

American Airlines reaches deal with Boeing on MAX losses

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American Airlines reached an agreement with Boeing on compensation for the financial losses connected to the 737 MAX grounding

American Airlines on Monday became the latest carrier to reach an agreement with Boeing on compensation to cover the financial losses connected to the 737 MAX grounding, which caused thousands of flights

to be cancelled.

American described the deal as a "confidential agreement" and did not disclose the full amount involved, which covers the company's 2019 financial damages.

"American will continue its conversations with Boeing regarding compensation for damages related to the MAX grounding beyond 2019, and any future compensation will be similarly shared with its [team members](#)," the company said.

The US carrier in October estimated that the MAX would cost it \$540 million in pre-tax profits in 2019 due to thousands of [flight](#) cancelations.

The MAX has been grounded since March following two flights that killed 346 people. Boeing last month halted production of the MAX and replaced its chief executive with longtime board member David Calhoun.

American and other leading airline have repeatedly had to push back the expected date when they can return the troubled aircraft to their flight schedules due to regulatory delays in recertifying the plane.

Boeing has set aside \$4.9 billion for customers harmed by the MAX grounding and indicated that the payments could come in cash or through in-kind contributions in aircraft or services.

American said \$30 million from the settlement would compensate employees under the company's profit-sharing plan for 2019 results.

The announcement follows a similar agreement announced by Southwest Airlines last month.

As the grounding has dragged on, with new revelations about undisclosed documents or issues with the flight systems, Boeing shut down production of MAX.

Boeing notified some workers, including those at the Renton, Washington factory, that they would be relocated to other facilities.

"No decision has been made on when 737 production will restart due to the uncertainty about the timing and conditions of return-to-service and global-training approvals," according to an internal Boeing announcement Monday.

"Once there is a decision, loaned employees will start returning to their regular assignments in a phased approach."

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