



Bombardier wins a resounding victory against Boeing Co.

By **Canadian Press** - January 28, 2018

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American skies open to C Series after Bombardier win against Boeing

MONTREAL — The skies over the world's largest aerospace market have opened to Bombardier's C Series aircraft after it won a resounding victory Friday against Boeing Co.



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U.S. International Trade Commissioners voted 4-0 that Boeing didn't suffer harm from prospective imports of C Series planes.

Boeing launched the trade case last April, arguing that governments in Canada and Britain subsidized the plane's development and allowed Bombardier to sell it at unfairly low prices.

The decision eliminates nearly 300 per cent in duties imposed by the Department of Commerce.

"Today's decision is a victory for innovation, competition, and the rule of law," the Montreal-based manufacturer said in a news release moments after the vote was announced.

The decision was a surprise to many observers who expected the commission would side with Boeing even though they

believed the company sustained no harm. Even one government official said Ottawa wouldn't be surprised by a loss.

Several commentators said the ruling restores the commission's credibility because it wasn't moved by political calculations or pressure from President Donald Trump's protectionist rhetoric.

The decision caused Bombardier's stock to shoot up to its highest level in three years. Shares gained more than 15 per cent after the ruling, closing at \$3.54.

Foreign Affairs Minister Chrystia Freeland welcomed the decision.

"Canada-United States trade is important to the prosperity of both our countries. This decision will support well-paying middle-class jobs on both sides of the border," she said in a statement.

Chicago-based Boeing said it is disappointed by the decision but will review the commission's detailed opinions when they are released in the coming days.

"We are disappointed that the International Trade Commission did not recognize the harm that Boeing has suffered from the billions of dollars in illegal government subsidies that the Department of Commerce found Bombardier received and used to dump aircraft in the U.S. small single-aisle airplane market," it said in a statement.

Boeing said it will continue to document any harm to Boeing from illegal subsidies and dumping pricing.

"We will not stand by as Bombardier's illegal business practices continue to harm American workers and the aerospace industry they support. Global trade only works if everyone adheres to the rules we have all agreed to. That's a belief we will continue to defend."

Boeing could appeal or launch a new petition if the C Series are delivered to the U.S. from the Quebec assembly plant, but observers say that would be a mistake.

"I think it's cost them too much in terms of reputation and actually in terms of defence orders for them to appeal," said Ernie Arvai, a partner at U.S. commercial aviation consultancy AirInsight.

Canada's largest union responded to the ruling by calling on Bombardier to abandon its plans to build a second assembly line in the southern United States.

"Common sense should now trump because there's absolutely no reason now for the C Series to satisfy the U.S. market be built in Mobile, Ala," Unifor president Jerry Dias told reporters.

"Today is a huge victory for one of Canada's most important industries and as a Bombardier employee I'm absolutely thrilled and dumbfounded that this decision actually came down."

Bombardier spokesman Simon Letendre said the company and Airbus will proceed with the construction of the second assembly line for the U.S. market.

McGill University professor Karl Moore said building the plant is the right move.

He expects the orders will flow into Bombardier now that the uncertainty of duties is resolved.

"The U.S. is wide open to sell a lot of C Series," he added.

But Richard Aboulafia of the Teal Group said he doesn't believe the ruling will unleash a torrent of orders because so few

But Richard Aboukhalil of the Teal Group said he doesn't believe the ruling will unleash a torrent of orders because so few American airlines ordered the C Series even though it has been available to purchase for a decade.

"You could make an argument that the combination of Airbus ownership and the end of this trade complaint might serve as a catalyst but I'm not aware of a whole lot of outstanding U.S. requirements for a plane of this class."

Delta Air Lines Inc. said it looks forward to introducing the CS100 to its fleet. The airline ordered 75 CS100s that were slated to be delivered starting this fall from Mirabel, Que. It has vowed to wait until the new assembly line is built.

"Delta is pleased by the U.S. International Trade Commission's ruling rejecting Boeing's anti-competitive attempt to deny U.S. airlines and the U.S. travelling public access to the state-of-the-art 110-seat CS100 aircraft when Boeing offers no viable alternative," it said in a news release.

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