



ACM
Aerospace Components
Manufacturers

TOGETHER. A WORLD OF EXPERTISE.

ACM UPDATE
October 30, 2009
AS-1-10309

Aerospace Components Manufacturers, Inc.
P.O. Box 736, 1090 Elm Street Rocky Hill, CT 06067
(860) 513-3205 * FAX (860) 529-5001

www.aerospacecomponents.org

E-mail: alsamuel@acm-ct.org

The ACM Update & Calendar (and previous issues) are also available for viewing on the ACM website.

Connecticut Governor M. Jodi Rell proclaims October 9, 2009 as
“Aerospace Components Manufacturers Day”
during Tenth Anniversary Celebration!



By Her Excellency M. Jodi Rell, Governor: an

Official Statement

In behalf of the State of Connecticut
I, M. JODI REL, Governor,
take great pleasure in
congratulating

Aerospace Components Manufacturers
in recognition of its
10th anniversary.

*F*or ten years, Aerospace Components Manufacturers (ACM)
has served and supported small to mid-sized suppliers in the aerospace
industry within the State of Connecticut with great distinction.

*T*hrough its efforts of expanding market presence, networking
business development and conquering new economic challenges, ACM
is comprised of a cluster of aerospace companies working together to retain
existing businesses and capture new business. As a result of joining resources to improve
productivity, ACM can better cater to customers specifications, provide process
support services and offer engineering product design capabilities that raise
the standards of excellence in the State of Connecticut.

*T*he members of the cluster have access to world-class
training resources necessary to achieving competitive positions
in cost, innovation and customer responsiveness. ACM currently has
63 member firms and has generated \$1.3 billion in annual sales. Congratulations
on this anniversary and may Aerospace Components Manufacturers continue
to work towards improving Connecticut's future for years to come.

*T*herefore, I, M. Jodi Rell, Governor of the State of Connecticut,
do hereby proclaim October 9, 2009, as
AEROSPACE COMPONENTS MANUFACTURERS DAY
in the State of Connecticut.



M. Jodi Rell
Governor



CT Department of Economic & Community Development
Commissioner Joan McDonald represents Governor Rell
saying “you are the perfect example of a successful
cluster....you came together for the sake of your industry,
for the sake of your future”
and presents the proclamation to
ACM Executive Director Allen Samuel



ACM celebrated its Tenth Anniversary on October 9th at the University of Hartford's Grey Conference Center recounting how the group started in 1999 and continues to retain its relevance, today.

Members and guests were welcomed by ACM President Paul Murphy who introduced Doug Rose (Aero Gear), ACM's first president. Doug discussed "*How the ACM was Formed*" as our six initial companies, Aero Gear, Delta Industries, Sterling Engineering, Trumpf, Hi-Speed Machine and Hygrade, come together at the Hartford Metro Alliance to address apprenticeship training programs. These firms learned of the State beginning its cluster initiative and with the assistance of CT DECD, ACM was formed; lessons learned were the positive nature of government's role in facilitating and



ACM President Paul Murphy



Douglas Rose, President, Aero Gear

providing support, preventing the small and midsized suppliers from withering away. Doug noted when the group formed and continuing today, "ACM is not political, rather committed to manufacturing and the theme of improving our competitiveness". ACM firms "recognized the value of collaboration and realized the true competitor is not the firm next door or in the next town, but those in Eastern Europe and China....and we need to continue this collaboration to survive and attract work back to CT". Doug also commented on the "exciting joint Kaizen's" shared by member firms. "How do you make the principles of the Toyota Production System work? With the State's support, we were able to get some of the best consultants in the world who taught us how to do this in a job shop environment".

Steve Prout spoke next and discussed "*What Makes ACM Work*", what has made it successful and be able to sustain. He described the organization as unique, noting there are other manufacturing organizations, but none as focused as we are! We started and "immediately became trendsetters". Four items were critical in making ACM successful. First was *Culture*, the trust, openness and desire to continually want to improve, which became ACM's culture. "Who would have imagined we would have opened our companies, letting competitors in, to freely talk about what we are doing to be successful?" Second were our *common concerns*, those issues of interest to all of us which allow us to work together. As Doug had expressed, "our competition is international, not those in this room". Third was *Value* as no organization exists this long without providing its membership value. "You feel that time invested with ACM provides great value". And last, was having an *effective administrator*.



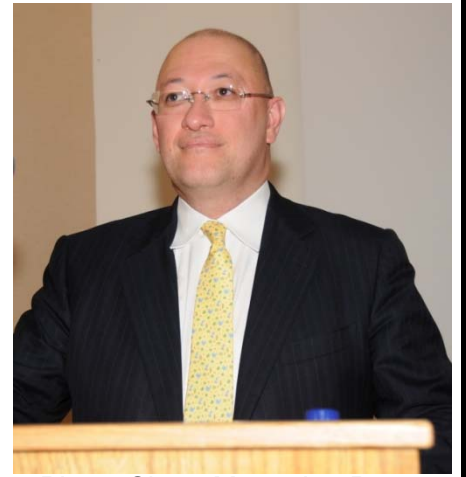
Stephen Prout, President, Alpha Q



Paul next introduced ACM's five previous Presidents, saying "what makes us great is our leadership and without their vision, we would not be here today", and presented each with a Waterford crystal desk clock engraved with ACM's logo.

(l to r) ACM's Past Presidents John Kornegay (Kamatics), Steve Prout (Alpha Q), Doug Rose (Aero Gear), Bill Evans Jr. (Delta Industries) & Randy Plis (Metals Testing Co.)

“These are the times to get aggressive and move forward, these are not the times to hunker down”. This was the advice offered by our featured speaker, Mr. Pierre Chao, making his third appearance with ACM. Mr. Chao outlined the intent of his presentation, to explain “where the aerospace industry is from a macro perspective, what is going on in the market place and its critical challenges”. The following are highlights; audio of the entire presentation, as well as slides, are available on the ACM website, go to Member’s Login and the Business Development folder.



Pierre Chao, Managing Partner, Renaissance Strategic Advisors, Arlington, VA addresses ACM’s Tenth Anniversary Celebration

“If there is a critical message, it is similar to that of ten years ago, under similar economic times. These are the times to get aggressive and move forward,

not the times to hunker down; this is where you change strategic positions, this is where you take advantage of the those who are hunkered down”.

THE MACRO ENVIRONMENT
Cyclical trends vs. long term trends vs. discontinuities

- The fiscal crisis (“the black swan appeared”)
 - Started as a banking/liquidity crisis, spread into the general economy, bottoming out
 - Banking/liquidity crisis a discontinuity in post-War II context, very routine in 18th and 19th century America (reforms of the 1930s were meant to stop them)
 - The liquidity crisis abated, environment still fragile
 - The economic slowdown working its way through in normal cycle
- Started as a US problem, spread globally (Iceland, Ireland, Hungary), recovery in Asia first
- Impact on the aerospace/defense industry
 - Shifting focus of government to domestic issues
 - Triggered the next downturn in commercial aerospace
 - Reminded everyone that business jet industry is cyclical
 - Aerospace/defense firms with heavy leverage/finance exposure vulnerable



DEFENSE ENVIRONMENT
Cycles...Trends...Discontinuities

- Cycles
 - Defense budgets
 - Emphasis on particular military service/capability
 - Acquisition reform
 - Industry knows how to handle...many current executives forged in last cycle
 - Trends
 - Demographics/human capital (actually a very long cycle)
 - Technology
 - Discontinuities (wild cards)
 - An event that puts at risk large capital investments/forces recapitalization
 - Also technology
 - The only significant changes in the structure of the defense industry over the last 130 years driven by technology – introduction of aircraft, electronics, IT – or “business processes” – contracted services
- Industry adapts/survives – more broadly based, more services, moving into other government, better run as a business

COMMERCIAL AEROSPACE
Cycles...Trends...Discontinuities

- Cycles
 - Aircraft demand
 - Insourcing/outsourcing work
 - Trends
 - Long term air traffic growth
 - Despite talk of video conferencing, etc.
 - Increased environmental concerns
 - Discontinuities (wild cards)
 - Technology – supersonic? Speed has always been the game changer
 - Dramatic regulatory change
- Industry adapts/survives – it’s increasingly about business processes and efficiency until next significant technological change

Lessons of the 1990s Downturn

- Significant shifts in market positions – winners and losers
- Those who had a strategy were rewarded
- Those who moved first were rewarded
 - Share price performance 2-3x that of peers and that of “followers”
 - Delivered growth and earnings when others didn’t
 - P/E doubled

Figure it out and do something!

“it is important to separate cyclic trends vs. long term trends vs. discontinuities. In this environment, scenario based planning is important. Forecasts are worthless within 30 minutes of having been created; you have to have a business plan in this economic environment. Second order consequences of economic problems are important from the defense sector’s standpoint as global demand for security and defense remains prevalent”.

“The number one issue in Pentagon planning is the rise of China as a threat, while commercial aerospace views China as an opportunity”

“Cyclical trends – the pendulum is swinging and the impact continues demand for aerospace, but the big buzzword in D.C. is ‘smart power’ – how do we leverage our interests? Defense must compete against other parts of the Federal budget for resources; stimulus funds had no defense content (e.g., increases for C17 or JSF)”

“We are in the longest ramp-up of defense spending in U.S. history, but it would be prudent to think about what the environment will look like when spending starts to slow down (likely with next 2-3 years)”.

“Over the next ten years, the likelihood of reductions in Army programs is higher than Navy or Air Force programs”

“Long term trends – aging U.S., European and Japanese science and technology is a huge issue; 5-10 years from now, trained engineers and factory foreman will be pretty rare and valuable things to have. Technology moves at its own pace; will technological changes suddenly create discontinuities to existing systems?”

“DEFENSE: The Pentagon will never have enough money to buy aircraft and system replacements on a one-for-one basis, which means vehicles, aircraft and ships will be around much

longer than anyone forecast; B52, F18, F15 and Bradley vehicles will all be around a lot longer. There is a business in supporting those systems that fits well with ACM type firms. Big primes like the aftermarket business, but at some point, it drives them crazy; the Pentagon will need someone to fill gaps.

Pentagon R&D is ramping down; if your business is based on this, there will be slowdown. Aircraft remain a big chunk of the defense budget and overall procurement levels will be 2 times that of 1990's (when ACM was started). Army business is clearly driven by war; making hard trades in balancing people vs. things". The Navy has the dual problem with Marine Corps, likely a big recapitalization cycle regarding ships over next ten years, shipyards will become much busier. The Air Force is still a platform and technological institution, but going through changes. This was the first year the Air Force trained more UAV pilots than manned aircraft pilots – a huge cultural change. Those exposed to UAVs should continue to see growth; core aircraft business is still a \$20BB year business".

"COMMERCIAL: Airlines were better prepared because of the recent experience of the last downturn (post 2001); likely another two years before airlines will become profitable and new aircraft orders come back. No indication of air travel downturn; it is still cyclical, but on an upward trend. Growth will come from different parts of the world, primarily Asia. There will be an Asian 'Airbus' within next 20 years.

This is the first downturn with only two commercial competitors (Boeing and Airbus).

Insourcing / outsourcing is a pendulum swing and work will go back inside the primes; you need to find out what cannot be returned (due to assets and facilities). Inside Boeing, there is the sense of having gone too far regarding outsourcing (buying back parts of Vought).

Environmental concerns are long term cyclical trends that small businesses should not ignore. There is the possibility of dramatic regulatory changes that would flush out older generation aircraft (due to environmental regulations), but I would be shocked if this would really happen. The wild card is technology, such as speed and supersonic capability. Industry will not go to a triple deck aircraft, and size and range have been filled in (aircraft can fly half way around world); all that is left is speed.

Aircraft are beginning to come out of storage in anticipation of economic turnaround. Different than on defense side, if you have exposure to older aircraft fleets, it's time to start moving on.

Regional aircraft have better potential for upside than predicated by most people; with business jets, the belief is still that business is cyclical.

In about 3 years, the mother lode of all replacement programs is coming up, the replacement of B737 and A320 families. This will be a once in a generation, really significant opportunity. It is in this downturn you can position yourself for what this new market is all about!

"Become a fundamentally different company and take advantage of it. Those firms that had a strategy in the last downturn, and those firms who moved first and outperformed their peers by two to three times than those who froze. Don't be a follower, but come up with a strategy and do it!"

Mr. Chao's comments in Q&A:

-Rotorcraft: Pressure is building for a major recapitalization on Army rotorcraft; most are 50 year old designs. Shift is away from the high end fight to hell holes around the world. There is room for a rotorcraft mini-renaissance. Europeans are permanently on the landscape in the U.S.

-Future of Unmanned vehicles: Need to separate rhetoric from press; deconstruct it along its different parts. At the high end, manned vs. unmanned for next generation nuclear bomber? Highest likelihood is marriage between a manned fighter with unmanned 'slaves'. Other countries are pushing the envelope of technology more than the U.S, Israelis will use them in places the U.S. never would! At the low end, hand held UAV's will have much higher adoption rates; a lot of innovation, questions on how to imbed them, how to use them (e.g., not run into helos). Once you get used to it, you want it all the time. Airships, blimps, are coming back for persistent surveillance.

-Joint Strike Fighter: Marine Corps really wants it. The program will not go away, but be ready for

(volume) changes because it is such a big dollar item. Political likelihood of second engine still pretty high.

-Geared Turbofan: Can't retrofit GTF on wing of B737. What makes me nervous is P&W is making a technological bet to get onto the single aisle replacement program, but two things have to happen, both technological and business. Technology has to work and the engine has to be picked; the 'other guys' don't believe there will be a significant technology change and just need to do a business bet. Is P&W being blinded because they invented the GTF?

-Need for Close Air Support aircraft: Need to do something fast without delay for Afghanistan support. Budding demand for next generation, low intensity counter insurgency type of aircraft. This could be rotorcraft, or manned or unmanned UAV. Defaulting to armed turboprops, e.g., Brazilian (EMB 314) Super Tucano, an armored crop duster with weapons hard points, a crop duster completely 'MacGyver..ed'!

Paul Murphy ended the 'business portion' of the Anniversary Celebration presenting Mr. Chao with an authentic stock certificate from The Pratt & Whitney Company, signed in 1896 by co-founder and President, Francis A. Pratt. Mr. Chao's hobby is scripophily, the collecting of canceled old stocks and bonds. He expressed his appreciation and said the certificate would hang in his office, along with original Boeing and Lockheed certificates, showing proof that every company, once, was a 'start-up'.



In appreciation for his presentation, ACM President Paul Murphy (r) presents authentic 1896 Pratt & Whitney stock certificate to Pierre Chao.



Following presentations, members enjoy networking, hors d'oeuvres and refreshments in the University of Hartford's 1877 Room rotunda.

Business Development

- The Business Development Team met on October 22nd and heard an outstanding presentation by Whitcraft LLC's CEO, Colin Cooper, on an issue relevant to many ACM member firms.

Colin Cooper shared with Team members an 'eye opening' learning process his firm had recently undergone regarding "Export Control and Compliance". As a business owner, Colin had been unaware of the many requirements and obligations regarding export regulations stating, 'you don't know what you don't know'. Recognizing this, with overseas customers becoming a greater portion of his business base, Colin hired an experienced attorney to help assure Whitcraft became compliant with requirements; "you need a consultant, a one day seminar is just not enough!", he said. Colin discussed the difficulties in understanding the requirements, as overlap and responsibility between the U.S. Departments of State, Commerce and Defense need to be sorted out. Everyday occurrences, such as non-U.S. citizen (green card) employees access to engineering drawings, specs and op sheets, were recognized as a "deemed export" and control procedures were implemented. He advised how customers were providing little support in terms of requirements and most were moving away from covering their suppliers with export licenses. In summary, Colin suggested members be pragmatic in dealing with the myriad requirements, but establishing a robust export control program was both necessary and good for your business. Colin Cooper's presentation is available on the ACM website library; go to the Members Only page, Business Development folder and view or download, [Whitcraft Export Compliance Present to BusDev Team 10-22-09.pdf](#).



Export Obligations

Most small companies are not aware of their obligations

For example:

All manufacturers of defense articles must register with the State Dept (whether or not they export)

Response to Changing Trend

- Develop a robust Export Control & Compliance Program
- A robust program includes, but is not limited to:
 - Assigning an empowered official
 - Providing proper training to staff
 - Obtaining all appropriate registrations and licenses

Team members reported on Supplier Events recently attended :

- MTU Conference in Munich; 41 of MTU's 1300 suppliers were invited to attend. As a public company, MTU is now becoming more 'dollar-centric', putting extra pressure on their European suppliers. Future engine markets were viewed as moving 'east', with Asia becoming the engine growth market of the future.
- Rolls-Royce SORB (Supplier Operations Review Board): 3-4 ACM members were reported to have attended; future SORB's will be video conference rather than in person.
- Rolls-Royce Small Business Fair: Rolls-Royce is seriously looking for U.S. suppliers for work formerly sourced overseas.
- Alstom (French power generation / rail transportation firm): New single procurement facility is being constructed in Chattanooga, TN as Alstom is looking for U.S. suppliers.

- The next Business Development Team meeting will be held on Tuesday, December 8th at 8:15am at CERC, Rocky Hill.

Progressive Manufacturing

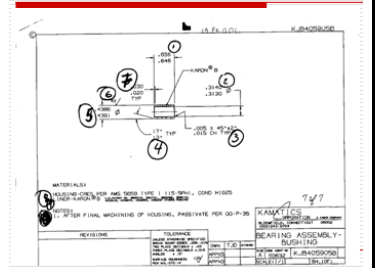
• The Progressive Manufacturing Team met at Kamatics (Bloomfield) on October 14th where Michael Bernier, manager of Kamatics 'Order Entry Team' led a presentation on "Software in Support of First Article Inspection Reports (FAIR)". At Kamatics, the task of the Order Entry Team is to turn purchase orders into shop ready work packages and part of this group's responsibility is to determine whether first article inspection is required and if so, to prepare the plan. In polling the ten other firms attending this Team meeting, all were using in-house developed Excel-based FAIR and all agreed with Michael that current manual methods were far too time consuming. Kamatics had been using an electronic means of creating FAIRs, which included use of a scanned engineering drawing, yet this system still had the potential for error and therefore, a need to double check.

Kamatics implemented the use of IPI Solutions' "Visual FAIR" software (Nottingham, UK, www.ipi-solutions.co.uk) in January 2009 providing the benefits of significant reduction in preparation time for each FAIR, along with creation of an electronic file and history database. VisualFAIR includes a sophisticated OCR component that scans engineering drawings and automatically populates the FAIR template, reading dimensions, GD&T symbols and text based notes. The system outputs a FAIR that conforms to AS9102 Forms 1, 2 & 3. As the inspector enters data on the first article, the software displays in or out of tolerance readings in green or red, further reducing the potential for typos. Should a dimension be out of tolerance, VisualFAIR can auto-generate a non-conformance report. For purposes of security, inspector's signatures are entered electronically and password protected; any changes made after a signature is inserted automatically removes the signature.

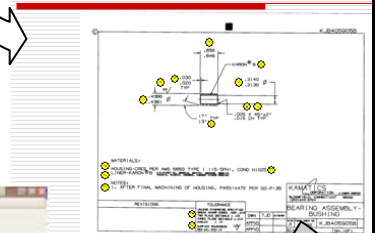
Michael summarized the improvements VisualFAIR provides as self-checking to reduce errors, elimination of the need to double-check, reduction in the time for creation, improved accuracy, a standardized process and good security of inspector's signatures.

Kamatics' progression of improvement in First Article Inspection Report software (below)

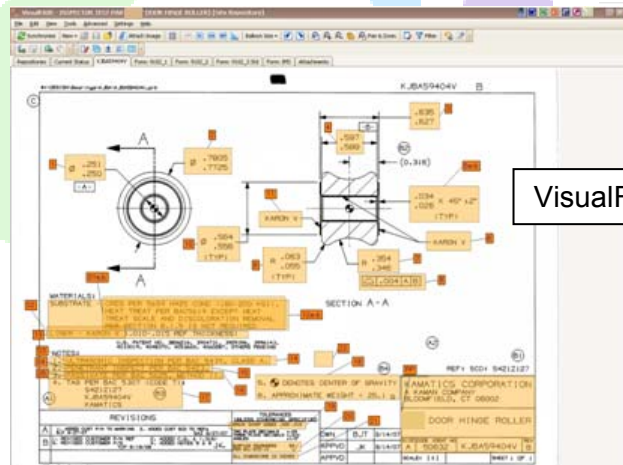
Hand-written Bubble Print



Change to Word document



VisualFAIR Software



(l to r), AS9102 Forms 1, 2 and 3

Order No.	Description	Part Number	Plant Number
1	W. 250 / 334	X.8500000	
2	0. 7125 / 7025	X.8500000	
3	427 / 496	X.8500000	
4	555 / 537	X.8500000	
5	324 / 334 (TYP)	X.8500000	
6	491 / 471 (TYP)	X.8500000	
7	KARON V	X.8500000	
8	R. 343 / 374	X.8500000	
9	0. 555 / 534 (TYP)	X.8500000	
10	491 / 471 (TYP)	X.8500000	
11	KARON V	X.8500000	
12a	IMBTRATE - CREP PER S.	X.8500000	
13	IMBTRATE-MIXES COND.	X.8500000	
14	IMBTRATE-MIXES COND.	X.8500000	
15	IMBTRATE-MIXES COND.	X.8500000	
16	IMBTRATE-MIXES COND.	X.8500000	
17	IMBTRATE-MIXES COND.	X.8500000	
18	IMBTRATE-MIXES COND.	X.8500000	
19	IMBTRATE-MIXES COND.	X.8500000	

Inspector	Part Number	Plant Number	Material	Process
INSPECTOR TEST PART	DOOR HINGE ROLLER			
CREP TO DIMS	343 374	123456	Aluminum	Turned
Heat Treat	Heat Treat per SAC0015	123456	Aluminum	Turned
Material	6061-T6	123456	Aluminum	Turned
Inspection Report	BAC 3001 CLASS A	123456	Aluminum	Turned
Process	BAC 3001	123456	Aluminum	Turned

Order No.	Description	Part Number	Plant Number	Material	Process
1	W. 250 / 334	X.8500000		Aluminum	Turned
2	0. 7125 / 7025	X.8500000		Aluminum	Turned
3	427 / 496	X.8500000		Aluminum	Turned
4	555 / 537	X.8500000		Aluminum	Turned
5	324 / 334 (TYP)	X.8500000		Aluminum	Turned
6	491 / 471 (TYP)	X.8500000		Aluminum	Turned
7	KARON V	X.8500000		Aluminum	Turned
8	R. 343 / 374	X.8500000		Aluminum	Turned
9	0. 555 / 534 (TYP)	X.8500000		Aluminum	Turned
10	491 / 471 (TYP)	X.8500000		Aluminum	Turned
11	KARON V	X.8500000		Aluminum	Turned
12a	IMBTRATE - CREP PER S.	X.8500000		Aluminum	Turned
13	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
14	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
15	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
16	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
17	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
18	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned
19	IMBTRATE-MIXES COND.	X.8500000		Aluminum	Turned


Material and Processes are filled automatically in Form #2

For further information, Michael Bernier may be contacted at Kamatics at mike.bernier@kaman.com.

- The next Progressive Manufacturing Team meeting is scheduled for Tuesday, November 17th at 8:00am at LVSI (Lean Value Solutions, Intl) in South Windsor, CT. LVSI's principal, Tom DeForge, will present "*Creating Operational Excellence....how a structured and sustainable approach to implementing continuous improvement initiatives is helping companies achieve flawless order execution*". Please be sure to attend this informative meeting.

- John Kravontka, President, Fuss & O'Neill Manufacturing Solutions, Manchester, CT 860-646-2469x5699, an ACM member, offers 'single point lessons' as a visual best practice to help foster the spreading of game changing ideas leading to improved safety, quality, lead times and profit (right).

Single Point Lesson Series – SPL No. 114



FUSS & O'NEILL
Manufacturing Solutions, LLC
"Enhancing Productivity"

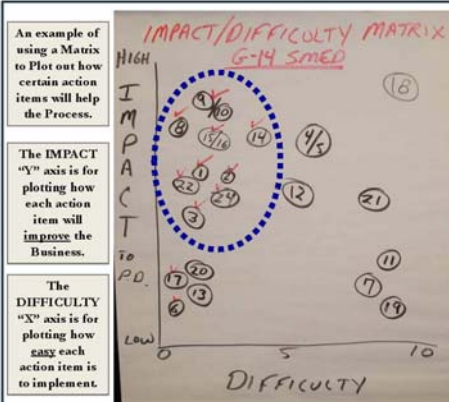
<input checked="" type="checkbox"/>	Basic Skill
<input type="checkbox"/>	Center Member
<input type="checkbox"/>	Accessibility
<input type="checkbox"/>	Safety
<input type="checkbox"/>	Mistake Proofing
<input checked="" type="checkbox"/>	Productivity

Utilize an Impact Vs. Difficulty Matrix to Prioritize team actions

An example of using a Matrix to Plot out how certain action items will help the Process.

The IMPACT "Y" axis is for plotting how each action item will improve the Business.

The DIFFICULTY "X" axis is for plotting how easy each action item is to implement.



Apply an Impact Vs. Difficulty Matrix in < 1 Hour, then focus efforts in the Top – Left Quadrant.

John Kravontka | 160 Hartford Road – Manchester, CT 06040 | (860) 296-2469 x5399 | J.Kravontka@FandO.com

Workforce Development

- The WorkForce Development Team met at Habco (Glastonbury) on October 21st. To help assure the senior managers of ACM member firms are cognizant of the work of this Team, Cliff Lawton volunteered to continue his briefings of this Team's plans during upcoming Business Development Team meetings. The WorkForce Development Team is undertaking a three tiered approach to help foster relationships between ACM firms and their local middle and high schools, to promote their understanding of the many career opportunities in our aerospace industry.

1. Presentations at Local Schools: Members are requested to contact their local schools and offer to present, "*A Career in Aerospace – Limitless!*". The WorkForce Development Team recently created this PowerPoint presentation to serve as an outline (it can be easily customized); it is available for download from the ACM website at Members Login, Workforce Development folder and [ACM Career Oppty Presentation March 09.ppt](#). Interested in presenting, but not quite sure how to make a presentation in front of a group of kids?? Please contact the ACM Office and we will arrange a brief training session with one of our more successful briefers!!
2. Visits to Company Facilities by School Groups: Members are requested to invite school groups, including students and their teachers / counselors, to visit your facility to learn about modern aerospace and manufacturing careers.
3. Participate in various Career Days, Job Fairs, Open Houses, etc.

The WorkForce Team will be calling on members to participate in the presentations and Fairs. A sign-up sheet was passed around during the October 22nd Business Development Team meeting to encourage members to participate. Additionally, this Newsletter will be reporting on members 'school assignments' and resulting activities.

- The next meeting of the WorkForce Development Team will be held on Thursday, November 19th at 8:00am at CBS Mfg, East Granby. Please plan to attend and become an active participant in developing our future workforce!

Consolidated Purchasing

- The Purchasing Team met at CBS Mfg (East Granby) on October 15th. In the first item of business, it was announced Steve Lawton was 'stepping down' as the Team's leader and Gary Carle of Delta Industries had offered to accept the position. Gary, thank you very much and a very special thanks to Steve for his outstanding leadership of the Team during the past years. Members discussed issues of relevance to procurement, concentrating on matters of raw material. It was reported nickel alloy prices had spiked over the past four months to \$7-\$8/lb, up from \$3-\$4/lb. Interesting, however, this increase has not been passed along into the marketplace; aerospace's demand is still low and other markets have been buying the higher priced alloy. Mills remain at relatively low production levels, but members were advised that as demand increases in CY2010 to expect 10-15% increases in price. Titanium was reported as stable in price as Boeing 787 and Airbus A380 aircraft production remain very low. Cobalt was reported as dropping in price from higher levels achieved in the spring and summer of this year.
- The next meeting of the Purchasing Team will take place on November 24th at 11:30am at Delta Industries in East Granby. This will be a lunch meeting; please RSVP to the ACM Office at alsamuel@acm-ct.org.
- Suppliers having Agreements with ACM are:

	<u>Supplier:</u>	<u>Key Contact:</u>	<u>Telephone:</u>
Shop Supplies, Abrasives, Cutting Tools, etc	Turtle & Hughes	Mike Kelly Dave Howard	203-497-1529 203-497-1555
Raw Materials: Nickel, Cobalt, Titanium – Sheet, Plate & Bar Stock	Aerodyne Alloys	Kirk Smallidge	860-508-1271

News from ACM Members

Please forward significant company news and announcements to Allen Samuel at alsamuel@acm-ct.org for posting on the ACM website and publication in the UPDATE.