



July 5, 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.

Navy Announces Housing For 8,000 Sailors In Hampton Roads: The Virginian-Pilot reported Tuesday that stakeholders are planning to construct an additional 8,000 beds for Navy sailors in Virginia's Hampton Roads. A bipartisan group of state and local elected officials participated in a roundtable discussion with U.S. Navy personnel who are trying to bring all levels of government together to ensure a unified approach, including timelines, on revitalizing downtown Newport News. "This is an effort to make Newport News the center for excellence for shipbuilding," Rep. Rob Wittman said during a news conference at the U.S. Navy Tour and Information Office in Norfolk. Vice Adm. Christopher "Scotty" Gray said 1,000 to 1,500 beds would likely be in Newport News, although he noted the Navy is still working on specifics. He said he hopes the Navy has worked out a project timeline by the fall. The Navy discussion comes less than a month after an announcement that HII's Newport News Shipbuilding will play a role in constructing a new parking garage that will bring 2,000 new parking spaces to downtown Newport News for use by shipbuilders and sailors assigned to the shipyard.

Boeing Plans Spirit Aerosystems Acquisition: The Associated Press reported on Monday that Boeing will acquire Spirit AeroSystems for \$4.7 billion in a strategic move to improve quality and safety in aircraft manufacturing. This announcement comes as Boeing faces increasing scrutiny from Congress, airlines, and the Department of Justice following a series of incidents in recent years. NPR reported on Monday that the acquisition reverses Boeing's long-time strategy of outsourcing key components, a decision criticized for causing production disruptions and quality issues. Boeing sold Spirit nearly two decades ago, but recent quality control problems, including improperly drilled holes and fuselage panels that did not fit precisely, prompted Boeing to reintegrate Spirit to enhance safety and production efficiency. Patrick Shanahan, Spirit's CEO and a former Boeing executive, noted that combining the companies' manufacturing and engineering capabilities would lead to better safety and quality systems. The deal also involves an agreement with Airbus to negotiate the purchase of Spirit assets related to Airbus programs, which will commence upon completion of the Boeing-Spirit deal. Axios reported on Monday that the deal could close by mid-next year, pending regulatory approvals, including an antitrust review.

House Advances \$833 Billion Defense Bill: Politico reported on Friday, June 28, that the House narrowly cleared its version of annual Pentagon funding legislation. The \$833 billion defense appropriations bill passed almost entirely with GOP majority support, although it has little chance to stand untouched in the Democratic-led Senate because of cultural-based policies included in the bill. The bill also only funds one *Virginia*-class attack submarine even though the House and Senate Armed Services committees have both endorsed an extra sub, arguing that cutting back sends the wrong signal to the defense industry. Defense Daily reported on June 28 that the House defense spending bill adheres to the 1% spending cap set by last year's Fiscal Responsibility Act, funds \$294.3 billion for operations and maintenance, a \$2 billion cut to the budget request, \$165.3 billion for procurement, \$1.4 billion below the request, and \$145.9 billion for research and development, an increase of \$2.7 billion from the budget submission. Politico reported on Wednesday that the Senate will begin marking up annual spending bills next week, starting with three fiscal 2025 measures and overall funding totals for a dozen appropriations bills.

Social Media Highlight Of The Week

Posted Thursday to HII's Facebook page:

"At HII, our mission is to serve those who protect our freedom. As we celebrate America this #IndependenceDay, we also celebrate our employees for continuing to deliver on our promise of delivering the world's most powerful ships and all-domain solutions that safeguard our nation and guarantee liberty for all."



DOD Seeks Commercial Networking Solutions To Enable Unmanned Systems Swarms: Defense Daily reported on Monday that the Defense Department's Defense Innovation Unit is seeking networking solutions to enable fleets of multi-domain unmanned vehicles (UxVs) to operate together and with crewed systems in contested, disconnected, and intermittent communications environments with a particular focus on Naval operations in the Pacific. The solicitation highlights the importance of attritable, multi-domain UxVs in helping to maintain freedom of navigation and the free flow of commerce. The Opportunistic, Resilient & Innovative Expeditionary Network Topology (ORIENT) project seeks secure and reliable communications capabilities that operators can use to direct and redirect various drone types in real-time through line of sight and beyond line-of-sight radio frequency and data networks, according to the DIU. It also prefers capabilities that can automatically join and exit the network. Offers to the commercial solutions opening for ORIENT are due by July 19.

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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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