



April 11, 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.

President Signs Executive Order To Boost Shipbuilding: CQ Roll Call reported on Wednesday that an executive order signed by President Donald Trump calls for the completion of a new 45-day shipbuilding review from the Navy, a focus on enhancing Arctic security and a broad revamping of both the commercial and military maritime sectors to combat China's rapid advancements in the arena. The order also directs the Department of Government Efficiency to probe the Navy's vessel procurement practices. In a statement following the executive order's announcement, HII President and CEO Chris Kastner said, "I applaud President Trump for taking a comprehensive approach to revitalize the shipbuilding industrial base. This order is a bold step in the right direction, to expand capacity in shipbuilding and workforce development ultimately in order to meet the urgent, increased demand for ships for the Navy and the nation." Shipbuilders Council of America President Matthew Paxton said the order signals the White House's commitment "to reenergizing and investing in our nation's shipyards." Breaking Defense reported on Wednesday that the order tasks the heads of the Defense, Commerce, Labor, Transportation and Homeland Security departments with developing a Maritime Action Plan that will invest in the shipbuilding industrial base and disentangle the government's procurement processes. Following the executive order's signing, a bipartisan group of senators and congressmen backing legislation with similar goals issued a statement, saying the White House sees the threat of China's shipbuilding growth and "the urgent need to reverse course to strengthen our national security and grow our economy."

Navy Secretary Discusses Shipbuilding Reforms: USNI News reported on Wednesday that Navy Secretary John Phelan is pledging a shakeup of the Department of the Navy with a focus on growing shipbuilding and challenging parts of the Navy's culture that have led to delays in deliveries of new capabilities and gaps in overall readiness. "I think we need to look at potentially opening up other shipyards and finding places where we can do that. This is a big, big priority for the president, and he is extremely focused on it, and I certainly don't want to disappoint him," Phelan told an audience at the Sea Air and Space 2025 symposium. DefenseScoop reported on Wednesday that Phelan intends to meet with the Navy's major contractors as well as other companies that would like to do business with the organization. The department needs to encourage more competition in the industrial base and expedite some of its acquisition processes to make things easier, he suggested.

Trump, Hegseth Vow \$1 Trillion Defense Budget: Politico reported on Monday that President Donald Trump and Defense Secretary Pete Hegseth have pledged a first ever \$1 trillion defense budget. Trump, during a press event with Israeli Prime Minister Benjamin Netanyahu, said the upcoming budget would be "in the vicinity" of \$1 trillion. The number would be a significant increase from the \$892 billion funding Congress allocated for national defense programs this year, which includes the Pentagon, nuclear weapons development and security programs at other agencies. Military Times reported on Tuesday that Trump indicated that at least some of the new spending would be redirected from savings found by cuts ordered by the Department of Government Efficiency, although he did not specify any accounts. Meanwhile, The Hill reported on Thursday that House Republicans on Thursday adopted the Senate's framework that will be used to enact key parts of President Trump's legislative agenda. The

successful vote puts a bookend on the first phase of the budget reconciliation process. Republicans in both chambers must now craft a package that is in line with the levels laid out in the budget resolution and make decisions on a number of hot-button issues like spending cuts, how long the tax cuts are extended for and the cap on the state-and-local-tax deduction, among other details.

Social Media Highlight Of The Week

Posted Saturday on HII's Facebook page:

"HII's #IngallsShipbuilding division welcomed more than 80 Scouts from Mississippi, Alabama, and as far north as Kentucky and Tennessee for its second annual Scouts merit badge day at the Ingalls Maritime Training Academy.

The event, designed to inspire and support the next generation of leaders, provided Scouts the opportunity to explore shipbuilding career interests and gain hands-on experience in various technical fields found at Ingalls.



Read more about the event here: <https://hii.com/news/ingalls-shipbuilding-hosts-second-annual-scouts-merit-badge-day/>"

Senate confirms 'Razin' Caine to lead Joint Chiefs: The Washington Post reported Friday that Gen. Dan "Razin" Caine was confirmed to become chairman of the Joint Chiefs of Staff by the Senate in a 60-25 vote. Caine, 56, fills a vacancy atop the Pentagon created when Gen. Charles Q. Brown Jr. was fired in late February. Caine acknowledged to lawmakers during his confirmation hearing earlier this month that he is an "unconventional nominee" for the Joint Chiefs role but said "these are unconventional times," characterizing his acceptance of the nomination as an act of service. Politico reported on Friday that Caine retired from the military last year as a three-star general and will be the first Joint Chiefs chair to not have previously served as a four-star general or admiral. The Senate also voted to return Caine to active-duty and promote him so he could take the job. Caine, a former F-16 pilot who also served in the National Guard, held senior roles in the Pentagon, CIA and in special operations against the Islamic State. He became a partner at venture capital firm Shield Capital after retirement from military service.

HII Plans Collaboration With HD Hyundai Heavy Industries: CNN reported on Tuesday that HII has signed a deal with South Korea's Hyundai Heavy Industries to explore opportunities that will allow the companies to expand U.S. shipbuilding capacity in support of national security. Both HII and HD HHI already build Aegis destroyers. HD HHI operates the world's largest shipyard in Ulsan, South Korea, and it builds 10% of the world's ships, according to the company's website. Analyst Carl Schuster, a former US Navy captain, said while changes would be needed to U.S. law to enable the South Korean shipyard to begin fully constructing destroyers for the U.S. Navy, the pact signed Monday could yield immediate benefits. Defense Daily reported on Monday that Ingalls Shipbuilding President Brian Blanchette further told reporters that the collaboration under the memorandum is initially focused around "technology

exchange and lessons learned” on shipbuilding programs, while the effort could potentially lead to “component outsourcing.” Blanchette said HII will host a delegation from South Korea’s HHI at a shipyard “in the near future,” with the two firms planning further discussions on next steps and milestones related to the MOU.

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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.

Send feedback to: HII_Communications@hii-co.com.