



Feb. 21, 2025

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.

Hegseth Orders Pentagon Budget Cuts: The Washington Post reported on Wednesday that Defense Secretary Pete Hegseth has ordered senior leaders from the Pentagon and civilian agencies to develop plans for cutting 8% from defense budget in each of the next five years, beginning with fiscal year 2026. Breaking Defense reported on Wednesday that cuts will total about \$50 billion in the upcoming fiscal year. A memo from Hegseth to Pentagon officials lists 17 categories that the Trump administration wants exempted from cuts, including the acquisition of *Virginia*-class submarines, "executable surface ships," operations at the southern U.S. border, modernization of nuclear weapons and missile defense, one-way attack drones and other munitions. Politico reported on Wednesday that the memo does not protect weapons systems that the Pentagon had previously designated as among its most critical, including *Columbia*-class submarines, space-based systems and a range of manned aircraft. USNI News reported on Thursday that the *Columbia* program is largely considered safe from cuts. There is less clarity, however, surrounding the *Ford*-class aircraft carrier program. Robert G. Salesses, a senior Pentagon official, wrote in a statement that the proposed cuts will likely be "realigned" to pay for Trump administration priorities.

House, Senate Pursue Single Budget Bill Approach: Politico reported on Wednesday that President Donald Trump is backing the House's budget blueprint that packages together spending on border security, energy and defense along with tax cuts into a single bill. The Wall Street Journal reported on Wednesday that the House Budget Committee approved a plan that would require spending cuts to reach \$2 trillion in order to hit \$4.5 trillion in net tax cuts. The House is expected to vote on its bill next week. Politico reported on Friday that the Senate retooled its approach to the budget late this week and voted overnight to pursue a legislative package that would include up to \$175 billion for border security and \$150 billion in new defense spending, along with a variety of provisions designed to expand domestic energy production. The Senate's actions are largely seen as a Plan B after Trump endorsed the House's bill on Wednesday. Still up for discussion is how and when the two chambers will find the common ground necessary to proceed with the massive legislative package they desire.

DOGE Eyes Pentagon For Personnel Cuts: The Washington Post reported on Tuesday that the Trump administration has directed defense agencies to turn over a list of their probationary employees, with the expectation that many could be fired as soon as this week. The directive coincides with the arrival at the Pentagon of personnel from Elon Musk's U.S. Department of Government Efficiency Service, known as DOGE, which has overseen the firing of thousands of probationary employees in other federal agencies and coordinated the dismantling of the U.S. Agency for International Development. It was not immediately clear whether any probationary employees in the Defense Department will be exempt from plans to reduce headcount. Military Times reported on Wednesday that Defense Secretary Pete Hegseth has supported cuts to the department, posting on X last week that the Pentagon needs "to cut the fat (HQ) and grow the muscle (warfighters.)" The Government Accountability Office found in 2023 that more than 700,000 full-time civilians were working for the Defense Department. While the Washington Post noted that employees could be terminated as early as this week, a clearer timeline of the expected personnel changes has not yet been fully made clear.

Social Media Highlight Of The Week

Posted Monday on HII's Facebook page:

"We are pleased to announce that applications for the 2025-2026 HII Scholarship Fund are now open. HII is committed to serving our employees and their families by helping to build the foundation of their children's education through the HII Scholarship Fund. 🎓



Scholarships are available for dependent children of HII employees enrolled in post-secondary college or vocational education (two or four-year programs), and pre-kindergarten school readiness programs.

Visit [HII.com/scholarship](https://www.hii.com/scholarship) to learn more and apply. Applications must be completed and submitted by Tuesday, April 15."

Saronic Announces Intent To Build Autonomous Shipyard: Defense News reported on Tuesday that Texas-based Saronic Technologies has raised \$600 million in private funding to build an autonomous shipyard it's calling Port Alpha. The company plans to use the facility to grow its fleet of medium- and large-class autonomous surface vessels to address emerging demands from the Pentagon for more autonomous platforms. CEO Dino Mavrookas said Saronic has not yet picked a site for Port Alpha. Texas and the Gulf Coast are among the regions the firm is closely exploring, Mavrookas said. The company declined to offer specifics on how much the project would cost, and Mavrookas would not commit to a timeline for when the facility would open its doors beyond noting it will be operating "well within five years." Breaking Defense reported on Tuesday that Saronic has raised more than \$850 million since its founding in 2022. The company is now valued at \$4 billion. In just three years, the firm has developed three uncrewed vessels: Spyglass, Cutlass and Corsair — a 24-foot-long boat that it unveiled last October.

USS *Harry S. Truman* (CVN 75) Begins Repairs Following Collision: Defense Daily reported on Wednesday that aircraft carrier USS *Harry S. Truman* (CVN 75) started emergent repairs in Greece following a recent collision with a commercial vessel in Egyptian waters. *Truman* arrived Feb. 16 at U.S. Naval Support Activity Souda Bay, Greece, for an Emergent Repair Availability on the starboard quarter of the ship, where the damage occurred. The Navy assessed collision damage to the exterior wall of two storage rooms and a maintenance space as well as external spots of a line handling space, the fantail and platform above a storage space. Stars and Stripes reported on Wednesday that a small slash penetrated the ship's hull high above the waterline. The service has confirmed aircraft elevator number three, near the collision spot, incurred no damage and is fully operational. The Forward Deployed Regional Maintenance Center will provide temporary repairs that are expected to get the ship through its current deployment. Fox News reported on Thursday that *Truman* commanding officer Capt. Dave Snowden was relieved of his duties due to a loss of confidence in his ability to command. *Truman* is nearing its planned refueling and complex overhaul at HII's Newport News Shipbuilding division. The Navy awarded HII a \$913 million contract in January 2024 for advanced planning and long-lead-time

material procurement needed ahead of the ship's arrival at NNS, USNI News reported at the time. An exact timeline for the RCOH has not yet been announced.

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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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