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The UPM Market Informer

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Alaska Airlines to Lease 13 New Boeing 737 MAX Jets

Alaska Airlines says it will sell 10 Airbus A320s and lease 13 new Boeing 737-9 MAX aircraft to modernize its fleet. The sale and leases are part of an agreement with Air Lease Corporation. “We found an opportunity to sell 10 planes that are not in our long-term plans and replace them with 13 of the most efficient narrow-body aircraft available,” said Brad Tilden, Alaska Air Group chairman and CEO.

The new MAX jets will be delivered from the fourth quarter of 2021 through 2022. According to the airline, the new MAX jets are 20 percent more fuel efficient and generate 20 percent less carbon emissions per seat than the Airbus A320s they will replace.

The 737-9 MAX can also fly 600 miles farther than Alaska’s current A320, which could lead to more nonstop routes and new destinations, Alaska said. The 13 leased Boeing planes are in addition to the 32 MAX Alaska currently has on order with Boeing. Five of those are expected to be in the air by summer of next year. Alaska said it will begin flying the 737-9 MAX in March. *Source: KIRO 7 news staff Photo: The Boeing Company*

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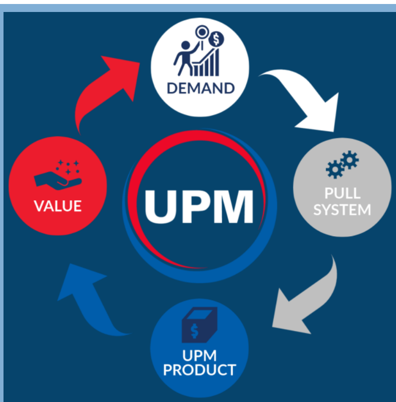

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Surcharge Totals Sep 2020 - Feb 2021

	Sep	Oct	Nov	Dec	Jan	Feb
15-5	0.4792	0.5133	0.5069	0.5308	*	*
15-7	0.6376	0.7062	0.7024	0.7496	*	*
17-4	0.4700	0.5015	0.4959	0.5184	*	*
17-7	0.5951	0.6478	0.6360	0.6734	*	*
201	0.4570	0.4944	0.4883	0.5150	*	*
301 7.0%	0.5874	0.6390	0.6277	0.6641	*	*
302/304/304L	0.6481	0.7052	0.6922	0.7333	*	*
304-8.5%	0.6738	0.7340	0.7201	0.7636	*	*
305	0.8591	0.9395	0.9200	0.9798	*	*
309	0.8906	0.9705	0.9510	1.0107	*	*
310	1.2700	1.3904	1.3595	1.4518	*	*
316/316L	0.8363	0.9251	0.9156	0.9791	*	*
316LS/316LVM	1.1800	1.2300	1.2700	*	*	*
317L	0.9573	1.0616	1.0538	1.1283	*	*
321	0.6906	0.7537	0.7391	0.7849	*	*
347	1.0005	1.0635	1.0489	1.0947	*	*
409/409 Mod	0.1696	0.1813	0.1813	0.1852	*	*
410/410S	0.1765	0.1881	0.1881	0.1919	*	*
430	0.2170	0.2280	0.2280	0.2316	*	*
434	0.2556	0.2739	0.2765	0.2850	*	*
439	0.2258	0.2366	0.2366	0.2402	*	*
440A	0.2170	0.2280	0.2280	0.2316	*	*
2205	0.6995	0.7700	0.7718	0.8197	*	*
263	4.5819	4.5415	4.5356	5.0112	5.3020	5.4636
276	4.5443	4.5846	4.6333	5.0723	5.3060	5.4743
A286	1.2611	1.3262	1.3895	1.5397	1.6044	1.6546
330	1.5934	1.7000	1.8123	2.0237	2.1005	2.1668
400	2.7798	3.0520	3.3636	3.7780	3.9412	4.0608
455	0.7400	0.7700	0.7900	*	*	*
465	0.8900	0.9100	0.9500	*	*	*
600	3.1118	3.3344	3.5831	4.0314	4.1811	4.3195
601	2.7129	2.8952	3.0976	3.4642	3.5880	3.7014
617	4.4409	4.4718	4.5289	5.0047	5.2617	5.4271
625	5.0677	5.1746	5.2960	5.7021	5.8839	6.0267
718	5.0456	5.1730	5.3134	5.6402	5.7691	5.8770
X-750	3.6860	3.9024	4.1440	4.5797	4.7254	4.8600
825	2.1070	2.2015	2.3032	2.5553	2.6628	2.7475
HX	2.9228	2.9887	3.0624	3.3957	3.5583	3.6791
188	6.3400	6.6600	6.7200	*	*	*
CCM	6.8400	7.3000	7.4100	*	*	*
L-605	7.1300	7.4900	7.5500	*	*	*

*Surcharge currently not available

Here Are The Six Locations That Could Host The New US Space Command

Six locations have survived the first round of cuts and are still in under consideration to become the new headquarters for U.S. Space Command, the Air Force announced Thursday.

The six locations include four Air Force installations — Kirtland Air Force Base in New Mexico, Offutt AFB in Nebraska, Patrick AFB in Florida, and Peterson AFB in Colorado — as well as Redstone Army Airfield in Alabama and Port San Antonio in Texas, which was home to the former Kelly Air Force Base and currently hosts Air National Guard and reserve operations.

The new headquarters is expected to host 1,400 military and civilian personnel. Beyond that, the new command will probably prove a draw for major space industry players and government contractors — all things that could benefit a region's economy and drive up employment numbers.

The Air Force plans on selecting a final Space Command headquarters location in early 2021. Until then, Peterson AFB remains the interim headquarters. *Source: Valerie Insinna for Defense News*
Follow this link for the complete story

UK Defense Secures Largest Investment Since the Cold War

The prime minister has announced an investment of £16.5bn over four years into the UK's armed forces, a commitment that marks the biggest financing of defense since the Cold War.

This increase for UK defense – amounting to £24.1bn when combined with the government's manifesto commitment of 0.5 per cent per year - will create up to 1,000 jobs across the UK as the nation 'builds back better' from the COVID-19 pandemic. The investment will fund a significant expansion of Royal Navy vessels to create the biggest surface fleet of modern warships in Europe, and an additional £1.5bn will be poured into military research, which will include the Future Combat Air System.

Also announced by the PM was a new agency dedicated to Artificial Intelligence, the creation of a National Cyber Force and a new 'Space Command' aiming to protect the UK's interests in space and control the UK's first satellite launched from a UK rocket by 2022. The National Cyber Force partnership between the Ministry of Defense and GCHQ will conduct cyber operations, from countering terror plots to supporting military operations.

Paul Everitt, chief executive of ADS Group, commented: "This investment will boost our national security, help the UK address new and rapidly evolving threats by developing innovative world-class equipment, and support our economic recovery. The commitment to key projects will embed high-value design and manufacturing skills in all regions and nations of the UK for decades to come.
"It is important that the procurement regime delivers quickly and in a manner that prioritizes UK industrial impact, aiding planning and clarity and helping to build back better."

Other technologies planned for UK defense development include autonomous vehicles, swarm drones and battlefield awareness systems.

Chief of the Defense Staff, General Sir Nick Carter, said: "This multi-year settlement is very welcome for the armed forces. It funds a pathway to modernization and the digital force we need for the 2030s, integrated across the domains of maritime, air, land, cyber and space." *Source: The Engineer*

U.S. Manufacturing, Services Activity Expanding Rapidly in November: IHS Markit

U.S. business activity expanded at the fastest rate in more than five years in November led by the quickest pickup in manufacturing since September 2014, a survey showed on Monday in an indication the economy keeps making progress at clambering out of the COVID-19 recession even as infections surge.

IHS Markit's manufacturing and services sector purchasing managers' indexes both topped even the most optimistic forecasts in a Reuters poll that predicted both would level off, offering a counterweight to data suggesting economic momentum was slackening after the third-quarter's torrid rebound from an historic plunge last spring. The readings also offered one of the first pictures of the state of the U.S. economy after a presidential election three weeks ago in which Democrat Joe Biden beat incumbent Republican President Donald Trump.

"The upturn reflected a further strengthening of demand, which in turn encouraged firms to take on staff at a rate not previously seen since the survey began in 2009," IHS Markit Chief Business Economist Chris Williamson said in a statement.

Markit's manufacturing index climbed to 56.7 from 53.4 in October, above the median forecast in a Reuters economists' poll of 53. A reading above 50 indicates expansion. The services index, meanwhile, rose to 57.7 - the highest since April 2015 - from 56.9 a month earlier. The Reuters poll had pegged the expectation at 55.0.

Markit's composite index - a blend of the manufacturing and services readings - increased to 57.9 from 56.3 in October. It was also the highest since April 2015. Markit said its sub index for employment also rose at a record pace as well, potentially welcome news in a U.S. job market that still features more than 10 million people without work who had been employed before the COVID-19 pandemic erupted in the first quarter.

With the election now over and subsequent news of successful COVID-19 vaccine candidates, Markit said survey respondents were the most optimistic about the year ahead since May 2014. Nonetheless, Markit's survey results about current activity are at odds with a number of other recent readings on the U.S. economy that are far less favorable as a result of a resurgence in COVID-19 that has lead to record after record of new daily infections and rising deaths.

Last week, October retail sales reported from the Commerce Department showed the weakest increase in six months, while the Labor Department reported the first weekly increase in new claims for unemployment benefits in a month.

Meanwhile, a clutch of high-frequency indicators tracked by economists for a real-time reading on activity showed further signs of flattening out. It is clear the U.S. economy in the fourth quarter will come nowhere close to matching 33.1% annualized growth rate in gross domestic product posted in the July to September period, but just how much it has slowed remains less certain. The Atlanta Federal Reserve's "GDPNow" model currently estimates activity in the current quarter expanding at a 5.6% annualized rate. *Source: Reuters*

Medical Device Manufacturer Awarded Military Contract

Batesville-based Hill-Rom Holdings Inc has secured a major contract from the U.S. Department of Defense. The $48M contract calls for medical equipment and accessories for the Defense Logistics Agency electronic catalog.

Hill-Rom was one of 135 bids submitted for the five-year contract. All work will be done in Batesville for the Army, Navy, Air Force and Marine Corps.

The contracting activity is the Defense Logistics Agency Troop Support in Philadelphia, Pennsylvania. *Source: Reed Parker for Inside Indiana Business*

Phoenix Okays Development Deal with TSMC for $12 Billion Chip Factory

City officials in Phoenix, Arizona on Wednesday unanimously voted to authorize a development agreement with chipmaker Taiwan Semiconductor Manufacturing Co that would provide $205 million in city funds for infrastructure such as roads and water improvements for a planned $12 billion semiconductor factory in the city.

TSMC is the world's biggest contract chipmaker and manufactures semiconductors for Apple Inc, Qualcomm Inc and a range of other technology companies. The company in May disclosed its intentions to build a 5-nanometer chip factory in Arizona, which would be its first advanced manufacturing facility in the United States. Earlier this month it approved an investment to set up a wholly owned subsidiary in the U.S. state with paid-in capital of $3.5 billion.

The Phoenix City Council voted to allow the city to enter the agreement by a vote of 9-0. Ahead of the vote, Phoenix Mayor Kate Gallego called the agreement "a great success across so many levels of government in helping Arizona become a leader in advanced manufacturing."

Under the agreement, TSMC will build a new factory and create 1,900 new full-time jobs to be phased in over a five-year period. Construction would start in early 2021, with factory production expected in 2024.

In return, the city will build three miles of streets for $61 million, spend $37 million on water infrastructure improvements and $107 million in wastewater improvements. The company will enter a formal deal with the city after selecting a site, which is expected before the end of the year.

Based in Hsinchu, Taiwan, TSMC has said it also hopes for U.S. federal subsidies to help cover the extra cost of building chips in the United States. Most of the world's advanced semiconductors are manufactured in Taiwan, including those used in U.S. military equipment, which has become a cause for concern as tensions increase between the United States and China.

American lawmakers in June proposed billions of dollars in subsides to help bolster advanced semiconductor manufacturing in the United States. Those funds could benefit both TSMC as well as U.S. firms such as Intel Corp and Micron Technology Inc. Source: *Stephen Nellis for Reuters*