management, producibility, and price factors. Eastern Shipbuilding's proposal was selected for the contract award. Eastern's design is depicted in the picture below and includes the following features: Length 360 Feet; Width 54 Feet; Speed in excess of 22 knots; Capable of carrying an MH-60R or MH-65 Helicopter; Capable of carrying Three OTH small boats. The vessel also includes a highly sophisticated combat system and C4ISR communication suite which will allow the Coast Guard to continue to support and execute the Coast Guard's missions.

Brian D'Isernia, Eastern CEO and Joey D'Isernia, Eastern President expressed their absolute confidence in the ability of ESG to secure this contract. Joey said, "We knew from the beginning, that the U.S. Coast Guard would appreciate our excellent performance record of on time delivery of high quality vessels built by our first-rate craftsmen ". Brian added, "We believe that the Coast Guard is going to get the best value for its money and the finest vessels to succeed in its mission."

OFFSHORE PATROL CUTTER

Notional Design Characteristics and Performance

Length: 360 feet	Endurance: 60 days
Beam: 54 feet	Propulsion: Two 16V marine diesel engines
Draft: 17 feet	Prop Type: Two five-blade, controllable pitch
Sustained Speed: 22.5 knots	Boats: Three OTH
Range: 10,200 nm at 14 knots	Hangar: One MH-60 or MH-65, plus UAS

The Coast Guard awarded detail design for the Offshore Patrol Cutter to Eastern Shipbuilding Group, Inc., on September 15, 2015. Construction is planned to begin in fiscal year 2018. Delivery of the lead OPC is planned for fiscal year 2021.

Notional Design Characteristics and Performance courtesy of USCG.

<https://www.uscg.mil/ACQUISITION/newsroom/updates/OPC091516.asp>