Aerospace & Defense

Airlines brace for hit from Pratt & Whitney's new engine problem





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[1/2] Model of a Pratt & Whitney GTF engine is displayed at the 54th International Paris Air Show at Le Bourget Airport near Paris, France, June 20, 2023. REUTERS/Benoit Tessier/File Photo

CHICAGO/PARIS, July 26 (Reuters) - Airline executives are fuming about the prospect of grounding planes and trimming flight capacity amid a busy summer travel season after fresh problems arose with some of RTX's (RTX.N) Pratt & Whitney engines.

Pratt & Whitney's latest snag, revealed on Tuesday, will impact at least 1,200 of its Geared Turbofan (GTF) engines that power Airbus' (AIR.PA) popular A320neo jets and will need up to 60 days to inspect and fix after microscopic contaminants were found in a metal used in part of the engine core.

While few airlines commented publicly about the engine contamination issue, multiple senior airline executives privately said they were shocked, and one who asked not to be identified called it a "nasty surprise."

Carriers are already grappling with shortages of pilots, air traffic controllers and new planes, making it harder to add more flights. Some are leaning on bigger planes that can accommodate more passengers to get around operational challenges.

"On the face of it, this came at a really awkward time," said Addison Schonland, partner at consulting firm AirInsight.

RTX said it was looking to minimize the impact and support its customers, but airlines in the northern hemisphere are trying to optimize resources for the summer travel season, typically the industry's most profitable period.

Major customers that took delivery of affected A320neo jets include Spirit Airlines (SAVE.N), JetBlue Airways (JBLU.O), Hawaiian Airlines (HA.O) and Wizz Air (WIZZ.L), according to aviation data provider Cirium.

2 of 13 7/27/2023, 9:42 AM Those carriers also lack in-house aircraft repair and maintenance support systems, making them reliant on outside service providers. But with repair facilities already congested, the situation is far more pressing for them, Schonland said.

Hawaiian Airlines warned it might have to adjust its capacity, but said it was too early to assess the impact. The carrier said on Tuesday the impact would depend on availability of the parts that require replacement.

The limited availability of replacements for these engines had already limited Hawaiian's ability to make full use of its Airbus fleet. It had grounded some planes due to lack of engines.

The industry has struggled to build spare capacity amid a persistent shortage of labor after the pandemic and a faster-than-expected recovery in travel demand.

Before the revelation of contaminated metal parts in Pratt & Whitney's engines, Hawaiian had planned to have no more than two planes out of service for the next few months. Now it will likely take a few more quarters before its entire Airbus (AIR.PA) narrowbody fleet is available.

"What we are really looking forward to is full availability of our fleet ... and a much more predictable operation," Hawaiian CEO Peter Ingram said on the company's earnings call on Tuesday.

Spirit Airlines previously cut 2023 capacity estimates due to a lack of working GTF engines. The ultra-low-cost carrier has said constrained capacity at repair shops has led to a three-fold increase in turnaround times for engines.

The Florida-based company, due to report its quarterly earnings next week, did not respond to a request for comment. In April, however, it said engine-related issues were hurting operations.

Prior to the latest issue, Spirit's Chief Financial Officer Scott Haralson had called the whole situation "frustrating", as it was hurting the airline's profits.

JetBlue finds itself in a similar spot. A spokesperson said the New York-based carrier was working with Pratt to assess the impact of the latest problem.

The airline already cut 10% of its flights out of New York City this summer due to a shortage of air traffic controllers. In a regulatory filing, the company previously warned it was "vulnerable to significant problems" associated with Pratt & Whitney's GTF engines.

Hungary's Wizz Air said on Wednesday it expected first-half capacity to shrink by a "mid-single digit" percentage as 12 of its fleet's engines would be affected. But the low-cost carrier added that strong consumer travel demand could result in higher fares, leaving profitability intact.

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