



May 16, 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.

**Phelan Focuses On Submarine Programs:** USNI News reported on Thursday that Secretary of the Navy John Phelan told a congressional panel his number one priority is ensuring *Virginia*- and *Columbia*-class submarines are delivered on time. Phelan told members of the House defense subcommittee Thursday that strengthening shipbuilding and the maritime industrial base are two other focus areas. The secretary said he plans to move away from cost-plus contracts and will shift toward “fixed-price with some incentives.” In prepared remarks, Phelan wrote: “I have made it a personal priority to visit shipyards, meet the welders, talk to the deckplate workers, and assess the real-world readiness of our shipbuilding industry. These Americans are patriots, and they deserve our full support. As we recently did in the renegotiation of the FY24 *Virginia*-class submarine contract, we will continue to prioritize American workers by cutting red tape, reducing administrative burdens, and allowing them the flexibility to do what they do best — build the world’s greatest Navy. We will continue to pursue a more balanced and shared risk philosophy with our private sector partners.”

**Filling Manufacturing Jobs Takes Spotlight:** NPR’s Planet Money reported on Tuesday that nearly 500,000 manufacturing jobs are unfilled in the United States. Carolyn Lee, the president and executive director of the Manufacturing Institute, said roughly half of the open positions in manufacturing do not require a bachelor’s degree and some of the most in-demand positions are maintenance technicians, machine operators, material handlers and forklift operators. Efforts to help fill open manufacturing positions are developing along several fronts. A bipartisan, bicameral group of lawmakers reintroduced the Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act in late April. WIBC reported on Monday that a side benefit of the proposed Ships for America Act may be that components for ships may increasingly be manufactured in the Midwest. Sen. Todd Young said that while the legislation’s goal is to make sure America is not dependent on China to ship goods around the world, it could also help fund training for manufacturing jobs and to entice companies to sign on as ship suppliers. Meanwhile, WGRZ reported on Wednesday that representatives from more than 100 companies in Western New York attended an informational event set up through the Buffalo Niagara Manufacturing Alliance and the Build Submarines to learn about the growing shipbuilding industry, including open manufacturing positions.

**CVN 79 Homeport Begins \$145 Million Upgrade:** Stars and Stripes reported on Wednesday that the Navy has begun a \$145 million overhaul of the Puget Sound Naval Shipyard’s “electrical backbone,” the first step in preparing Naval Base Kitsap to homeport *Ford*-class aircraft carrier *John F. Kennedy* (CVN 79). *Kennedy* is approximately 95% complete at HII’s Newport News Shipbuilding division. The work at Puget Sound will replace an electrical substation officials said has become “degraded” by age and cannot support *Ford*-class aircraft carriers, which require three times the electricity when in port compared to the *Nimitz*-class carriers. Currently, Norfolk Naval Station is the only public shipyard with the electrical upgrades needed to homeport *Ford*-class carriers. The electrical project is part of the service’s more than \$20 billion Shipyard Infrastructure Optimization Program to modernize the Navy’s four public shipyards.

### Social Media Highlight Of The Week

Posted Thursday on Mission Technologies' LinkedIn page:

"Rear Adm. Mark Behning, head of the U.S. Navy's Undersea Warfare Division (OPNAV N97), recently visited HII's Uncrewed Systems facility in Pocasset, Massachusetts.



Behning, who is responsible for planning, programming and budgeting for the Navy's undersea warfare capabilities, including uncrewed underwater vehicles, was briefed on HII's portfolio of next-generation UUVs as well as innovations in autonomy and cross-domain command and control being developed by HII.

He also saw first-hand the manufacturing process for the REMUS Lionfish small UUV program of record vehicles and the REMUS 620 medium-class UUV.

"Rear Admiral Behning acknowledged the highly skilled workforce in Pocasset, expressing appreciation for their contributions to national security and their efforts in providing advanced capabilities to the fleet," said Gary Rogeness, senior director of business development for Mission Technologies' Uncrewed Systems group."

Learn more about our Unmanned Systems here: <https://hii.com/what-we-do/capabilities/unmanned-systems/>."

**Coast Guard Shifts Resources To Southern Border:** USNI News reported on Wednesday that the U.S. Coast Guard has tripled the number of aircraft, boats and teams deployed to the Southern border, reallocating resources from international missions in the process, acting Coast Guard Commandant Adm. Kevin Lunday testified to a House panel. Lunday told the House Appropriation Committee's subcommittee on oversight Wednesday the Coast Guard canceled two missions, including relocating one of the service's national security cutters to support operations in the Indo-Pacific, in favor of border security duties. Defense Daily reported on Wednesday that Lunday stressed that current Coast Guard operations are "not sustainable" given the service's "severe readiness crisis that has been decades in the making." While the service's budget for fiscal 2026 has yet to be released, the Coast Guard typically has an annual budget of about \$13.8 billion. Of that, about \$2 billion historically has been allocated for purchasing new ships and aircraft.

**Fincantieri Jockeys For Position In US Shipbuilding:** Defense News reported on Tuesday that Fincantieri CEO and General Manager Pierroberto Folgiero said the executive order signed by President Donald Trump in April to boost the U.S. shipbuilding business will remove bottlenecks from U.S. shipyards, including Fincantieri's own in Marinette, Wisconsin. Speaking to analysts on Monday, the CEO said the

company's yard in Sturgeon Bay, Wisconsin, could now increase its capacity and focus on the growing demand for icebreakers. He also said Fincantieri could create a repair and maintenance hub for *Constellation*-class frigates at its facility in Jacksonville, Florida. Currently, Fincantieri's Marinette yard is building the much-delayed *Constellation*-class frigates, although Navy-prompted design changes have largely been blamed for the slowed pace. Bloomberg reported on Tuesday that the frigate program is close to three years behind schedule.

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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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