

**New York State
Environmental Investment Program (EIP)
Capital Project Summary
Dunkirk Specialty Steel**

Project Background

Dunkirk Specialty Steel is a wholly owned subsidiary of Universal Stainless and Alloy Products (USAP), headquartered in Bridgeville, PA. The former Al Tech facility, which closed in June of 2001, was purchased by Universal in cooperation with the State of New York and opened in March of 2002. The business produces specialty stainless steel long products for applications in aerospace, oil and gas exploration, petrochemical industries and medical implant devices.

Currently, Dunkirk Specialty Steel remains one of the last U. S. owned and operated specialty stainless steel producers, with main competition coming from Europe, India and China.

Project Description

This project addressed the finishing of large diameter round bar operations. Prior to relocating the Hetran cellular process and purchasing additional new equipment, the Dunkirk operation could only produce and finish round bars up to 3.0 inches in diameter and cycle times were 6-7 weeks. Finishing a round bar requires straightening, peeling, re-straightening, grinding, cutting and electronic inspection of the surface for possible defects. These operations were separate of each other and orders of bars would be retrieved from storage racks, taken to an operation, returned to the racks after processing and wait for the next operation to be performed. The grinding process in particular, produced several hundred tons of mill scale and swarf due to the use of grinding stones that remove enough steel to meet required sizing.

Due to the acquisition of the Dunkirk facility by Universal, the round bar finishing operations of USAP was able to be consolidated into the Dunkirk operation. In October of 2008, a cellular based continuous bar finishing line was relocated from Bridgeville, PA, to Dunkirk, NY. The addition of this equipment immediately increased the size range from 3.0 inches to 5.0 inches, which will also increase annual sales, reduce cycle times from 6-7 weeks to 2-3 weeks and reduce operating costs by \$.10 per pound. New hot and cold saws were purchased to further eliminate the need for any downstream processing. Because the new line utilizes a belt polishing process to replace the grinding process, waste was reduced. The project improves the competitiveness of the operation and will provide additional employment.

Project Results

Dunkirk Specialty Steel met or exceeded its performance target: annual waste attributed to the finishing of round bars was reduced by 200 tons versus a target of 180 tons; operations cost savings reached \$562,427 versus a target of \$400,410; and yield was increased by an average of 2%, increasing to 78% from a former process yield of 76%. Due to the downturn in the economy, overall production and sales were down considerably versus prior years. Therefore, the additional sales from the yield improvement only reached \$702,100 versus a target of \$1.4 million. When the economy improves, additional sales will be immediately impacted by the yield improvement in excess of the target. Of equal importance, Dunkirk Specialty Steel is a viable entity which operates profitably in a competitive, global business. The company is currently hiring new employees and investing significant capital into their own expansion.

Contractor: Chautauqua County IDA
County: Chautauqua
ESD Region: Western New York
ESD Contact: 518/292-5340

NYS EIP Investment: \$500,000
Contractor Match: \$1,497,433
Total: \$1,997,433
Completion Date: December 2009