



HII Weekly News Digest

Sept. 19, 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.

Australia To Invest \$8 Billion In Nuclear Submarine Base: Reuters reported Saturday that Australia will spend \$8 billion to upgrade facilities at the Henderson Defence Precinct near Perth, as part of a 20-year plan to transform it into a maintenance hub for the AUKUS submarine fleet. Australian Defence Minister Richard Marles said U.S. submarines will have access to the facility – including the planned drydocks – to maintain the *Virginia*-class fleet. Breaking Defense reported on Monday that the investment announced this week is a down payment for the project that will likely cost more than \$16 billion over the coming decade. The money will underpin the delivery of shipyards that will deliver ships for the Australian military, starting with landing craft for the Australian Army and eventually the planned build of eight general-purpose frigates for the Royal Australian Navy. USNI News reported Monday that the investment will support the sustainment of Australia's surface combatant vessels, contingency docking capabilities for Australia's future conventionally-armed, nuclear-powered submarine fleet from the early 2030s and depot-level maintenance, including graving docks.

Korean Shipbuilder Eyes US Shipyard Purchase: Reuters reported on Thursday that HD Hyundai Heavy Industries is in talks with multiple companies about buying a U.S. shipyard. The South Korean shipbuilder is targeting \$2.2 billion in annual revenue by 2035 from building warships for the U.S. Navy, said Woo-maan Jeong, head of planning and management for HD Hyundai's naval and special ship unit. Jeong declined to name any companies involved in the talks or to give the scale of any potential investment. Meanwhile, Defense News reported Tuesday that South Korea's three leading shipbuilders — Hanwha, Samsung and HD Hyundai Heavy Industries — shared new insights about their work with the U.S. Navy during Korea Investment Week, which took place in Seoul from Sept. 9 to 12. HD Hyundai recently reopened the dormant shipbuilding facility in Subic Bay in the Philippines. Hanwha announced plans to create two hubs in Philadelphia and Busan, South Korea, to increase bilateral cooperation. Hanwha Philly Shipyard would function as a production center, while facilities in Busan would provide maintenance and repair services for U.S. naval vessels. Samsung Heavy Industries will expand work across five U.S. shipyards, which includes an investment in training American workers.

HII Secures \$160 Million USS *John C. Stennis* (CVN 74) Contract Modification: GovCon Wire reported Monday that HII has been awarded a \$160.1 million contract modification from the U.S. Navy to continue refueling and complex overhaul work on USS *John C. Stennis* (CVN 74). The cost-plus-incentive fee award covers supplemental work at HII's Newport News Shipbuilding division. The Navy will initially allocate \$5 million in fiscal year 2025 shipbuilding and conversion funds. The modification builds on the \$2.99 billion RCOH contract awarded in 2021 to extend the *Nimitz*-class carrier's service life by 25 years. Previously reported on DVIDS, Stennis entered its mid-life overhaul at NNS in May 2021, undocked in April 2024 after nearly three years in drydock, and is continuing modernization efforts.

Canada's Davie Targets US Icebreaker Market With \$1 Billion Investment: Breaking Defense reported on Friday, Sept. 12, that Canadian shipbuilder Davie is expanding into the U.S. market through its new subsidiary, Davie Defense. The company plans to invest \$1 billion to transform Texas-based Gulf Copper shipyard, which it acquired earlier this year, into what it calls an "American Icebreaker Factory." CEO Kai

Skvarla said the move positions the company to compete for the Coast Guard's upcoming Arctic security cutter program, which will build medium-sized icebreakers to complement the polar security cutter fleet. Skvarla emphasized Texas' workforce, business climate and proximity to oil and gas talent as key advantages. While Davie readies the facility over the next 18 months, it will continue to support the existing work in commercial and government ship repair. The expansion is sparking competition with other shipbuilders for anticipated Coast Guard contracts, including Canadian shipbuilder Seaspan and American company Bollinger Shipyard.

Social Media Highlight Of The Week

Posted Tuesday on Mission Technologies' LinkedIn page:

"Celebrating Heroes and Community: HII Huntsville Takes the Field for Military Tribute Night

HII Mission Technologies joined the Rocket City Trash Pandas for Military Tribute Night, a powerful evening honoring service, resilience and community, on Sept. 13 in Madison, Alabama.

To kick off the game against Chattanooga, Jeff Showalter, senior director of business development, took the mound for the ceremonial first pitch. He also joined play-by-play broadcaster Josh Caray for a live radio interview, sharing how HII supports warfighters through cutting-edge technology and mission readiness.

'Everything we do in HII Mission Technologies is about enabling our warfighters, ensuring they are mission-ready and equipped with the most advanced technology we can provide,' Showalter said. 'It is an honor to support this important tribute and stand alongside a community that shares our deep respect for those who serve.'

The evening began with a special softball matchup between Team AUSA and Team USA Patriots, a nonprofit supporting wounded warriors. Held annually during the week of 9/11, this tribute game marked its first appearance ahead of a Trash Pandas matchup—bringing even more visibility to the cause.

During the Trash Pandas game, players wore commemorative jerseys that were later auctioned off to benefit military-related causes. The night ended with a fireworks display lighting up the Alabama sky.

From directed energy to weapons system modernization, the HII team in Huntsville continues to build strong partnerships with the local military community. Events like this reflect the heart of HII Mission Technologies' mission: delivering the advantage to those who serve."



Navy Officials: SAWS Proposal Still Has Life: Inside Defense reported on Thursday that the Shipbuilder Accountability and Workforce Support proposal, known as SAWS, is still an option to free up additional funding to boost shipyard wages. The article does not name the Navy source or provide a scope on the sway that individual has over the funding. However, it does breathe new life into the funding mechanism that had been held up by the White House Office of Management and Budget since earlier this year. The SAWS proposal was developed by the Navy in consultation with HII and General Dynamics to reduce shipyard labor shortages, which currently affect submarine schedule delays and subsequent cost growth. According to SAWS, shipbuilders would be able to boost wages using money already appropriated for submarines that have not yet started construction. However, OMB has displayed wariness of SAWS. In March, Senate Armed Services Committee Chairman Roger Wicker, R-Miss., named OMB as the primary obstruction to implementing the proposal. Thursday's signal from the Navy official — that SAWS may in fact not be dead — shows signs of potential progress from OMB on the issue.

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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