

NEWS

How Delta's decision to buy 75 Bombardier jets could impact Seattle relations

Apr 28, 2016, 1:51pm PDT
Updated Apr 28, 2016, 3:43pm PDT

 **Emily Parkhurst**
Managing Editor
Puget Sound Business Journal

Share ▾



Image: (c) xenotar

Delta Air Lines has ordered 75 Bombardier CS100 jets.

DELTA AIR LINES

SEE CORRECTION AT THE END OF THIS ARTICLE

[Delta Air Lines](#) (NYSE: DAL) has made it official.

The airline announced Thursday it has ordered 75 CS100 jets from Canadian manufacturer [Bombardier](#) in a deal worth an estimated \$5.6 billion at list prices. It's unlikely the jets sold for that much, though. [Reuters reported](#) Bombardier's CEO said the company had been "aggressive" in pricing the jets to seal the deal with Delta and that the company will take a \$500 million charge in its second quarter related to the "onerous contract."

The company has the option to buy 50 more CS100s at a later date.

UPCOMING EVENTS

Corporate Citizenship and Healthy Community Champion Awards Luncheon

MAY 19, 2016

Business of Pride

MAY 26, 2016

Business Journal Live: Meet Daimler Trucks North America President and CEO, Martin Daum

JUNE 23, 2016

[See More Events >](#)

The small jets seat about 100 people and will allow the airline to increase the number of regional flights available to customers. That could put pressure on Alaska Airlines, which is already competing with Delta for gates and international connections at [Seattle-Tacoma International Airport](#).

"These new aircraft are a solid investment, allowing us to take advantage of superior operating economics, network flexibility and best-in-class fuel performance," incoming Delta CEO [Ed Bastian](#) [said in a statement](#).

The deal could put pressure on [Boeing](#) (NYSE: BA), which has so far avoided what is generally considered a niche market for such small planes. Delta's voice is powerful, though, and the purchase gives Bombardier its first significant inroad among major carriers.

"It's really bad news for Boeing, especially for the 737-700 and Max 7," said [Michel Merluzeau](#), managing partner for Frost and Sullivan, [last week when the deal was rumored](#).

The perceived slight to Boeing could potentially hurt Delta's push into the Seattle market. The Puget Sound region has nearly 80,000 Boeing employees and many more people whose livelihoods rely on Boeing's continued success.

"While Delta found an opportunity with Bombardier, we remain a huge Boeing supporter," said Delta spokesman [Michael Thomas](#). "We continue to value their airplanes and they make up a substantial portion of Delta's fleet."

While the Delta order isn't enough to truly hurt Boeing, it could propel others to consider the Bombardier jets instead of Boeing's smallest 737s.

Get Contact Information for [Alaska Air Group Inc.](#) and **1 others**.

HOME OF THE DAY



Modern Elegance with Views of Hurricane Ridge, the Elwha River & the Strait of Juan de Fuca

[See All Homes of the Day](#)

SUGGESTED READING

MANUFACTURING

Delta orders 37 Airbus jets, dealing blow to Boeing

MANUFACTURING

Seattle tunnel machine Bertha to take month-long break before boring under viaduct

TECHNOLOGY

Jon Zimmerman, CEO of Seattle startup Front Desk, dies at 47

Sponsored Links 

Are you a strategic thinker? Test your skills with millions of addicted players!

Stormfall: Free Online Game

19 Rare Historical Photos That Will Leave You Breathless

HistoryThings.com

COMMERCIAL REAL ESTATE

EXCLUSIVE: Inside Gonzaga's plans for one of Seattle's most valuable properties

ALASKA AIRLINES

Seattle fashion designer Luly Yang to design new uniforms for Alaska, Horizon Air staff

by Taboola

FEATURED JOBS

FEDERAL WAY, WA

Consultant

Performing Arts & Event Center



PORTLAND, OR

Director of OHSU Design and Construction

Oregon Health & Science University



SEATTLE, WA

Measurement and Impact Manager

Vulcan, Inc.



CHICKASHA, OK

General Manager, Chickasha, Oklahoma - Relocation Package Available

Green Bay Packaging, Inc



SEATTLE, WA

Executive Desktop Support Engineer/Sr. Systems Engineer (Executive)

Vulcan



[Post a Job](#)

[See All Jobs](#)

MANUFACTURING

Boeing supplier GM Nameplate could leave Seattle for the flatter floors of Renton

TECHNOLOGY

Microsoft's underwater data center could solve some of the cloud's biggest problems

RESIDENTIAL REAL ESTATE

EXCLUSIVE: Proposed Seattle skyscraper shrinks again, but still would be West Coast's tallest (slideshow)

Sponsored Links 

You Won't Believe What These 70's Beauties Look Like Now!!!

Today's Buzz

13 Facts About Flip or Flop's Tarek and Christina

Answers

COMMERCIAL REAL ESTATE

Seattle real estate developer Ted Schroth in jail for poisoning trees

MANUFACTURING

Big Delta order for Bombardier jets, likely next week, will be thorn in Boeing's side

by Taboola