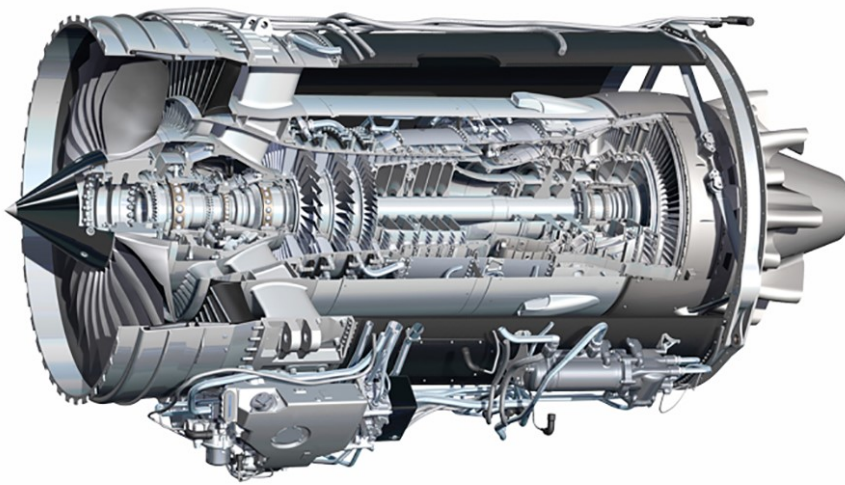




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The UPM Market Informer



AUGUST, 2020

Inside This Issue

UPM Power Generation.....	2
Surcharge Update.....	2
Honeywell in Phoenix.....	3
Semiconductor Investments.....	3
Tesla Manufacturing in Texas.....	4
Raytheon Torpedo Contract.....	4

Rolls-Royce Formally Enters B-52 Re-Engining Competition

Rolls-Royce formally entered the competition to re-engine the B-52 as expected, offering its F130 engine already in use in some USAF aircraft to power the bomber.

The Air Force on May 19 issued its request for proposals for the B-52 Commercial Engine Replacement Program, with responses due on July 22 and a contract award expected in June 2021. In addition to Rolls-Royce, GE Aviation and Raytheon Technologies' Pratt & Whitney will compete for the award.

The service wants to buy 608 engines for 76 B-52s to keep the bomber flying through 2050. The bomber currently uses Pratt & Whitney TF33 engines, and the service is calling for fuel efficiency savings of about 30 percent and an increase in range of up to 40 percent.

Rolls-Royce, in a July 22 statement, said the F130 engine has "the perfect size and thrust, and features a modern, efficient, and proven design." The engine, a variant of the BR725 commercial engine, is in use in E-11s and C-37s.

GE Aviation is offering the CF34-10 and Passport engines, touting that the company has already done re-engining for the KC-135, C-5, and U-2 programs along with providing engines for the B-1 and B-2 fleets. Pratt & Whitney is offering the PW800 engine, and the company has said it has expertise on the B-52, having provided the legacy powerplant. *Source: Air Force Magazine Photo: Rolls Royce*

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Surcharge Totals May - October 2020

	May	Jun	Jul	Aug	Sep	Oct
15-5	0.4160	0.4464	0.4620	0.4637	*	*
15-7	0.5733	0.6263	0.6320	0.6105	*	*
17-4	0.4096	0.4386	0.4540	0.4563	*	*
17-7	0.5000	0.5405	0.5608	0.5635	*	*
201	0.4093	0.4385	0.4493	0.4405	*	*
301 7.0%	0.4952	0.5350	0.5548	0.6785	*	*
302/304/304L	0.5416	0.5846	0.6072	0.5569	*	*
304-8.5%	0.5603	0.6052	0.6292	0.6120	*	*
305	0.6958	0.7532	0.7871	0.8015	*	*
309	0.7269	0.7838	0.8177	0.8326	*	*
310	1.0068	1.0884	1.1421	1.1741	*	*
316/316L	0.7222	0.7874	0.8030	0.7902	*	*
316LS/316LVM	1.0000	1.0500	1.0800	*	*	*
317L	0.8391	0.9149	0.9270	0.9058	*	*
321	0.5700	0.6168	0.6422	0.6492	*	*
347	0.8798	0.9266	0.9520	0.9590	*	*
409/409 Mod	0.1774	0.1929	0.1929	0.1774	*	*
410/410S	0.1842	0.1996	0.1996	0.1842	*	*
430	0.2243	0.2389	0.2389	0.2243	*	*
434	0.2707	0.2908	0.2860	0.2631	*	*
439	0.2330	0.2474	0.2474	0.2330	*	*
440A	0.2243	0.2389	0.2389	0.2243	*	*
2205	0.6637	0.7179	0.7135	0.6785	*	*
263	5.2228	5.2107	4.8689	4.6223	4.5819	4.5415
276	5.1574	4.9677	4.4746	4.3545	4.5443	4.5846
A286	1.4352	1.3310	1.2250	1.1963	1.2611	1.3262
330	1.8297	1.6758	1.5422	1.5141	1.5934	1.7000
400	3.3901	3.0570	2.6813	2.6200	2.7798	3.0520
455	0.6300	0.6500	0.6800	*	*	*
465	0.7300	0.7700	0.7900	*	*	*
600	3.6428	3.3252	3.0087	2.9608	3.1118	3.3344
601	3.1306	2.8700	2.6280	2.5877	2.7129	2.8952
617	5.0724	4.9474	4.5508	4.3728	4.4409	4.4718
625	5.5849	5.3620	4.9912	4.9088	5.0677	5.1746
718	5.4381	5.2293	4.9757	4.9239	5.0456	5.1730
X-750	4.2001	3.8914	3.5856	3.5389	3.6860	3.9024
825	2.4121	2.2527	2.0533	2.0068	2.1070	2.2015
HX	3.3542	3.1887	2.8722	2.7909	2.9228	2.9887
188	6.8200	6.3500	5.9700	*	*	*
CCM	7.9400	7.0000	6.5400	*	*	*
L-605	7.9300	7.3300	6.8100	*	*	*

*Surcharge currently not available

Honeywell Opens New T55 Engine Maintenance Center in Phoenix

Honeywell has secured approval from the U.S. Army through a product verification audit and opened a state-of-the-art T55 Repair and Overhaul Center of Excellence facility near its Honeywell Aerospace headquarters in Phoenix.

Honeywell's new Center of Excellence for T55 helicopter engine maintenance optimizes operations and enhances support for the U.S. Army and international customers. By co-locating the T55 engine's engineering, production, repair and overhaul, Honeywell has significantly improved operating efficiencies and performance for many of its customers.

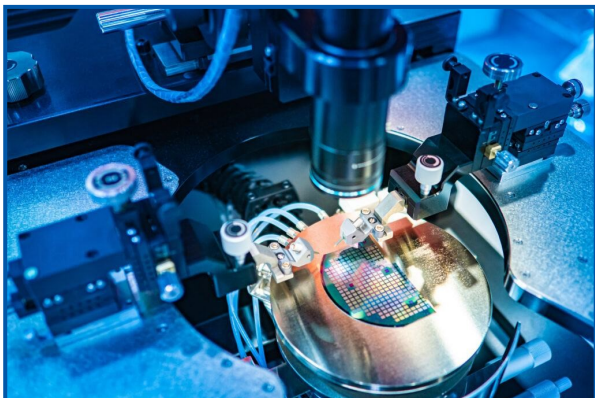


This new facility benefits T55 customers by aligning the repair and overhaul activities for the engine with new engine production. This move creates a larger pool of Honeywell's highly trained technicians who can share their knowledge to improve repair and overhaul turn times. Having these technicians co-located with the engineering team also allows for enhanced troubleshooting and direct feedback to help inform future product upgrades. Honeywell has also launched a supplier improvement initiative to ensure on-time delivery of materials to support the expanded capacity.

Honeywell's T55 engine has supported the CH-47 Chinook helicopter for nearly 60 years. During that time, Honeywell has produced more than 6,000 T55 engines, which have logged about 12 million hours of operation. There are over 900 CH-47 Chinook helicopters being operated today by various international and domestic military organizations, making the efficient and fast maintenance of the T55 engine a priority. The new location allows Honeywell to improve current support for T55 engines while preparing for surge capacity to ensure quick and flexible reactions to the needs of the U.S. Army and international customers. *Source: Intelligence Aerospace*

Federal Investments in U.S. Semiconductor Manufacturing, Research Gain Steam in Congress

The Semiconductor Industry Association (SIA) released the following statement today from president and CEO John Neuffer in response to congressional action in support of U.S. semiconductor manufacturing and research. The House today passed the National Defense Authorization Act (NDAA), legislation that includes an amendment calling for the establishment of a federal grant program to promote semiconductor manufacturing, as well as federal investments in semiconductor research. The amendment was offered by a bipartisan group of House members led by Reps. Doris Matsui (D-Calif.) and Michael McCaul (R-Texas). Separately, the Senate today approved a similar amendment to its version of the NDAA by a vote of 96-4. The amendment was offered by a bipartisan group of senators led by Sens. John Cornyn (R-Texas), Mark Warner (D-Va.), Tom Cotton (R-Ark.), and Chuck Schumer (D-N.Y.).



"Congress has a strategic opportunity to strengthen U.S. semiconductor manufacturing and research, two crucial drivers of America's economic strength, national security, and supply chain resilience. Today's votes are important steps in the right direction and show there is broad, bipartisan support in Congress for bold semiconductor manufacturing incentives and research investments. We applaud House passage of the NDAA with the Matsui-McCaul amendment, as well as Senate approval of the Cornyn-Warner-Cotton-Schumer amendment, and commend the leadership of the amendments' sponsors. We urge Congress to use today's votes as a springboard to enacting final legislation that helps keep America on top in chip technology." *Source: The Semiconductor Industry*

Tesla to Build its Largest Auto Assembly Plant Near Austin, Texas



Tesla is heading to Texas to build its largest auto assembly plant, CEO Elon Musk announced during the electric car company's Q2 earnings call on Wednesday. Musk said that work is already underway on building the 2,100-acre site. The factory will be in Travis County, near Austin, and will employ at least 5,000 people with a minimum wage of \$15 per hour, according to the Associated Press. Tesla has said it will invest \$1.1 billion.

Musk described the new gigafactory as "an ecological paradise" on the Colorado River, complete with a

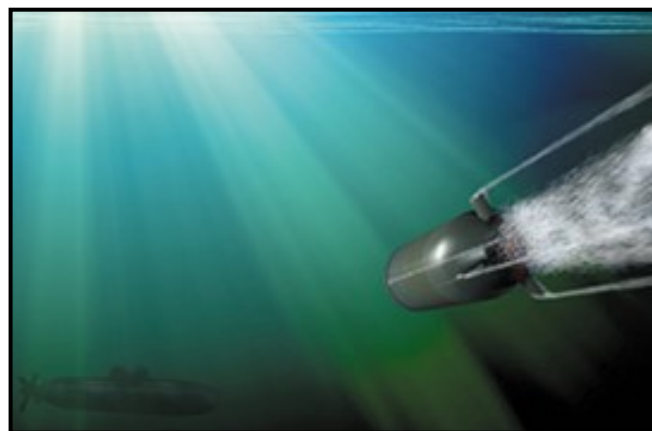
boardwalk and a biking and hiking trail. He said the site will be open to the public. The company will use the site to build its new Cybertruck pickup, as well as the Model Y small SUV. Musk said that the company will produce "a lot" of vehicles in the "long term." On its website, Tesla says Cybertruck production will begin in late 2021.

Over the next 10 years, Tesla will receive more than \$60 million in tax breaks from the federal government and a local school district, according to the AP. Texas Governor Greg Abbott welcomed Tesla to the state, saying the company is "one of the most exciting and innovative companies in the world, and we are proud to welcome its team to the State of Texas."

"Texas has the best workforce in the nation and we've built an economic environment that allows companies like Tesla to innovate and succeed," Abbott said in a press release. "Tesla's Gigafactory Texas will keep the Texas economy the strongest in the nation and will create thousands of jobs for hard-working Texans. I look forward to the tremendous benefits that Tesla's investment will bring to Central Texas and to the entire state." [Read more](#) Source: CBS News Photo: Ben Margot

Raytheon Technologies Gets \$88M Modification on Navy Torpedo Component Production Contract

Raytheon Technologies (NYSE: RTX) has secured an \$88M U.S. Navy contract modification to manufacture common part kits and spare components for MK54 lightweight torpedoes designed to track and attack underwater targets. The modification includes foreign military sales to Australia, Canada, Denmark, Spain and South Korea, the Department of Defense said Wednesday.



The Navy will obligate the full value of the award from weapons procurement and FMS funds, with \$217,394 of the obligated amount expiring at the end of the current fiscal year. Ninety-five percent of work will take place in Rhode Island and the remaining 5 percent in Keyport, Wash. DoD expects the company to complete services by May 2023. The MK 54 torpedo employs processing algorithms to analyze data and remove false targets before the system pursues identified targets.

Source: GovConWire Photo: Raytheon Technologies