

AIR TRANSPORT PAUL LEWIS / WASHINGTON DC

New deals may ease Boeing's woes

Manufacturer responds to cancellations and delivery deferrals by working with customers to place unwanted aircraft

Boeing is forging joint marketing agreements with key customer airlines to place surplus aircraft, as the number of order cancellations and delivery deferrals continues to mount in the face of a severe downturn in traffic and revenue.

Continental Airlines and Delta Air Lines are negotiating with Boeing to defer delivery of more than 70 aircraft out of almost 170 that remain on order and are due for delivery between 2002 and 2005.

This follows United Airlines' announcement that it has pushed back delivery of 43 predominantly Airbus aircraft by between two and four years.

American Airlines has already said it is deferring 36 aircraft, comprising 28 Boeing 737-800s, five 767-400s and one 757.

Delta is understood to be negotiating to defer delivery of 18 737-800s, five 767-400s and one 777-200ER due for delivery next year, having just retired 17 older 727s and grounded another 32 737-200/300s, 767-200s and MD-80s.

Continental says it has pre-financing in place to take 24 Boeing aircraft due for delivery by March 2002, but has financing for only 13 widebodies of the remaining 60 on order through to 2005 and it could defer the rest.

Boeing in response is entering into joint marketing deals with the carriers to place some of the surplus aircraft elsewhere, such as South African Airways (SAA) which is planning to acquire up to 15 new 777s or A340s (*Flight International*, 6-12 November). SAA is being offered two Continental 777-200ERs and at least one Lauda Air aircraft powered by General Electric GE90 engines or two Rolls-Royce Trent 800-powered Delta 777s.

United is similarly working with Boeing and the US Eximbank to place three Pratt & Whitney PW4000-powered 777-200ERs with Pakistan International Airlines. The airline has seven remaining 777s on order and has struck a deal to defer delivery of the seventh aircraft from next May to 2004. It has

also delayed delivery of 24 out of the 44 A319/A320s due for delivery in 2002 and all 18 planned for the following year until 2004-07.

Boeing is understood to be discussing similar deals with Singapore Airlines (SIA) and Malaysia Airlines (MAS), with a view to placing 777s with Vietnam Airlines. SIA is seeking to delay 11

aircraft due for delivery next year.

MAS is believed to be pushing back deliveries of Boeing 747-400s and 777-200s - some by up to six years. The airline wants to defer two 777s due for delivery in March and May next year, while local media reports that MAS has arranged deferrals covering four 747-400s and four 777-200s.

AIR TRANSPORT ANDREW DOYLE / SINGAPORE

Boeing tastes eastern promise in talks with Vietnam Airlines

Vietnam Airlines is finalising a deal to acquire up to six Boeing 777-200ER widebody twinjets following ratification of the South-East Asian country's bilateral trade agreement with the USA. Airbus is also poised to pick up a share of the business with an order for five A321 narrowbodies.

The Hanoi-based carrier is meanwhile being eyed by Boeing as a potential early customer for the ultra long-range 777-200LR, which could be used to launch non-stop flights between Vietnam and the USA from 2005.

Vietnam Airlines says it plans to buy four 777-200ERs directly from the manufacturer and take an additional two aircraft on operating lease, for delivery in 2003. Contracts are expected to be signed during the next few weeks.

The 777 purchase is being firmed up after US President George Bush signed the trade deal into law. It is due to be ratified by the Vietnamese parliament during December.

Engine manufacturers General Electric, Pratt & Whitney and Rolls-Royce are engaged in a fierce battle to power the 777-200ERs and a selection is due by the end of December. GE has an advantage in the competition because its GE90-115B is the exclusive powerplant for the in-development -200LR. P&W and R-R are offering versions of the PW4000 and Trent 800, respectively.

Vietnam Airlines signed a letter of intent (LoI) for three 777s in November last year during a visit to Hanoi by the then US President Bill Clinton. Airbus is still tabling a rival offer of A340-300s in an effort to overturn the 777 purchase. The order for five A321s is expected to be firmed up early next year after the carrier signed an LoI for the aircraft in September.

Deliveries are due to commence in late 2002 or early the following year. The engine choice is between the CFM International CFM56 and International Aero Engines' V2500.

Boeing is trying to interest carriers such as Vietnam Airlines in the transpacific capabilities of the 777-200LR after being forced to delay the programme by 18 months due to a lack of orders. EVA Airways of Taiwan is the only customer to date, with an order for three.



Boeing wants new logos to paint on the white tails of delayed aircraft

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GE90 thrusts its way into the engine record books at 120,000lb

General Electric's growth version of the GE90, the -115B for the longer-range Boeing 777-300ER/200LR derivatives, achieved a record power level of 120,316lb (535.4kN) during initial tests on 19 November.

The testbed engine established the record during the first few hours of a planned 150h-long initial evaluation phase at GE's Peebles complex in Ohio.

Following the peak thrust achievement GE says the engine

ran at a "steady state of 117,446lb of thrust".

The engine is set to begin flight tests next March on the company's Boeing 747 flying testbed, before achieving joint US and European certification with a thrust rating of

115,000lb, which is expected later that year. The development timetable dovetails with that of the 777-300ER which is on track to enter final assembly in the third quarter of 2002 and make its maiden flight next December.