



June 27, 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.

**Pentagon Releases \$961 Billion Budget, Of Which Navy Receives \$292 Billion:** Breaking Defense reported on Thursday that the Defense Department has revealed its \$961.6 billion fiscal year 2026 budget request. Defense News reported on Thursday that within the proposed spending plan, the U.S. Navy receives \$292.2 billion, some of which it intends to use to increase its fleet of warships and modernize century-old shipyards. As proposed, the fiscal 2026 defense budget would require two congressional bills to be passed — a base budget and an upcoming reconciliation bill. The Navy is seeking \$248.9 billion in the base budget and \$43.3 billion in reconciliation funds, according to budget materials released Thursday. The Navy is asking for a shipbuilding fund of \$47.4 billion, with \$26.5 from reconciliation funding. If granted, the total amount would go toward procuring 19 battle-force ships in FY 2026, only three of which — one *Columbia*-class submarine, one *Virginia*-class submarine, and one T-AGOS ocean surveillance ship — are funded in the base budget. The remaining 16 ships are budgeted from mandatory, or reconciliation, funding.

**Chris Kastner: Workforce Training Must Catch Up To Current Needs:** The New York Times reported on Monday that industry's efforts to fill the roughly 400,000 manufacturing job openings in the U.S. is running into obstacles and forcing leaders to rethink how they attract and retain workers. "The gap between available skills and needed skills in the work force is widening," said Chris Kastner, the president and chief executive of HII. "Technology is evolving fast but education and training systems too often lag behind." The federal government is shifting its approach to training, in part by taking steps to eliminate the Job Corps — which provides at-risk youths from 16 to 24 with a path to a career in the trades — and instead, rolling out an initiative called Make America Skilled Again. The new program consolidates existing workforce training efforts into one initiative that would give states grants if the states met certain criteria. At least 10% of the new Make America Skilled Again funding must be spent on apprenticeships. In April, President Donald Trump signed an executive order that directed the secretary of labor, the secretary of commerce and the secretary of education to submit a plan to create one million registered apprenticeships. But it is unclear if that ambitious target can be achieved with the funding in the president's budget bill, which trims \$1.6 billion from workforce training. Reuters reported on Thursday that the National Job Corps Association is challenging the president's move to shutter the program in federal court.

**General Dynamics Awarded \$1.8 Billion For Block VI Boats:** GovCon Wire reported on Friday that the U.S. Navy has awarded General Dynamics Electric Boat a \$1.85 billion contract modification for long lead time material and preliminary construction associated with *Virginia*-class Block VI submarines. American Machinist reported on Friday that the contract modification follows the initial \$2.2 billion awarded in October 2023 for the upcoming nuclear submarines, plus a further \$1.3 billion awarded in August 2024 and \$1.06 billion approved in April of this year. Most of the work covered by the new contract modification will be conducted by Electric Boat in Sunnyvale, Calif., with lesser amounts to be carried out in numerous other places and states. The work covered by this modification is expected to be completed by September 2035.

### Social Media Highlight Of The Week

Posted Thursday on Ingalls' LinkedIn page:

"Join HII's Ingalls Shipbuilding for the christening of Jeremiah Denton (DDG 129) LIVE on Saturday, June 28.

The [Facebook livestream](#) will begin at 8:45 a.m. Central (9:45 a.m. Eastern) and the ceremony will begin, at the top of the hour.

Click [here](#) to read more about Jeremiah Denton Jr., the namesake of DDG 129.



**USS *Gerald R. Ford* (CVN 78) Departs Norfolk for Deployment:** USNI News reported Tuesday that aircraft carrier USS *Gerald R. Ford* (CVN 78) has departed Naval Station Norfolk for its second deployment, bound for the European theater. Rear Adm. Paul Lanzilotta said the strike group is “mobile and maneuverable” and will first stop in Europe. The deployment comes as the U.S. significantly bolsters its presence in the Middle East amid escalating tensions between Israel and Iran. Task & Purpose reported on Friday, June 20, the U.S. currently has two aircraft carriers, nine destroyers and dozens of Air Force fighters and tankers operating across the region. USS *Carl Vinson* (CVN 70) is in the Arabian Sea, and USS *Nimitz* (CVN 68) recently joined the 5<sup>th</sup> Fleet as part of Operation Midnight Hammer. The Associated Press reported Sunday the strike early Sunday included B-2 bombers and submarine-launched Tomahawk missiles targeting Iranian nuclear sites. Though bound for Europe, the *Ford*’s deployment strengthens the Navy’s ability to shift forces rapidly amid growing instability in the Middle East.

**Japan Has A \$7 Billion Proposal To Boost Shipbuilding:** The Maritime Executive reported on Monday that Japan’s ruling Liberal Democratic Party has proposed a \$7 billion plan to revive its struggling shipbuilding sector. Japan’s shipbuilding output has declined by a third in five years. The initiative includes the creation of a national shipyard fund, automation and robotics investment, and relaxed anti-monopoly rules to allow greater collaboration between shipyards. The proposal also emphasizes expanding workforce pipelines by training and accepting more foreign labor. Lawmakers say declining orders, labor shortages, and aging facilities have eroded Japan’s competitiveness compared to megayards in China and South Korea. TradeWinds News reported LDP leaders warn that without intervention, Japan may lose its domestic maritime supply chain and become reliant on foreign shipping. The proposal also promotes building next-generation ships, such as offshore wind platforms and zero-emissions vessels.

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*HII's Weekly News Digest is produced by HII's Corporate Communications team and posted to Homeport every Friday.*

*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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