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Boeing Wins Lucrative Huey Replacement Competition

The U.S. Air Force has awarded a long-awaited $375 million firm-fixed-price contract to Boeing for up to 84 helicopters to guard U.S. nuclear missile sites and transport VIPs around the nation's capital, taking over the job from the aging Bell UH-1N.This is the first installment of $2.38 billion the service will spend on the effort. The Air Force's original cost estimate was $4 billion for the program. The first delivery is anticipated for fiscal 2021.

"Strong competition drove down costs for the program, resulting in $1.7 billion in savings to the taxpayer," Air Force Secretary Heather Wilson says.

The contract was slated to be awarded in June but was delayed because Sikorsky filed a pre-award bid protest with the U.S. Government Accountability Office (GAO) over the service's data requirements for the UH-1N Huey replacement. In May, GAO dismissed Sikorsky's protest.

There were three competitors: Boeing with the MH-139; Sikorsky with the HH-60U; and Sierra Nevada Corp. with refurbished UH-60Ls. The MH-139 is a missionized version of the Leonardo AW139. Leonardo produces civil versions in Italy and Russia, but also in Philadelphia, where the MH-130 will be assembled.

The Air Force initially wanted to buy former Army UH-60As that would be refurbished and upgraded, and then considered purchasing new M-model Black Hawks in a sole-source contract from Sikorsky as part of the Army's multiyear contract. Under pressure from Congress, the Air Force decided to conduct a full and open competition. *Source: Lee Hudson, Aerospace Daily & Defense Report*

TITANIUM USA 2018

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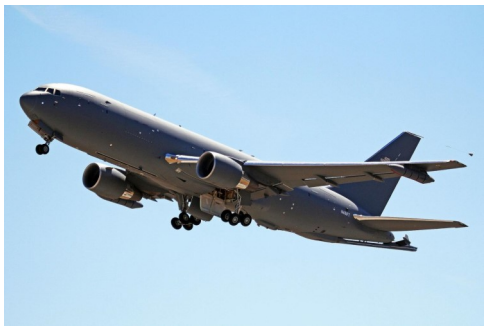
Forget the F-35: This Is the Plane the Air Force Desperately Needs



Last week, the KC-46 Pegasus aerial refueling aircraft passed one of its two final milestones prior to entering service with the U.S. Air Force. The Federal Aviation Administration (FAA) granted the platform a supplemental type certificate. The KC-46 had previously received the FAA's amended type certificate which addressed its basic airworthiness and performance. This second certificate addresses the aircraft's refueling and mission avionics systems. While the Pegasus still must be granted its military type certificate, which covers specialized military functions and systems, all testing required for this certificate has been accomplished.

Now nothing stands in the way of the KC-46 entering service. This is a rather remarkable achievement for a program that only began in 2011 and which even late last year was struggling to resolve problems with parts of its refueling system. The Air Force is now scheduled to receive its first production tanker this month with the remaining 17 aircraft required under the original contract to be delivered no later than April 2019.

The KC-46 is primarily intended to replace the aging KC-135 Stratotanker. The KC-46 will be a substantial improvement over the KC-135 regarding the amount of fuel it can deliver and its cargo capacity. Equally important, the maintenance costs associated with the KC-135 are becoming prohibitive. One reason the Air Force began pursuit of a new tanker at the turn of the millennium is that it could see the writing on the wall concerning the costs of maintaining the KC-135 fleet. Since 2001, with the expansion of global air operations as part of the war on terror, the tanker fleet has been employed more intensively than had been anticipated with a resulting increase in wear and tear on the aircraft and a sharp rise in maintenance costs.

The challenge posed by sustainment costs is the primary reason why the Air Force plans to begin its recapitalization of the tanker fleet by retiring its 58 KC-10 Extenders, even though this aircraft is newer and more capable than the KC-135. While the KC-10s continue to perform well, the higher total cost of ownership associated with the relatively small size of this fleet dictated the Air Force's decision to retire them.

With its expanded operational envelope, fuel capacity and ability to service multiple aircraft simultaneously, the KC-46 will multiply the operational effectiveness of Air Force, Navy and Marine Corps assets. In addition, the KC-46 will be able to provide critical refueling support to allied nations in Europe, the Middle East and East Asia.

The KC-46 is entering service in the nick of time. In an era in which great power competition has re-emerged as the primary focus of U.S. national security planning, the demands on air mobility assets overall, but refueling tankers, in particular, are certain to increase. The current head of U.S. Transportation Command, General Darren McDew, testified recently before Congress that the current operating tempo for the tanker fleet requires a fleet of 1,000 aircraft. *Source: Dan Goure, The National Interest*

Advance Power Selects GE's Industry Leading HA Gas Turbine Technology for South Field Energy in Wellsville, Ohio

- **Project will utilize GE's record-setting 7HA gas turbine technology manufactured and tested in Greenville, SC**
- **HA gas turbine technology will help produce the equivalent electricity needed to power approximately one million homes upon project completion in 2021**
- **South Field Energy to create 1,000 local construction jobs during its peak period**

Excess Capacity Front and Center at Paris Global Steel Forum

Overcapacity was the word of the day at the Global Forum on Steel Excess Capacity last week. The forum, which took place Sept. 20 in Paris, brought together the world's biggest steel-producing nations.

"The global challenge of overcapacity has strained trade relations and the global trade architecture to its breaking point," E.U. Trade Commissioner Cecilia Malmström said. "Progress in this Forum at this sensitive time demonstrates that multilateral cooperation is not only possible, but that it is actually the best tool to tackle global challenges. Putting this agreed package in place is something that the European Union will now follow closely. Our workforce and our industry depend on these commitments being carried out."

Vice-President for Jobs, Growth, Investment and Competitiveness Jyrki Katainen added: "This sends a clear message: we will not repeat the costly mistakes of the past, and must tackle excess capacity and its root causes to avoid dire social, economic, trade and political consequences in the future. This will protect growth and jobs in an efficient, sustainable EU steel industry. A lot of work lies ahead though and all members of the Global Forum will have to continue implementing their commitments resolutely and report to G20 Leaders."

The Paris meeting built on last year's meeting in Berlin, during which members agreed to embark on a package of reforms to address global steel overcapacity. According to the European Commission statement, the members will assess subsides contributing to overcapacity by the end of the year and "identify further reductions to be taken" in 2019.

In other steel news, the European Commission statement refers to the U.S.'s Section 232 tariffs, which impact steel and aluminum, calling them "unjustified." While a select few countries have negotiated exemptions and quotas with respect to the tariffs, the EU remains subject to the tariffs.

"The Commission has acted among others through trade defense, imposing antidumping and anti-subsidy duties, to shield the EU's steel industry from the effects of unfair trade," the release stated. "The EU currently has an unprecedented number of trade defense measures in place targeting unfair imports of steel products, with a total of 53 anti-dumping and anti-subsidy measures. The EU has also activated all legal and political tools at its disposal to fight unjustified US 232 measures." *Source: Fouad Egbaria, Metal Minor Photo Gui Yong Nian, Adobv Stock*

UTC, Rockwell Collins Near Tie Up Following Safran Deal

United Technologies Corp. (UTC) is still hoping to close on its $30 billion acquisition of Rockwell Collins by month's end now that it has found a buyer for an overlapping actuators business, UTC CEO Greg Hayes told analysts on September 14. Speaking during an annual Morgan Stanley conference, Hayes conceded that the Rockwell Collins acquisition process has taken 'a little longer' than anticipated and that 'there is still a little work to do." He pointed to a problem with one of the business divestitures as part of the hold-up.

"It's just taken us longer to find a buyer for one of the businesses that Rockwell has," he said, adding "That's behind us now," noting the announcement that came out earlier this month that Safran had signed an agreement to acquire Rockwell Collins's actuators, pilot controls, and special products business. *Continued on page 4*

UTC, Rockwell Continued:

That sale is expected to finalize in the first half of next year.

Hayes added, "I think we have answered all the questions from all the regulatory agencies." noting that he believes that necessary approvals from Chinese authorities should come shortly after U.S. Department of Justice clearance. The merger of the two aerospace giants received European approval this past spring.

Once concluded, Hayes added, the acquisition "gives us tailwind into next year." He reiterated the contention that the "deal looks a heck of a lot better than it did 12 months ago." Following the acquisition, UTC's $20 billion business is expected to swell to $50 billion, likely by 2020. He added that the teams have already identified $50 million in cost synergies.

Kelly Ortberg, currently president and CEO of Rockwell Collins, will lead the combined Collins Aerospace businesses and David Gitlin, currently president of UTC Aerospace Systems, will be COO of the newly combined business Hayes said, adding the two have "done a tremendous job in preparing the Collins and aerospace systems business of UTC to hit the ground running as soon as we close." *Source: Kerry Lynch, AIN Online*

For more on this story, https://bit.ly/2Ocvi86

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Surcharge Totals July 2018— December 2018

	Jul	Aug	Sep	Oct	Nov	Dec
15-5	0.6097	0.5897	0.5682	0.5229	*	*
15-7	0.8718	0.8335	0.8372	0.7808	*	*
17-4	0.6014	0.5803	0.5617	0.5165	*	*
17-7	0.7447	0.7137	0.6843	0.6219	*	*
201	0.6091	0.5871	0.5672	0.5178	*	*
301 7.0%	0.7367	0.7067	0.6780	0.6159	*	*
302/304/304L	0.8048	0.7699	0.7376	0.6700	*	*
304-8.5%	0.8332	0.7959	0.7618	0.6922	*	*
305	1.0375	0.9834	0.9368	0.8523	*	*
309	1.0767	1.0223	0.9760	0.8864	*	*
310	1.4967	1.4086	1.3372	1.2164	*	*
316/316L	1.0930	1.0378	1.0291	0.9556	*	*
316LS/316LVM	1.4200	1.3200	1.3500	1.2400	*	*
317L	1.2708	1.2053	1.2084	1.1275	*	*
321	0.8500	0.8103	0.7744	0.7043	*	*
347	1.5696	1.1199	1.0840	1.0139	*	*
409/409 Mod	0.2689	0.2728	0.2689	0.2443	*	*
410/410S	0.2775	0.2814	0.2775	0.2519	*	*
430	0.3280	0.3316	0.3280	0.2957	*	*
434	0.4019	0.4015	0.4094	0.3768	*	*
439	0.3387	0.3423	0.3387	0.3050	*	*
440A	0.3280	0.3316	0.3280	0.2957	*	*
2205	0.9953	0.9565	0.9802	0.9167	*	*
263	11.1034	11.7569	11.8171	11.6936	10.8405	9.7101
276	5.7616	5.8231	5.8395	6.0286	5.6411	5.6731
A286	1.5406	1.6053	1.6528	1.7822	1.6116	1.5740
330	1.9053	2.0069	2.0861	2.2611	2.0116	1.9460
400	3.4534	3.6420	3.7841	4.1032	3.5365	3.3883
455	0.8300	0.7600	0.7600	0.6900	*	*
465	1.0100	0.9200	0.9300	0.8500	*	*
600	3.6633	3.8717	4.0371	4.3656	3.8412	3.7080
601	3.2043	3.3755	3.5110	3.7825	3.3532	3.2436
617	8.3732	8.7729	8.8389	8.8917	8.2215	7.6141
625	5.9397	6.0507	6.1228	6.3487	5.9410	5.9070
718	5.6130	5.7371	5.8290	6.0499	5.6919	5.6263
X-750	4.2267	4.4293	4.5901	4.9101	4.4003	4.2708
825	2.6100	2.7003	2.7645	2.9375	2.6616	2.6159
HX	3.8670	3.9584	4.0024	4.1715	3.8391	3.7980
188	19.8900	18.2600	16.5100	*	*	*
CCM	31.8600	28.1700	24.8300	25.1000	*	*
L-605	24.0400	22.1000	19.8700	*	*	*

*Surcharge currently not available