



Aug. 30, 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.

Ingalls Shipbuilding Has Space To Increase Capacity: Breaking Defense reported on Friday, Aug. 23, that HII's Ingalls Shipbuilding division has the physical space on its 800-acre campus for additional contracted work. Much of that space exists along Ingalls' East Bank that was reactivated in 2020. "We have a lot of physical capacity. It's about people, and it's about our ability to ramp up and retain should we take on more work than we already have," Ingalls Shipbuilding President Kari Wilkinson told Breaking Defense during a tour of the shipyard. Ingalls hired roughly 4,000 people last year, enough to meet the existing demand, and the shipyard uses its apprentice school as a pipeline to recruit and train new employees. Ingalls' ability to ramp up its production may come to pass soon now that the Navy has notified Congress it will soon act to procure four amphibious warships, including three *San Antonio*-class amphibious transport docks LPD 33 in fiscal year 2025, LPD 34 in FY 2027, LPD 35 in FY 2029 and one *America*-class amphibious assault ship LHA 10 in FY 2027.

Two Carriers Remain On Patrol In Mideast: The New York Times reported on Sunday that the U.S. has moved two aircraft carriers, and their supporting strike groups, into the Middle East to help thwart the threat of a widespread war between Israel and its neighbors. USS *Theodore Roosevelt* (CVN 71) and USS *Abraham Lincoln* (CVN 72) are now in the Gulf of Oman. While *Lincoln* is a fresh arrival, *Roosevelt* has been in the region since early June, Defense News reported on Sunday. Pentagon Press Secretary Air Force Maj. Gen. Pat Ryder did not say how long *Roosevelt's* tour has been extended. Meanwhile, Newsweek reported on Tuesday that more than half of the 11 U.S. Navy aircraft carriers were underway over the weekend. With two carriers in the Middle East, a multi-carrier formation also transited the Atlantic Ocean for an ordnance transfer with two supply ships on Saturday, including USS *Dwight D. Eisenhower* (CVN 69), USS *Harry S. Truman* (CVN 75), and USS *Gerald R. Ford* (CVN 78). Still, *Lincoln's* relocation to the Middle East means that there are no carriers deployed in the Indo-Pacific. Fox News reported on Wednesday that Ryder expressed nonchalance when asked about deployment timelines and the lack of carrier presence in the Pacific. "I'm not going to get into deployment timelines for operations security reasons, but the bottom line is we can walk and chew gum at the same time," he said.

Afghan Immigrants Attracted To US Shipbuilding Careers: Breaking Defense reported on Thursday that a handful of Afghan immigrants have found a new life in the shipbuilding industry following the United States' exit from Afghanistan three years ago. Those immigrants are taking advantage of the Accelerated Training in Defense Manufacturing program — a U.S. Navy-funded training effort in Danville, Virginia, aimed at teaching adult students the manufacturing skills in high demand by the shipbuilding industry. Advocates see such recruiting efforts as a potential path forward for the shipbuilding sector, both to help ease the labor shortage now and for the model it could provide for other immigrant groups in the future. Rob Gorham, founder and chief executive of the nonprofit BlueForge Alliance, said programs similar to that offered in Danville provide an opportunity for shipbuilders and their supply chains to boost their workforces while also providing job opportunities to a population that may have previously worked to advance American interests during the Global War on Terror. BlueForge Alliance, which is based in Texas, works as lead integrator for Navy and industry efforts to boost the submarine industrial

base. Still, ramping efforts to attract immigrants to shipbuilding will be difficult because of strict requirements that program participants be either U.S. citizens or have a permanent work visa. Secretary of the Navy Carlos Del Toro; Rep. Adam Smith — the top Democrat on the House Armed Services Committee; and Sen. Tim Kaine, D, Va.; are each advocating to loosen regulations on requirements to help open the pipeline to working in the shipbuilding industry.

Social Media Highlight Of The Week

Posted Wednesday on HII's Facebook page:

“ Calling all sports fans - HII is thrilled to share that we're proudly sponsoring the first home game for Navy Football on August 31 at noon!



It's a special day for all of us at HII as we support our incredible Navy Midshipmen who embody excellence and dedication on and off the field.

Join us in cheering on our team as they kick off the season with pride and passion. Let's show our support and make this game unforgettable!”



Austal USA To Pay \$24 Million Fine: The Associated Press reported on Tuesday that Austal USA has admitted wrongdoing and agreed to pay a \$24 million fine to settle an accounting fraud investigation, the U.S. Department of Justice has announced. From 2013 through July 2016, the Alabama-based shipbuilder conspired to mislead shareholders and investors about the company's financial condition, the department said. The company pleaded guilty to one count of securities fraud and one count of obstruction of a federal audit. The Justice Department said Austal artificially lowered cost estimates, despite rising shipbuilding costs, to meet its revenue budget and projections. That had the impact of falsely overstating Austal USA's profitability on the ships and Austal Limited's earnings reported in its public financial statements. Breaking Defense reported on Monday that a U.S. Navy spokesperson said Austal's actions did not directly harm the service "neither monetarily nor by any failure to meet contractual obligations to the government." DOJ on Tuesday also announced it had settled a separate matter with Austal USA over allegations that the company installed valves on five littoral combat ships that did not meet Navy testing specifications. The company agreed to pay \$811,259 to settle that case.

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