



HII Weekly News Digest

Jan. 30, 2026

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.

CVN 79 Reaches Sea Trials Milestone: USNI News reported on Wednesday that *Ford*-class aircraft carrier *John F. Kennedy* (CVN 79) departed HII's Newport News Shipbuilding division this week to begin builder's sea trials, a major milestone in the ship's construction. Builder's trials allow shipbuilders to evaluate critical systems and the ship's overall performance at sea. 13 News Now reported on Thursday that the start of sea trials marks the initial at-sea testing of the carrier's major systems. The ship is expected to return to the shipyard for additional testing and outfitting once this round of trials are complete. The carrier is currently scheduled for delivery to the U.S. Navy in March 2027. Once it is delivered, CVN 79 will include modifications to support the F-35C Joint Strike Fighter and Enterprise Air Surveillance Radar.

Led By HII, South Carolina Becomes Shipbuilding Hub: WCSC reported on Thursday, Jan. 22, that HII's Newport News Shipbuilding division is celebrating one year of operations at its Charleston Operations site in Goose Creek, South Carolina. The South Carolina team delivered its first unit within the first 40 days, and have exceeded their initial 12-month objectives. HII plans to spend about \$80 million on facility improvements over the next year. Meanwhile, Inside Defense reported on Jan. 23 that Leonardo DRS is opening a \$120 million facility adjacent to the NNS-Charleston Operations site where it will begin assembling propulsion equipment for the *Columbia*-class submarine program. Beyond propulsion system assembly, the facility sets Leonardo up to become a second source of steam turbine generators — currently built only by Northrop Grumman — for the *Columbia* program. The phased process will start with testing work before beginning new construction. Leonardo decided to establish the Goose Creek operation because of its proximity to a network of intercoastal waterways that can be used to barge completed *Columbia* components to General Dynamics Electric Boat and HII facilities for final assembly, CEO John Baylouny said.

Defense Executives Highlight Production Investments During Earnings Calls: Inside Defense reported on Wednesday that General Dynamics invested \$1.2 billion in capital expenditures in 2025, a 27% year-over-year increase, executives told participants during the company's year-end earnings call. The investment follows criticism by President Donald Trump, who accused defense contractors of prioritizing dividends and share buybacks over production investments. Though CEO Phebe Novakovic did not address the criticism directly, she said General Dynamics remains committed to paying shareholders an annual dividend, as it has done regularly for the past 25 years. Electric Boat, which will receive more than half of General Dynamics' total investment in 2026, achieved a 13% increase in submarine tonnage production in 2025 compared to the prior year, executives said. The Connecticut-based shipyard builds both *Columbia*- and *Virginia*-class submarines in conjunction with HII. Meanwhile, Politico reported on Tuesday that RTX will spend \$3.1 billion this year — about \$500 million more than last year — to expand production capacity. RTX CEO Christopher Calio, when asked whether RTX is changing its approach in response to the president's criticisms, said the company is working with the Pentagon to move production faster and address supply-chain constraints. Defense Daily reported Tuesday that RTX's sales increased 10% to \$88.6 billion and net income jumped 41% to \$4.8 billion (\$4.96 EPS) in 2025. Free cash

flow for the year was \$7.9 billion and backlog stood at \$268 billion, including \$107 billion in defense work.

Social Media Highlight Of The Week

Posted Wednesday on HII's Facebook page:

"Today, our nation's newest aircraft carrier, PCU John F. Kennedy - CVN 79, departed our #NewportNewsShipbuilding division to begin builder's sea trials. These trials will test important ship systems and components at sea for the first time.



This huge milestone is the result of the selfless teamwork and unwavering commitment by our incredible shipbuilders, suppliers and ship's force crew. We wish them a safe and successful time at sea!"

Last-Minute Snags In Senate Have Congress Barreling Toward A Likely Shutdown: The Hill reported on Thursday evening that the Senate's race to avert a Saturday morning shutdown hit the skids as Sen. Lindsey Graham, R-S.C., placed a hold on the government funding package. Senators had hoped to vote late Thursday on the so-called minibus after leaders struck a deal earlier in the day and President Donald Trump endorsed it. Under the agreement, the Senate was set to vote on a package of full-year funding bills — which cover the departments of Defense, Transportation, Housing and Urban Development, Health and Human Services, Labor and Education — and a stopgap measure funding the Department of Homeland Security for two weeks. Politico reported on Thursday that additional votes ahead of the shutdown deadline have not yet been scheduled. Even if the Senate passes the deal Friday, a partial government shutdown could still happen early Saturday morning, since the House is in recess and not scheduled to return until Monday.

National Defense Strategy Includes Industrial Base Focus: Inside Defense reported on Friday, Jan. 23 that the Trump administration's newly released 2026 National Defense Strategy identifies bolstering the U.S. defense industrial base as one of its central pillars. The strategy calls for new investments in U.S. defense production and innovative technologies like artificial intelligence in addition to partnering with allies. The document also aims to refocus the U.S. military on the Western Hemisphere as its top priority, and compelling allies to shoulder greater responsibility for their national security and deterring China. As expected, the NDS is aligned with the concepts and assertions of the National Security Strategy released in December and prioritizes defending the U.S. homeland by establishing the Golden Dome for America missile defense program. NBC News reported on Jan. 23 that the new strategy downgrades China to the No. 2 priority. The new report says the U.S. does not seek to "strangle or humiliate" China, but rather should deter the country "through strength, not confrontation." Defense One reported on Tuesday that the full NDS also departs from the interim in that it has sections describing the threats from Russia, Iran, and North Korea, but no mention of preventing China from seizing Taiwan.

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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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