■ Taiwan's **TransAsia Airways** has signed an eight-year power-by-the-hour maintenance deal with **Lufthansa Technik** for the International Aero Engines V2500-A5s and engine-related accessories powering its fleet of six Airbus A320s and two A321s. The deal has been signed under LHT's Total Engine Support agreement, which expands and extends a tie-up that began in 1999 with the setting up of a Total Component Maintenance Services and a repair agreement for TransAsia's engines. ■ **Pratt & Whitney Canada** has signed an eight-year fleet management plan contract with Norway's **Widerøe Flyveselskap** covering servicing of its 58 PW121 and PW123 engines powering its Bombardier Dash 8/Q Series fleet. The deal includes the provision of a guaranteed operating cost per hour for the duration of the agreement. ■ **SAS Component** has signed an exclusive long-term component maintenance agreement with **PT Lion Mentari Airlines** (Lion Air) Indonesia covering its 15 Boeing MD-80s. The agreement includes a consignment stock of components in Jakarta and build-up of workshops for wheels, brakes and other selected components at Lion Air's facility in Jakarta. ■ **Pratt & Whitney Component Solutions (PWCS)** has doubled its warehousing operations at Muskegon, Michigan. The 2,790m² (30,000ft²) aviation related distribution facility will consolidate its current inventory with that from PWCS's Franklin Lakes satellite facility. ■ **Ryanair** has unveiled plans to set up an aircraft maintenance and overhaul facility at Prestwick Airport in Scotland. The £10 million ($15.2 million) facility will be able to accommodate two Boeing 737-800s when completed in 2004. It is expected to create up to 180 new jobs. ■ UK BAe 146 operator **FlightLine** has renewed a flying hour support contract with UK spares specialist **CASCO** for a further three years. CASCO will continue to support seven BAe 146s operated by the UK charter airline under an agreement which covers all components and spares.


AIRBUS

Cathay Pacific will have to wait two months longer than planned to introduce its A340-600s

DELIVERY SCHEDULE NICHOLAS IONIDES / SINGAPORE

Airbus production problems delay delivery of A340-600s

Sources say production delays are partly due to manufacturer's ambitious timetable

Deliveries of Cathay Pacific Airways' Airbus A340-600s have been delayed by two months as a result of production hold-ups and apparent specification changes requested by the airline.

The three aircraft are being leased from International Lease Finance (ILFC) and the first was originally due for delivery in September. Cathay confirms that deliveries have slipped and says the new schedule calls for aircraft to arrive in November and December this year, and March next year.

Cathay will not comment on the reasons for the slip, but industry sources say it is due in part to production delays at Airbus, as a result of its ambitious timetable between certification of the new type and handover. Virgin Atlantic Airways recently put the first A340-600 into service, but deliveries to the launch customer have been subject to delays of around a month.

Airbus has separately been forced to delay deliveries of the smaller, longer-range A340-500 to launch customer Air Canada by around four months, until March next year, as a result of post-certification changes (*Flight International*, 13-19 August).

In Cathay's case, A340-600 delivery delays have also been caused by specification changes requested by the airline, suggest the sources, who add that the carrier is not unhappy about the delayed delivery schedule. Airbus says only that deliveries of Cathay's first A340-600s will be made "towards the end of the year".

Cathay had been intending to use the new A340s to launch non-stop routes from its Hong Kong base to New York and possibly Chicago. The carrier now says that no firm decision has been taken on when the non-stop services will begin.

ROUTE RIGHTS NICHOLAS IONIDES / SINGAPORE

Cathay eyes mainland

Cathay Pacific Airways has applied for permission to fly to mainland China again, after a more than 10-year absence, in a sign of a further easing of Hong Kong's longstanding "one-airline, one route" policy.

The carrier says an application was filed on 7 August with Hong Kong's Air Transport Licensing Authority. It is expected to be formally published soon, after which interested parties will be invited to comment.

The process is expected to be a lengthy one. After a licence is secured from local authorities, the Hong Kong government will have to negotiate with the government of China, which since 1997 has controlled Hong Kong but not its aviation regulatory system. Chinese carriers such as Air China, China Eastern Airlines and China Southern Airlines are expected to object to Cathay's return to China.

Cathay will not say where it wants to fly, but the obvious destinations are Beijing, Guangzhou, Shanghai and Xiamen.

Cathay flew to major Chinese destinations until 1990 when it bought into Dragonair, which was launched in 1985 as a competitor and now makes most of its money from China services. In the late 1980s the Hong Kong government introduced a one airline, one route policy that limits services on any route to one Hong Kong-based carrier.

Cathay still owns a minority stake in Dragonair, but the associate has been steadily forging its independence since Chinese interests took control in 1996.

The one airline, one route policy has been slowly eroded, starting two years ago when Dragonair launched dedicated freighter services to Europe via the Middle East to some of the same cities as Cathay.

The policy was further eased in July, after a new air services agreement was reached between Hong Kong and Taiwan that gave Dragonair passenger and cargo rights to serve the highly lucrative Hong Kong-Taipei route. Cathay had been the only Hong Kong carrier on the route for years.