



March 7, 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.

HII Secures Contract To Boost Australian Supply Chain Under AUKUS: MarineLink reported on Tuesday that HII has been awarded a \$6 million contract to lead the Australian Submarine Supplier Qualification (AUSSQ) pilot program, aimed at integrating Australian suppliers into the U.S. submarine industrial base. HII President and CEO Chris Kastner called the contract a “significant milestone” in strengthening a global supply chain for nuclear-powered submarines, emphasizing the company’s commitment to safety, security, and performance standards. Virginia Business reported that the AUSSQ program, part of Australia’s broader AUKUS Submarine Industry Strategy, will use a business-to-business model to qualify Australian vendors. HII will provide technical guidance to Australian suppliers, mirroring its work with over 2,000 U.S. contractors annually. Defense Daily reported on Monday that the Australian government plans to invest a total of \$19 billion in its submarine industrial base, creating 20,000 jobs over 30 years. Australian Deputy Prime Minister for Defence Richard Marles said the initiative with HII Australia is crucial for developing Australia’s sovereign submarine capability.

HII Wins \$358 Million USS *Nimitz* (CVN 68) Deactivation Contract: GovCon Wire reported on Friday that HII has won a potential \$358.6 million contract from the U.S. Navy for services supporting the inactivation and defueling of the USS *Nimitz* (CVN 68). HII’s Newport News Shipbuilding division will conduct advanced planning and procurement of material necessary for the eventual inactivation and defueling of the CVN 68 aircraft carrier. The cost-plus-fixed-fee and cost-plus-incentive-fee contract is initially valued at \$22.3 million but may rise to \$358.6 million if all options are exercised. NNS completed the inactivation of the USS *Enterprise* (CVN 65) in 2018. The inactivation process involved the defueling of eight nuclear reactors and the deactivation of the propulsion systems.

Lawmakers Told Higher Pay, Benefits Needed For Shipbuilding Resurgence: Stars and Stripes reported on Tuesday that Navy officials and industry experts told congressional lawmakers this week that military shipbuilders require higher wages and benefits for workers. Experts testifying before a House Armed Services Committee subpanel on Tuesday cited labor shortages due to poor pay as a critical hurdle to building ships on time and under budget. USNI News reported on Tuesday that Ron O’Rourke, the naval affairs analyst at the Congressional Research Service, told lawmakers that workforce issues also apply to white collar shipbuilders such as designers, naval architects and naval engineers as well as the trades. The assessment comes as President Donald Trump’s administration seeks to revitalize commercial and military shipbuilding to compete with China while also substantially reducing the Defense Department’s civilian workforce. Lawmakers from both parties said Tuesday that they were encouraged by the Trump administration’s focus on reinvigorating the shipbuilding industry. But reversing decades of manufacturing loss will be a steep hill to climb, said Rep. Joe Courtney, D-Conn. O’Rourke said moving some construction functions to areas other than traditional shipbuilding and repair locations could help alleviate cost-of-living challenges facing shipbuilding and to speed up deliveries. Breaking Defense reported on Thursday that three House lawmakers have introduced legislation to establish a congressional commission to “investigate the condition of the U.S. maritime industry and impediments to its growth.” If passed into law, the Save Our Shipyards Act would establish a national commission on the maritime industrial base.

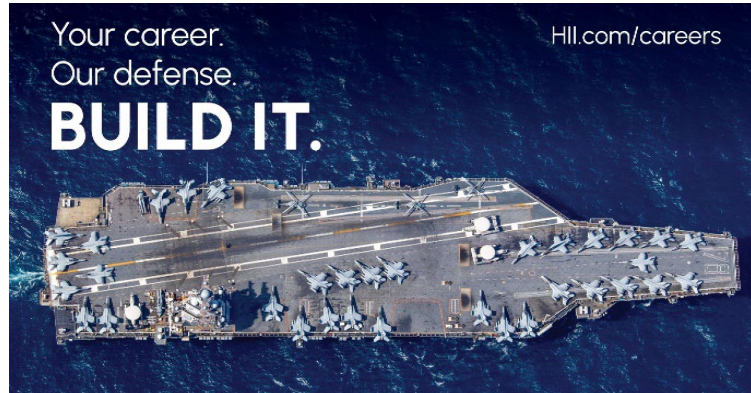
Social Media Highlight Of The Week

Posted Wednesday on HII's Facebook page:

"We're building the next generation of aircraft carriers. Join us, and you can #BuildIt, too. 🚢"

Our #NewportNewsShipbuilding division is the sole designer and builder of nuclear-powered aircraft carriers. These stunning "cities at sea" are crucial assets to the U.S. Navy fleet that allow U.S. military servicemembers to safeguard our open waters from sea to shining sea.

Do you think you have what it takes to become a shipbuilder? Visit [HII.com/careers](https://www.hii.com/careers) and take the next step toward building your future today."



European Defense Companies To Benefit From Proposed 'ReArm Europe' Plan: The Associated Press reported on Tuesday that European defense firms are planning to reap the benefits of a shift in U.S. policy that forces European nations to invest more in their own defense spending, as well as a proposal from the European Union that allows the bloc's nations to boost defense spending by at least \$840 billion over four years. Reuters reported on Tuesday that the EU's primary executive arm, the European Commission, has proposed allowing each member country to raise defense spending by 1.5% of gross domestic product each year for four years. Breaking Defense reported on Tuesday that Italian manufacturer Leonardo expects to generate new business in the region of \$6.6 billion should its home market and other EU countries increase defense spending by a single GDP percentage point. Leonardo CEO Roberto Cingolani said geopolitical threats and the urgent requirement that Europe rely less on the U.S. are driving increases in defense spending. Reuters reported on Wednesday that Rheinmetall expects significant sales growth in 2025. Europe's top ammunition maker plans to update its outlook, and the company is betting on a surge in spending by European leaders who back Ukraine in its conflict with Russia.

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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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