

Boeing shares dive as regulators unveil inspection plan for grounded MAX jets

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US-based Alaska and United Airlines fly the largest number of MAX 9 planes of any carrier and said on Sunday they had grounded their aircraft for inspection.

Shares of Boeing plunged Monday after an airplane panel blew out mid-flight, reviving safety questions at a time when the company had hoped

to recover its reputation.

The more than six percent drop in Boeing stock pressured the Dow index and came as US aviation authorities provided airlines with inspection protocols to check planes with similar configurations to the 737 MAX 9 aircraft involved in Friday's incident.

On Friday, Alaska Flight 1282 departed from Portland International Airport and was gaining altitude when the cabin crew reported a "pressurization issue," according to the Federal Aviation Administration (FAA), with the plane quickly returning to Portland.

Video images of the incident showed a gaping hole in the side of the plane, air rushing through the cabin, oxygen masks dangling and travelers observing city lights below them through the opening.

Inspectors have expressed gratitude that the incident did not result in loss of life or serious injury.

On Monday, the Federal Aviation Administration announced that it approved a roadmap for carriers to complete inspections that include both left and right door plugs, components and fasteners.

"Boeing 737-9 aircraft will remain grounded until operators complete enhanced inspections," the FAA said on X, the former Twitter platform.

Aviation analysts said the issue appeared to be a quality control problem rather than a design issue that might require an overhauling of the jet.

But even if the direct financial impact is contained, the incident marks Boeing's most serious in-flight safety episode since the deadly MAX crashes of 2018 and 2019. Boeing could face slower government approvals for new jets or on proposed repairs, analysts said.

"The gravest injury in the most recent commercial jet accident is to Boeing's reputation," read the headline of a note from Morningstar.

Inspection protocols

It is not yet clear what went wrong on the flight, but shares of Boeing sank Monday, along with supplier Spirit AeroSystems, which builds the fuselage for the MAX.

Near 1930 GMT, Boeing was down 6.5 percent while Spirit dropped 5.7 percent.

The affected area was a door plug, a cover panel used to fill an unneeded emergency exit in planes with smaller seat configurations.

Regulatory bodies swiftly grounded versions of Boeing's 737 MAX 9 jet with similar configurations to the Alaska plane.

On Monday, in concert with the FAA, Boeing issued technical instructions on inspections to operators, Boeing executives Stan Deal and Mike Delaney said in a message to staff.

Alaska Airlines said before inspections can begin, the FAA must approve alternate means of compliance and that Alaska must develop detailed inspection instructions for maintenance staff.

"As these steps remain pending, we continue to experience disruption to our operation with these aircraft out of service," said an Alaska Airlines statement that reported the carrier has canceled 140 flights for Monday.

AeroMexico, which has suspended 19 planes, said it is in the "final phase" of inspections, adding, "we expect all MAX-9s in our fleet to return to operation in the upcoming days."

United Airlines Monday had no immediate comment on a timetable for inspections.

Cultural challenge

The incident is the latest setback for the manufacturer, particularly over the 737 MAX.

The worst were two crashes—of a Lion Air flight in October 2018, and an Ethiopian Airlines flight in March 2019—that caused the deaths of 346 people in total and triggered the grounding of all 737 MAX planes for nearly two years.

Boeing Chief Executive Dave Calhoun called a company-wide meeting for Tuesday focusing on safety, saying the company has made progress but that "situations like this are a reminder that we must remain focused on continuing to improve every day," he said in a message to staff.

Analysts said the Alaska Airlines problems may have stemmed from a manufacturing defect.

Since the crashes, Boeing has repeatedly slowed or suspended production on both the MAX and the larger 787 Dreamliner due to problems that have been uncovered by staff prior to incident in the sky.

The latest episode is "indicative of a major cultural challenge" facing Boeing, said Richard Aboulafia, managing director at AeroDynamic Advisory. "They need to change. They can't just keep lurching from crisis to crisis."

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