

Air Canada loath to sell regional

CHRIS JASPER/LONDON

AIR Canada is to put Canadian Regional Airlines (CRA) up for sale "in the near future", although it hopes no buyer will come forward as it plans to fold the carrier into its own regional operation. CRA must be offered for purchase as a condition of Air Canada's takeover of Canadian Airlines.

The Star Alliance member's chief executive Rob Milton says he expects the rival oneworld grouping - which Canadian leaves on 1 June - to re-enter Canada's domestic market at some point, although

he says this is more likely to be in the form of a start-up, or a deal with an airline such as Canada 3000, than a swoop for CRA, valued at around C\$175 million. Don Carty, chief executive of oneworld's American Airlines, is "disappointed about Canadian", but says "the network doesn't badly need a substitute carrier in Canada. Our priorities in terms of size of networks don't dictate another partner."

Milton says Air Canada is also planning to launch a low-cost carrier this year, with its hub at Hamilton (near Toronto) and initially operating six Boeing 737s to

up to 10 cities. A long-haul cargo division operating four-10 Boeing 747 freighters is planned for transatlantic and transpacific routes.

Air Canada and Canadian are to continue operating independently, although Milton wants a full merger as soon as possible. He reveals Air Canada's widebody planning is likely to see the combined seven-strong 747-400 fleet reduced, while the Airbus A340-500/600 orderbook will grow from five to 20 (10 of each). The A330-300 order will increase from eight to between 16 and 20. The airline has just withdrawn Canadian's last four

McDonnell Douglas (MDC) DC-10s, replacing them with four Boeing 767s. This raises the combined 767 fleet to 47, although Air Canada's -200s could be sold for freighter conversion.

Milton confirms Air Canada's requirement for around 100 regional jets of a single type to replace 19 MDC DC-9-30s, 31 Fokker F28s, 10 British Aerospace 146s and 44 Boeing 737s, some of which could go to the low-cost start-up. Short-haul planning is focused on the Airbus A320 family, with the combined airline operating 82 of the type. □

EasyJet orders 17 more Boeings

EASYJET has ordered up to 47 Boeing 737-700s, including options and 17 firm orders, as it prepares to create a new hub at Amsterdam Schiphol by the end of the year.

The London Luton-based low-cost airline is gearing up for a tripling of traffic to 15 million passengers annually by 2004.

EasyJet's all-737 fleet includes 18 -300s, and the latest deal takes its -700 orders to 32 aircraft, which are due for delivery between October 2000 and May 2004. The new batch is due from July 2001, and options are held on 30 737s. A flotation is planned for the end of the year to help finance the fleet expansion, which is expected to value the airline at about £500 million (\$794 million).

EasyJet chairman Stelios Haji-Iannou says the airline aims to become "the Dutch low-cost carrier", when its new hub in Amsterdam opens later this year. The network, which includes hubs in Luton, Liverpool and Geneva, covers 28 points in six countries. EasyJet intends to enter the German and Italian markets over the next four years.

EasyJet Switzerland, the Geneva-based arm created by the purchase of TEA Switzerland, operates four of the group's 737s. □

Lufthansa Cargo drops Hinduja link



LUFTHANSA Cargo has suspended its co-operation with Hinduja Cargo Services covering flights to the Indian subcontinent from its Sharjah hub in favour of direct services from Frankfurt.

The agreement is being terminated because demand for cargo flights to the region has "grown beyond expectations". Direct flights from Germany yield time savings of "7-8hs" for customers, reports

Hinduja's hub in Sharjah will be eliminated by direct flights from Frankfurt

Flight International's sister on-line service *Air Transport Intelligence*.

Lufthansa Cargo's services to India have been operated from Sharjah by Hinduja since 1997, using Boeing 727-200Fs, but direct services to eight destinations in the region from Frankfurt have now begun using Boeing MD-11Fs.

The company declines to con-

firm it is terminating the agreement, saying only: "We are talking to the Hinduja Group about the future of co-operation in India." Lufthansa Cargo holds 40% in New Delhi-based Hinduja.

One of the joint venture company's 727s crashed in July 1999 after take-off from Kathmandu, killing five crew. □

FAA makes TAWS compulsory

THE US FEDERAL Aviation Administration has issued an airworthiness directive making terrain-awareness warning systems (TAWS) compulsory in all US turbine-powered aircraft with six or more passenger seats. Aircraft built before 29 March, 2002, must have the appropriate equipment by 29 March, 2005, and aircraft manufactured from the end of

March 2002 must be supplied with TAWS installed.

Non-commercial turbine-powered aircraft with six or more seats must have enhanced ground proximity warning systems. Commercial aircraft with six to nine seats have the same requirement, but turbine aircraft with more than nine seats must have "Class A" TAWS, with terrain awareness. □

Sri Lankan crashes

AN ANTONOV An-12 cargo aircraft crashed on its third approach to Kadirana Airport, Sri Lanka, on 24 March. Six of the eight people on board were killed, with three fatalities on the ground. On 30 March, a Sri Lanka air force-operated An-26 crashed on an emergency diversion to Thalawa. Its four Russian crew and 36 military personnel are reported dead. □