



May 24, 2024

HII's Weekly News Digest is compiled every Friday by the Corporate Communications team to summarize and highlight news stories of significance to the company.

**House Committee Defense Bill Includes 2<sup>nd</sup> Virginia-Class Submarine:** Breaking Defense reported on Wednesday that the House Armed Services Committee has advanced its version of a key annual defense policy bill that abides by congressionally mandated budget caps but shifts billions in proposed funding for top programs like submarines and fighter jets. House authorizers approved the draft \$883.7 billion fiscal 2025 National Defense Authorization Act on Wednesday, including \$849.8 billion for the Pentagon, in a 57-1 vote. The bill now heads to the full House. The committee's version of the bill includes an extra \$1 billion for the Navy to restore funding for a second *Virginia*-class submarine while cutting the entirety of the *Constellation*-class frigate's \$1.1 billion funding request, citing a "program delay." Meanwhile, Politico reported on Wednesday that Sen. Roger Wicker, R-Miss., plans to propose a \$55 billion increase to next year's defense budget as part of a major multi-year boost. Wicker, the top Republican on the Senate Armed Services Committee, also said he will propose raising defense spending over the coming years to 5% of the nation's gross domestic product, up from about 2.7% in the 2024 fiscal year.

**HII Vets Australian Suppliers:** The Australian Broadcasting Corp. reported on Saturday that HII is in talks with 53 South Australian suppliers that are vying to enter into the supply chain for nuclear-powered submarines. South Australia Premier Peter Malinauskas, visited HII's Newport News Shipbuilding division on Friday, May 17, and said the Australian companies could potentially contribute to the construction of *Virginia*-class submarines. *Manufacturers' Monthly* reported on Tuesday that accepted suppliers will join the HII's Supplier Capability Uplift Program, which pairs Australian companies with the submarine supply chain. Participating companies — such as those that provide design and engineering, equipment integration, advanced manufacturing, welding, fabrication, and quality services — will be evaluated by HII using the same requirements applied to its existing U.S. suppliers.

**AIA: Industry Taking The Brunt Of Inflation:** Breaking Defense reported on Friday, May 17, that the defense industry has taken the brunt of cost increases caused by rising labor costs and the price of high-demand commodities, head of the Aerospace Industries Association Eric Fanning said. Companies have signaled that they have been forced to assume too much risk, and the Defense Department needs to prepare for a decrease in purchasing power that could challenge its ability to fund its modernization priorities, said Fanning, whose organization represents more than 330 aerospace and defense vendors. *Aviation Week* reported on May 17 that AIA will push legislative proposals for the 2025 fiscal year, including increasing the threshold of congressional notifications and limiting the use of fixed-price contracts for low-rate initial production lots.

**USS *Carney* Deployment Highlights Pace Of Mideast Threats:** USNI News reported on Monday that during its seven-month deployment to the Middle East, *Arleigh Burke*-class guided missile destroyer USS *Carney* (DDG 64) faced 51 engagements with Houthi missiles and drones, highlighting the high-risk environment in the Red Sea and Gulf of Aden. On Oct. 19, USS *Carney* was forced to intercept 19 threats in a single day, showcasing the resilience and adaptability of the ship and crew. The *Navy Times* reported on Tuesday that sailors had to react within seconds to incoming threats, relying on their advanced detection systems and quick decision-making. The ship's operations were critical in protecting commercial shipping lanes and allied vessels amid regional conflicts, including successfully engaging

Iranian ballistic missiles targeting Israel. The crew was so effective at deterring threats that the Wall Street Journal deemed the ship “The U.S. Navy’s Missile Catcher” in a Thursday editorial. “The crew’s performance is a tremendous credit to U.S. military technology and the professionalism of American sailors,” the editorial board wrote. Stars and Stripes reported on Sunday that USS *Carney*’s performance earned its crew the Navy Unit Commendation for outstanding action against enemy forces.

### Social Media Highlight Of The Week

Posted Friday to HII’s Facebook page:

“Recently NASCAR on FOX paid a visit to our #NewportNewsShipbuilding division, alongside our U.S. Navy teammates and Brad Keselowski of RFK Racing, to highlight the Build Submarines effort and the incredible work our shipbuilders are doing in service of the nation.



Here’s a behind-the-scenes look at Brad and Fox Sports host Regan Smith talking with two of our shipbuilders!

Be sure to tune in to RaceDay on FS1 before the green flag drops at the NASCAR Coca-Cola 600 this Sunday to see our shipbuilders and shipyard in the national spotlight!”

**HII Ships Participate In Fleet Week Festivities On East, West Coasts:** USA Today reported on Wednesday that nearly 3,000 sailors, Marines and Coast guardsmen are in New York for Fleet Week, which continues through Monday. Eight ships participated in the Parade of Ships that took place Wednesday morning. 13NewsNow reported on Wednesday that Norfolk -based USS *Bataan* (LHD 5) was a highlight of the festivities in New York. The *Wasp*-class amphibious assault ship was built by HII’s Ingalls Shipbuilding division. Also participating in the festivities is *Legend*-class USCGC *Calhoun* (WMSL 759), which was built and delivered by Ingalls last October. Meanwhile, KTLA reported on Wednesday that L.A. Fleet Week is taking place through Saturday. Aircraft carrier USS *Carl Vinson* (CVN 70), which was built at HII’s Newport News Shipbuilding division, is participating in the West Coast festivities.

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*HII’s Weekly News Digest is produced by HII’s Corporate Communications team and posted to Homeport every Friday.*

*Please note: Social media is blocked on HII computers for most employees. Employees are encouraged to visit HII’s Facebook page and other social media sites on personal time and from non-work devices.*

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