

At United and Alaska airlines, frustration with Boeing's manufacturing problems is boiling over

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A United Airlines jetliner heads in for a landing at Denver International Airport after a winter storm swept through the region Tuesday, Jan. 16, 2024, in Denver. Forecasters predict that the frigid weather will persist until midweek in the intermountain West. Credit: AP Photo/David Zalubowski

The leaders of United Airlines and Alaska Airlines took turns Tuesday blasting Boeing over manufacturing problems that have led to the grounding of more than 140 of their planes, with United's CEO saying his airline will consider alternatives to buying a future, larger version of the Boeing 737 Max.

"I am more than frustrated and disappointed. I am angry," Alaska Airlines CEO Ben Minicucci told "NBC Nightly News" in an interview that aired Tuesday night. "My demand on Boeing is, what are they going to do to improve their quality programs in-house?"

United CEO Scott Kirby said that Boeing needs "real action" to restore its previous reputation for quality.

Boeing said workers at its 737 factory would stop work on Thursday to hold a special session to focus on quality.

The strong and unusual criticism of Boeing by airline executives follows a Jan. 5 accident in which a panel called a door plug blew off an Alaska Boeing 737 Max 9 jetliner 16,000 feet (4,900 meters) above Oregon, leaving a gaping hole in the side of the plane.

U.S. regulators grounded most Max 9s the following day, and investigators are [probing whether bolts](#) that help hold the panel in place were missing or broke off.

United, which has been unable to use its 79 Max 9s, disclosed on Monday that it expects to lose money in the first three months of this year because of the grounding.

Kirby said on CNBC that he believes that the Max 9s could be cleared to fly again soon, "but I'm disappointed that the manufacturing challenges do keep happening at Boeing."

At times over the past few years, manufacturing flaws have held up deliveries of Max jets and a larger Boeing plane, the 787. Last year, United received 24 fewer Boeing aircraft than it expected.

United has a standing order for Max 10 jets, a larger version of the Max line. However, that model and a smaller one, the Max 7, are years behind schedule for being certified by the Federal Aviation Administration. The grounding of the Max 9 jets is likely to further complicate Boeing's drive to get the new models approved.

Kirby said the Max 10 is at least five years behind schedule and could be pushed further into the future.

"I think this is the straw—the Max 9 grounding—is probably the straw that broke the camel's back for us," he told CNBC. "We're going to at least build a plan that doesn't have the Max 10 in it."

Airlines rarely cancel orders, but sometimes they switch among various models in an order. Kirby wasn't specific about what planes United could acquire instead of the Max 10 but said the airline would talk to Boeing. He noted that there is only one other global manufacturer of such large planes—Boeing's European rival, Airbus.

Doing without the Max 10 probably means that Chicago-based United won't grow as fast as it had hoped, Kirby added.

Minicucci said Alaska Airlines, which has 59 Max 9s, had planned to order Max 10s, but he suggested that could change.

"Everything is open at this point ... we are going to do what is best for Alaska long term, in terms of fleet mix," he said.

Stan Deal, CEO of Boeing's commercial airplanes division, apologized

for the Max 9 grounding and said the company is making changes.

"We have let down our airline customers and are deeply sorry for the significant disruption to them, their employees and their passengers," Deal said in a prepared statement. "We are taking action on a comprehensive plan to bring these airplanes safely back to service and to improve our quality and delivery performance."

Production workers at Boeing's 737 factory in Renton, Washington, will spend Thursday taking part in "working sessions focused on quality." The sessions will let workers "pause, evaluate what we're doing, how we're doing it and make recommendations for improvement," Deal said.

The company promises similar sessions at all its commercial-plane factories.

The FAA has stepped up oversight of Boeing and is investigating whether the company and its suppliers—chiefly Spirit AeroSystems, which made the door plug—are following quality procedures in manufacturing.

The National Transportation Safety Board is investigating the accident on the Alaska jetliner. Pilots were able to turn around and make an emergency landing in Portland, Oregon, and no serious injuries were reported.

The Max, Boeing's best-selling line of planes, has a troubled history, going back to crashes in 2018 and 2019 that killed a total of 346 people. Those crashes—in Indonesia and Ethiopia—involved Max 8s and were attributed largely to an automated flight-control system that Boeing later overhauled.

All Max jets were grounded worldwide for 20 months after the crashes.

Congressional investigators faulted Boeing for failing to fix design flaws and the FAA for weak oversight of the aircraft maker.

Shares of United Airlines Holdings Inc. rose 5% Tuesday, the first day of trading since the company said it would lose up to 85 cents per share in the first quarter because of the Max 9 grounding but earn \$9 to \$11 per share for the full year—a better 2024 outlook than analysts expected. Shares of Seattle-based Alaska Air Group gained 3%.

Shares of The Boeing Co., which is based in Arlington, Virginia, fell less than 2%.

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