

# Grupo Taca threatened by El Salvador's rating drop

GRUPO TACA may be forced to move its operating certificate to Costa Rica in an attempt to protect its alliance with American Airlines, which is threatened by the US Federal Aviation Administration decision to downgrade El Salvador's safety rating to Category 2.

The FAA action could pose a serious threat to Grupo Taca, which has its headquarters in San Salvador and is overseen by the local regulatory authority. The Category 2 rating freezes the Central American carrier's services to the USA at the current level and could undermine its codesharing partnership with American.

One option under urgent consideration is to put Taca under the oversight authority of Costa Rica, where its 10% owner and partner LACSA is registered. "We have other operating possibilities and

have prepared ourselves for different scenarios," says TACA commercial director Claudia Arenas.

Costa Rica is rated as Category 2, but is widely expected to be upgraded to Category 1 soon. TACA's other participating home nations Guatemala, Honduras and Nicaragua are all classified as Category 2, leaving Panama as the only other country in the region with a Category 1 rating. Panama is no longer involved with TACA, however.

San Salvador is TACA's main base and under the country's open skies agreement with the USA, it serves nine US gateways including Dallas, Los Angeles, New York and Washington. TACA has applied for US anti-trust immunity for a full alliance with American and hopes to widen this to other oneworld partners.

The FAA's action is drawing crit-

icism as it has not conducted a formal inspection visit since mid-1999. It is understood to have requested a new assessment earlier this year, but was told it would be "more appropriate" to come after an International Civil Aviation Organisation visit this month.

The US authority instead dropped its request and rerated El Salvador Category 2. The FAA declined to give a reason for its action other than that the country was deficient in one or more areas covering legal, technical, personnel, enforcement or proper documentation.

TACA also faces problems with start-up operation TACA Peru, which is seeking to fly from Lima to Miami. The FAA is expected to downgrade Peru back to Category 2 and has stalled on applications by Lan Peru and Aero Continente to launch services to the USA. □

## China Eastern targets long-hauls and regionals

CHINA EASTERN Airlines is poised to order five Airbus A340-500/-600s and has begun talks with manufacturers on a possible regional jet order.

Industry sources in China tell *Flight International's* sister on-line news service *Air Transport Intelligence* that the Chinese Government's State Planning and Development Committee granted approval for the Airbus purchase in May, after go-ahead from the Civil Aviation Administration of China. China Eastern is close to finalising an order from Airbus for deliveries between 2003 and 2005.

The sources say the airline plans to take most of the five as stretched A340-600s, although a decision depends on the results of a route study. The airline is considering establishing a second US hub in an East Coast city, possibly New York, which would require the additional range offered by the A340-500.

Airbus confirms talks with China Eastern on an order for these types,



China Eastern already operates earlier versions of the A340

but declines further comment.

The airline is also understood to be in talks with Bombardier, Embraer and Fairchild Dornier on a regional jet order for domestic routes in eastern China. China Eastern is interested in building a feeder operation and began to develop the market with the wet lease in June of two ATR 72s from China Xinjiang Airlines.

All three regional aircraft manufacturers have secured sales in China, with Bombardier selling Canadair CRJ200s to Shandong

Airlines, Fairchild Dornier winning a 328JET order from Hainan Airlines and Embraer recently signing a letter of intent with Sichuan Airlines for five ERJ-145s.

China Eastern agreed last year to lease four A340-600s from International Lease Finance and to buy four more A340-500s from Airbus. This plan was suspended when the Chinese Government imposed a new tax on operating leases. Airline pressure is forcing the government to reconsider the tax, say the sources. □

## MARKETPLACE

++ Italian regional **Air Dolomiti** has ordered three ATR42-500s with an option on a further four. The aircraft will be delivered in the fourth quarter. ++ **United Airlines** has placed orders for 10 additional International Aero Engines V2500-powered Airbus A320 family aircraft – five A319s and five A320s – for delivery from 2002. ++ **Air Inter Cameroon** has acquired an ex-Sabena Boeing 737-200QC from European Aviation, in a deal arranged by Airstream International Group. ++ **Sabena** has abandoned plans to lease two Airbus A340-200s to Algerian carrier **Khalifa**, which is now expected to lease three A300B4 freighters from Aviation Sales. ++ **RegionAir**, the Singapore-based charter carrier and wet-lease operator, has leased two Airbus A310s from ILFC and a third from GATX. One aircraft is to be wet-leased to **Vietnam Airlines** and the other two are going to an Indonesian start-up called **Awair International**, according to *Flight International's* sister on-line service *Air Transport Intelligence (ATI)*. ++ **Arkia Israeli Airlines** is seeking buyers for three aircraft, two Boeing 737-200 Advs and a 727-200Adv which is due back from lease in September from Sabre Airways. Fortis has been appointed to remarket the aircraft. ++ **FINOVA Capital** has appointed **Cabot Aviation** to remarket three Swissair/SAS Boeing MD-81s and two MD-83s (one ex-Bel Air and the other leased to American Airlines). The aircraft have been returned from lease. ++ **China Airlines** subsidiary **Mandarin Airlines** will receive the first of three Boeing 737-800s early next year on five-year leases from International Lease Finance. ++ **BAE Systems Asset Management** has placed two former buzz BAE 146-300s on long-term lease with **Aer Lingus**, with the first delivered in May and the second arriving in late June. Germany's **WDL** has purchased a Series 200 from BAE, while **Qantas** has received a 146-200 on long-term lease from the lessor.