THE UPM MARKET INFORMER

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Union Workers Strike at Pratt & Whitney Plant Where F-35 Engine is Made

INSIDETHIS ISSUE

License Brings SpaceX Closer to Launch2
Boeing CEO Confident to Increase 737 MAX2
FAA Plans 787 Titanium Inspection3
<u>GE Vernova Brings Power to Caribbean3</u>
UPM: Territory Manager Chad Winterhalter4
UPM: BD Manager Ron Lamendola4
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About 3,000 union workers for Pratt & Whitney in Connecticut have gone on strike, including machinists involved in the manufacture of the F-35's engine, but the company says it has "contingency plans in place to maintain operations."

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On Sunday, members of the International Association of Machinists and Aerospace Workers (IAM) voted to reject a contract offer from Pratt & Whitney, a subsidiary of RTX, and go on strike. Members of the IAM Locals 700 and 1746 started picketing Monday at production facilities in East Hartford and Middletown, Conn.

Pratt & Whitney said in a statement that it has "contingency plans in place to maintain operations and meet our customer commitments" and has no "immediate" plans to resume negotiations with the union.

"Pratt & Whitney's offer competitively compensates our workforce while ensuring P&W can grow in an increasingly competitive marketplace, creating ongoing economic opportunity in the state of Connecticut," the company stated. "Our message to union leaders throughout this thoughtful process has been simple: higher pay, better retirement savings, more days off and more flexibility. Our local workforce is among the highest compensated in the region and the industry — our offer built on that foundation."

Pratt & Whitney declined further comment on what contingency plans it has in place and whether production of the F135 or its other military engines have slowed as a result of the strike. However, union workers told The Hartford Courant that the company has brought in contract workers to replace union labor, such as running the East Hartford facility's powerhouse.

Aside from the F135, the company builds F100s for the F-15 and F-16, F117s used in the C-17 Globemaster III, and F119s used to power the F-22 Raptor at its East Hartford plant.

In a statement, IAM stated that Pratt & Whitney's proposed contract did not offer an adequate compensation package in terms of wages and retirement benefits, and did not satisfy concerns with job security.

"Pratt and Whitney is a powerhouse in military and commercial aerospace products because our membership makes it so," IAM Eastern Territory General Vice President David Sullivan said in a statement. "This offer does not address the membership concerns, and the membership made their decision – we will continue to fight for a fair contract."

While Lockheed Martin met its delivery goal of 110 F-35s in 2024, deliveries of the F135 engine to Lockheed Martin have historically lagged their scheduled due date. In 2023, Pratt & Whitney did not deliver any F135 engines on time, with schedules slipping from the one-month average delay seen in 2022 to about two months, the Government Accountability Office said in a May 2024 report. To continue reading, please click <u>here</u>.

FAA License Update Brings SpaceX Closer to Next Starship Launch

SpaceX is a step closer to winning regulatory approval for its next Starship test flight, a critical launch after the previous two failed.

The Federal Aviation Administration announced late May 15 that it updated its launch license for Starship ahead of the vehicle's next launch. That update incorporated an environmental approval earlier this month allowing SpaceX to perform up to 25 launches per year from its Starbase facility in south Texas, five times the previous annual limit.

The FAA noted, though, that the license update alone does not allow SpaceX to conduct its next Starship launch, known as Flight 9. "SpaceX may not launch until the FAA either closes the Starship Flight 8 mishap investigation or makes a return to flight determination," the agency said in a statement. "The FAA is reviewing the mishap report SpaceX submitted on May 14."



On Flight 8 in March, Starship suffered what SpaceX called an "energetic event" in the aft section of the Starship upper stage during its ascent, causing several Raptor engines to shut down and the vehicle to lose attitude control. The vehicle reentered over the Caribbean.

That was similar to a failure on Flight 7 in January. SpaceX said shortly before the Flight 8 launch that the upper stage suffered a "harmonic response several times stronger in flight than had been seen during testing," stressing the propulsion system and creating propellant leaks that triggered fires. The FAA accepted those findings March 31.

At that time, neither the FAA nor SpaceX had disclosed details about the potential cause of the Flight 8 failure. The FAA stated then that Starship launches would not resume until either it accepted the Flight 8 mishap report or makes another determination that launches can safely resume.

SpaceX is moving ahead with preparations for Flight 9, including a long-duration static-fire test of the Starship upper stage May 13. The company said at the time that it was in "final preparations" for the launch. Airspace and maritime notices indicate a launch could take place as soon as May 22, pending FAA approval.

"Just before the Starship flight next week, I will give a company talk explaining the Mars game plan in Starbase, Texas," Elon Musk, chief executive of SpaceX, posted on social media May 13, adding that the talk will also be streamed online. To continue reading, please click here.

Boeing CEO Says Company is "Pretty Confident" it is Ready to Increase 737 MAX Output

Boeing is "pretty confident" that it can increase production of its best-selling 737 MAX jets to 42 a month, Chief Executive Kelly Ortberg said on Thursday.

The U.S. planemaker's share price jumped 5% after Ortberg said at the Bernstein Strategic Decisions conference that he hoped to have production at 47 a month by the end of 2025. He later corrected this to say he expects the company to be working with regulators by the end of the year on increasing the rate to that level, not to reach it.

Boeing is currently trying to stabilize production at 38 per month, where it was capped by the U.S. Federal Aviation Administration in 2024 after a midair accident put the planemaker's safety and production quality program under new scrutiny.

After the FAA approves Boeing increasing output to 42 a month, "we do have sub-



sequent rate increases in our plan," which will typically be in increments of five aircraft a month and at least six months apart, he said. Ortberg has previously stressed that production must be stable before any rate increase. Production defects on the 737 program are down by 30%, Ortberg said. "Virtually every one of our customers is reporting a higher quality of airplane at delivery." Increasing production is critical in getting Boeing back to being cash positive, which Ortberg has previously said he expects to achieve in the second half of the year. The company burned through \$2.3 billion in cash during the first quarter. "I think the financial performance will follow the production performance ... and I think we need to think about it that way," Ortberg said.

The company is making progress on certifying the smallest and largest MAX variants with the FAA, he said. The MAX 7 and MAX 10 have been delayed in part due to concerns with the engine de-icing system. The company should finish critical testing of its fix by July, allowing time to certify the aircraft by the end of the year, he said. Boeing's backlog includes nearly 1,200 orders for the 737 MAX 10 and 332 orders for the MAX 7. Ortberg also said that Chinese airlines are set to resume taking deliveries of Boeing aircraft in June. China had stopped taking deliveries in April in retaliation to tariffs imposed by President Donald Trump. Boeing expects the impact of the tariffs to be less than \$500 million, though it hasn't specified if this would be on sales or profit. Most of that impact will come from tariffs Boeing will have to pay for foreign-made components, installed on planes delivered to U.S.-based airlines and lessors, Ortberg said. The company is in the process of increasing 787 production from five to seven a month, which was recently approved by the FAA, a Boeing spokesperson told Reuters. After that, the company is eyeing a move to 10 a month, Ortberg said at the conference. To continue reading, please click <u>here</u>.

FAA Plans 787 Inspection For Non- Compliant Titanium

The FAA has proposed mandating Boeing-recommended inspections of about 100 787-9s and -10s for fuselage fittings that may be constructed from the wrong grade of titanium.

A draft rule published May 14 would require inspections of affected aircraft within 48 months. An alert requirements bulletin issued in February lists 97 787-9s and -10s as possibly having the noncompliant parts. All affected aircraft were manufactured from early 2016 through mid-2017.

According to the draft rule, certain pressure deck area fittings may have been installed that are made from an "incorrect" grade 1 or 2 titanium. The parts should be made from Grade 5 Ti-6AI-4V, which is stronger and has higher damage tolerance.

Boeing's proposed steps require a high frequency eddy current inspection or handheld X-ray fluorescence spectrometer inspection of the affected parts within 48

months. Any parts found that are made of the incorrect material must be replaced immediately. Certain fastener holes also must be inspected. The FAA's draft rule is based on Boeing's instructions.

Affected parts include pressure deck floor beam brackets and fittings at certain body stations. The pressure deck is located where the wings attach to the fuse-lage and separates the pressurized cabin and unpressurized wheel well.

Boeing's bulletin and the proposed mandate stem from "reports of multiple supplier notices of escapement" reporting that the parts may have been manufactured with incorrect material, the draft rule said.

Neither the FAA draft rule nor the Boeing bulletins identify suppliers involved. Boeing declined to comment.

Boeing in 2021 reported a series of parts supplied by Leonardo, including floor beam fittings and brackets, were made out of non-conforming titanium. The FAA ordered inspections of more than 450 787-9s and -10s as a result. Leonardo said a sub-tier supplier was responsible for the affected parts. To continue reading, please click <u>here</u>.

GEVernova's "Power Plant on Wheels" is Expected to Bring Fast, Reliable Power to Mitigate Power Shortages in the Caribbean

GE Vernova Inc (NYSE: GEV) announced its trailer mounted TM2500* mobile aeroderivative solution is expected to bring fast and reliable power at the Bahamas to support possible peak summer demand and mitigate power shortages. Surpassing all previous records, more than 9,6 million tourists visited the island in 2023, with a relevant impact on power demand since the country has only about 400,000 inhabitants. Bahamas Turbines Limited (BTL), a subsidiary of FOCOL Holdings Limited, ordered two TM2500 aeroderivative gas turbine packages to expand temporarily its Clifton Piers power plant located in New Providence Island, Bahamas.

"Electricity is a necessity that adds massive value to modern life: our aeroderivative

mobile solutions can provide power fast and almost anywhere, on or off the grid," said Dave Ross, CEO of GE Vernova's Gas Power business in the Americas. "As a company with a strong commitment to Caribbean and Central America's development and a presence of over fifty years in the region, we are proud to help BTL increase their generation capacity and work towards providing more reliable power for their growing communities and crucial tourism sector."

Despite its renewable potential, the Caribbean has a long history of fossil-fuel dependency and utilizes heavy fuel oil (HFO) and diesel for most of their power generation. Solar energy has always been another alternative of power for The Bahamas, but in order to make it reliable, it requires a very stable grid to connect to.

"Building on GE Vernova's ability to support the growing need for fast power through the immediate availability for shipment of their TM2500 aeroderivative mobile gas turbine and plant equipment, we turned to GE Vernova as technology of choice for our needs for fast, flexible, and mobile power," said Dexter Adderley, President & Chief Executive Officer FOCOL Holdings Limited. "As more renewables come online and introduce intermittency into the grid, the deployment of GE Vernova's trailer mounted aeroderivative gas turbine package expected to deliver up to 30 megawatts (MW) of electricity can support the improvement of frequency control of the grid. Two additional units will help reduce power outages and eventually facilitate the connection of more renewable generation."

GE Vernova's aeroderivative solutions are helping power plant operators in the region, like BTL, transition from HFO to a solution that can burn less carbon emitting fuels, like natural gas or diesel. GE Vernova's TM2500 units offer high flexibility to support the grid. Each TM2500 unit can reach full production capacity in few minutes, which enables power providers to increase power generation quickly to help meet peak demand and ramp down units to avoid wasting energy when demand is lower. To continue reading, please click <u>here</u>.





UPM FOCUS

UPM Employee Highlight: Chad Winterhalter, Territory Manager

Recently, Chad Winterhalter joined the UPM team as a Territory Manager. In this role, Chad works closely with the Inside Sales Team to grow sales, establish customer relationships, and and continue to expand towards new businesses. Chad is responsible for covering the entire state of Michigan, as well as parts of Ohio, Pennsylvania, New York, West Virginia, and Eastern Canada. When speaking with Chad, he shared, "I look forward each day to helping customers with whatever their needs may be. My favorite part is being able to identify a situation the customer has or has been having and putting solutions in place to solve the problem and then watching the customers entire outlook change. It's always a great day when you can make a positive lasting impression with a customer."



Before joining the UPM team, Chad has had extensive experience in sales and in the

metals industry. Chad was with Copper & Brass Sales for 11 years, where he helped hunt for prospect customers that were looking to grow or do business for the first time. In this position, Chad won the Sales Presidents Club Award two years in a row based on growth across the entire organization in the United States. After this, Chad worked as an Outside Sales Representative at Edro Specialty Steels, where he covered the westen half of Michigan from north to south. In this position, Chad learned extensive knowledge on the mold and automotive industries. When Chad saw the opening for United Performance Metals, he was excited to join and reflected on UPM's great reputation and customer service when he had previously purchased material from UPM during his time with Copper & Brass Sales.

Chad was born and raised in western Michigan, where he currently resides alongside his three children. Chad enjoys playing recreational beach volleyball, running and working out, and trying to get better at tennis. When Chad was 18, him and his brother played in the Junior Olympic Beach Volleyball Tournament where they took home the bronze medal.

United Performance Metals is thrilled to have Chad joined our expanding company and provide knowledgable insight and customer service to his territory.

UPM Employee Highlight: Ron Lamendola, Business Development Manager

Ron Lamendola recently joined the United Performance Metals team as a Business Development Manager. In this role, Ron is focused on precision thin gauge strip, which is processed out of UPM's Wallingford, CT facility. Ron looks forward to playing a role in the growth of the precision thin gauge strip product line and hopes to see this product continue to expand UPM's portfoliio of product offerings.

Before joining UPM, Ron has held many esteemed roles throughout the metals industry. After graduating from Allegheny College in Meadville, PA, Ron accepted a sales position with Pennzoil in Los Angeles, CA. After a few years, he moved to Philadelphia, where he worked for Sunoco for 10 years in various roles including Field Sales, Market Development, and Supply Chain Management. Then, in 1996, Ron accepted a position with ATI working with precision rolled strip. His time with ATI started in Philadelphia but soon relocated to Los Angeles as a District Manager. Over a 29-year career at ATI, Ron held various positions



including Regional Sales Manager, Strip Marketing Manager, General Manager of ATI West, Inside Sales Manager, as well as Territory Manager and Business Development for the Automotive Market. After having worked with United Performance Metals over several years, including the initial relationship with Ferguson Metals, Ron came to appreciate the professionalism and vision of UPM.

Ron was born and raised in Pittsburgh, PA. He has been married for 35 years and has four wonderful children. In his free time, Ron enjoys hunting, fly fishing, golfing, and biking.

United Performance Metals is excited for the addition of Ron to our business development team and look forward to seeing him thrive in the precision thin gauge strip business.