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United CEO kickstarts Airbus talks amid Boeing delays, sources say

By **Tim Hepher** and **Rajesh Kumar Singh**

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Now, United also faces delays

00:16 / 01:42

Summary Companies

Talks focus on A321neo and stalled United A350 order -sources
Boeing 737 MAX 10 facing doubts over timing after MAX 9 blowout

DUBLIN/CHICAGO, Jan 29 (Reuters) - United Airlines ([UAL.O](#)) has approached Airbus about buying more A321neo jets to fill a potential void left by the delayed Boeing 737 MAX 10, in a trade-off likely to ease deadlock over a long-delayed separate order for larger A350s, industry sources said.

United CEO Scott Kirby flew to Toulouse recently to sound out the planemaker on a potential quid-quo-pro deal after a mid-air emergency on an Alaska Airlines 737 MAX 9 raised new doubts over certification of the already delayed MAX 10, they said.

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"United Airlines has been in talks with Airbus about possible alternatives to the MAX 10 order. To my knowledge no agreement has been reached," a person familiar with the discussions said.

Talks embracing a potential sale of some A321neo jets and the status of United's previously ordered A350s are at an early stage and there is no guarantee of a deal, the sources said.

Airbus ([AIR.PA](#))  and United Airlines declined to comment.

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Kirby's previously unreported trip to Toulouse is the latest twist in a widening crisis engulfing Boeing as the planemaker seeks to reassure the public and regulators about production quality and safety while preventing key orders unravelling.

Kirby last week called the MAX 9's partial grounding "the straw that broke the camels back" following certification delays to the MAX 10, the largest member of a jet family tarnished by an earlier safety crisis caused by two fatal crashes.

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United has not cancelled any of the 277 MAX 10 jets it has on order, but it has removed them from internal plans, Kirby told reporters last week, leaving questions over how it would fill the gap at a time when rival Airbus is heavily sold out.

Bloomberg News on Friday reported that Airbus was seeking to buy back A321neo positions from the jet market in order to be able to construct a proposal should there be an opening.

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Trade publication Air Insight reported Airbus and United were in talks.

Europe's Ryanair ([RYA.L](#)) on Monday backed the MAX 10 and said it would take any deliveries abandoned by U.S. carriers.

Any deal between United and Airbus would depend on scarce availability of the A321neo, which is the most in-demand jet in its category, and the status of United's contract with Boeing, which is expected to be the subject of intense discussions.

Kirby said last week United had not cancelled any MAX 10s, but added: "Boeing is not going to be able to meet their contractual deliveries on at least many of those airplanes and let's leave it at that."

Signs of a potential Airbus deal have raised "concern" at Boeing, a senior industry source said.



[1/2] United Airlines CEO Scott Kirby takes part in a panel discussion at the International Air Transport Association's (IATA) Annual General Meeting in Boston, Massachusetts, U.S., October 4, 2021. ... [Acquire Licensing Rights](#) Read more



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But Boeing is unable for now to give the clarity that United and others want because of doubts over the certification timeline.

Boeing, which has pledged to tackle quality problems that may have caused a door plug to blow off a MAX 9 and led to the partial grounding, declined comment on commercial discussions.

Boeing Commercial Airplanes CEO [Stan Deal](#) said in a letter to staff on Friday it was "deeply sorry for the significant disruption and frustration for our customers".

United [resumed](#) MAX 9 flights on Saturday.

A350 DELIVERIES

The talks come as Airbus has firm control of the busiest part of the jet market where its 240-seat A321neo has a strong lead over the upcoming MAX 10.

By contrast, it has failed to deliver a single one of its larger A350 jets to United after winning a sale as far back as 2010, after a subsequent merger between United and longstanding Boeing customer Continental Airlines triggered a review.

The orders have been progressively delayed to around 2030.

Industry sources said both sides provisionally agree any deal for A321neo jets would revisit the 45 A350s United has on order and at least include a firmer timeline for deliveries after several deferrals by the Chicago-based airline.

United's Chief Financial Officer Michael Leskinen said last week it was looking to start taking the deliveries of A350s in the early part of the next decade to replace old Boeing 777s.

United has long been a crucial battleground as Airbus challenged Boeing for a piece of its domestic market and ultimately overtook it as the world's largest manufacturer.

In 1992, Airbus snatched an order for A320s that broke United's reliance on Boeing, with which United shares corporate roots.

The unexpected deal triggered a rethink that contributed to the launch of the MAX's predecessor, the best-selling 737NG.

Now, United's urgent need for planes is shaping up as a milestone in the problems facing its successor, the MAX.

The latest MAX crisis and wider questions over the state of the plane market duopoly are expected to dominate an annual meeting of aviation financiers in Dublin this week.

Reporting by Tim Hepher, Rajesh Kumar Singh, Additional reporting by Valerie Insinna, Conor Humphries. Editing by Jane Merriman and Louise Heavens

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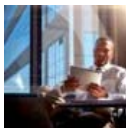


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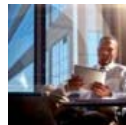


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