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AIRLINES

Fallout From Southwest's New Revenue Management System Continues In Q3

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Southwest Airlines expects teething pains from a new revenue management system to ease later in 2024, but headwinds from its implementation are persisting in the third quarter (Q3).

Challenges with the new system and overcapacity in the U.S. domestic market triggered a 3.8% decline in Southwest's unit revenue (revenue per available seat mile) in the second quarter (Q2).

Southwest CEO Bob Jordan said during a recent earnings call that "we sold too many seats for the peak summer travel period too early in the booking curve," that resulted in fewer higher-margin seats to sell later in that curve.

With the new system, revenue is managed on an origin and destination (O&D) basis rather than on a specific trip leg, which was how the older system was designed.

The goal with the new system is to "maximize the performance of our flights, especially our best flights," Southwest COO Andrew Watterson said, adding the new product "accomplishes just that by considering what customers are willing to pay at different phases of the booking curve, including taking note of the differentiation between business and leisure customers."

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The Daily Memo

Tokyo Withdrawal Ends Virgin Australia's Brief Return To Long-Haul Arena

ADRIAN SCHOFIELD, adrian.schofield@informa.com

Virgin Australia's decision to halt its Tokyo route underlines not only the continued weakness of Japanese demand, but also Virgin's lack of appetite for long-haul international services.

The carrier intends to discontinue the flight between Cairns and Tokyo Haneda Airport starting Feb. 24, 2025, citing the slow recovery of the Japanese outbound travel market.

The Haneda route is Virgin's longest flight, and Tokyo is one of its just six international destinations. So while it is only one route, it is relatively significant in the Virgin network. The carrier is operating far fewer international flights than before the pandemic, almost all of which are short haul.

In many ways the Tokyo route was a holdover from Virgin's pre-pandemic iteration, when it had a greater focus on international services. At that time, it also had widebody aircraft that were more suited to such routes.

The airline has been operating the Haneda flights with narrow-

body aircraft, probably motivated in part by the desire to retain the coveted Haneda slot.

Narrowbody flights from Cairns were not Virgin's first choice for its Haneda slots. Australia's International Air Services Commission (IASC) first granted Virgin the rights for a Haneda service in 2019. Initially the carrier intended this to be a route between Brisbane and Haneda using Airbus A330s, beginning in March 2020.

However, the onset of the pandemic changed the equation dramatically. Virgin went through a bankruptcy restructuring that resulted in it cutting all of its widebodies and its long-haul routes.

The carrier gradually has restored some short-haul international services to markets such as Queenstown, New Zealand; Bali, Indonesia; and some South Pacific island destinations.

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But “adapting to a new system is not straightforward,” Watterson said. “Add to that changing schedules from Boeing delivery shifts and what we got was a complicated rollout.”

Challenges from that rollout are continuing in Q3, and as a result, Southwest’s unit revenue will be affected by 2 ppt year-over-year.

“As we gain experience in optimizing the system, we expect to see a noticeable tailwind to performance, likely starting in September of this year,” Watterson concluded.

Southwest is also facing cost headwinds, as its unit costs excluding fuel for 2024 are forecasted to jump 7-8% year-over-year. Higher unit costs growth in the back half of the year is driven by “a continuation of market-driven labor cost pressure from our new contracts,” and the moderation of year-over-year capacity growth, Southwest CFO Tammy Romo said. For the first six months of 2024, Southwest’s salaries, wages and benefits grew 12.9% year-over-year to \$5.9 billion.

The airline’s capacity is falling 4% in the fourth quarter, with both seats and trips down 8%. Watterson said Southwest expects positive unit revenue growth for that period.

Executives fielded a question regarding Southwest’s fare sale activity even as management admitted too many summer seats were sold early in the booking curve. Watterson said the carrier distributes directly to its customers, “which means you always

have to be out there pulling them to your website and promotional activity is the way you do that.”

The frequency of Southwest’s fare sales does not hold a special meaning, he added. “It’s a depth of sale that would give you indications about any kind of promotional level of discounts we’re giving,” Watterson said.

Just before releasing its Q2 earnings, Southwest unveiled a decision to start assigning seats and offer a premium extended legroom product. The announcement occurred after activist investor Elliott Management took an 11% stake in the airline last month, demanding an immediate change in management and a comprehensive business review. Southwest opted to adopt a “poison pill” defense to protect itself.

New York-based Elliott was less than impressed with Southwest’s planned changes to its aircraft cabins. The company argued the changes come “more than a decade late, and after a 50% decline in its share price over the past three years.”

During the earnings call, Jordan was queried about discussions with Elliott, and said that so far, “they’ve not shown any willingness to engage in any meaningful conversations with us.” As with any shareholder, “we would love to engage and hear their feedback ... but so far, there’s been no willingness on their part to do that,” he added.

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Virgin also was able to retain the Haneda slot. It was allowed to change the route’s Australian origin to Cairns, enabling it to initially use a Boeing 737-700, and then a 737 MAX.

The route finally was launched in June 2023, and Virgin was granted a five-year renewal by the IASC in February 2024.

There is still enough time before the planned route suspension for Virgin to consider trying to obtain another change to its approval, potentially securing widebodies to fly to Haneda from one of the larger Australian cities.

However, if Virgin does drop its Haneda rights, which appears more likely, then Qantas probably would apply to take the slots.

Qantas and its LCC subsidiary Jetstar are the current leaders in the Australia-Japan market, as each had about a 35% share of seat capacity for the week of July 22, according to data from CAPA and OAG. Next were All Nippon Airways (ANA) with 14.9%, and Japan Airlines with 9.9%. Virgin Australia had the lowest share with 5.2%.

Virgin is the only airline flying between Cairns and Tokyo Haneda. However, Jetstar offers flights between Cairns and Tokyo Narita Airport.

The loss of the Tokyo route will diminish Virgin’s international

network further. The carrier now is operating less than half its pre-pandemic international seat capacity.

In 2019, Virgin also had long-haul routes to Los Angeles and Hong Kong and previously to Abu Dhabi. Its pre-pandemic New Zealand network was far more extensive than now, and it offered other short-haul international routes.

Virgin has made no secret of its intention to focus on the lucrative domestic market since its restructuring, only resuming some international routes that it can operate with narrowbodies.

While it has not ruled out adding widebodies completely, such a step appears unlikely in the medium term. More clarity may emerge when current owner Bain Capital secures new investors for Virgin or completes an initial public offering.

At least for now, Virgin will rely on its airline strategic partners for its long-haul international access. For example, Virgin noted it still will be able to offer service to Japan via its codeshare with ANA.

Virgin said the end of the Cairns-Tokyo service will allow it to redeploy the 737-8 capacity used on that route to its domestic operation. This seems a sensible move more in keeping with the carrier’s current network, as the Tokyo route was something of an outlier.

SUPPLIERS

CFM Leap 1A Reverse Bleed System Retrofits Set To Begin

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Operators of CFM Leap 1A engines will soon have access to reverse bleed system (RBS) retrofit kits, the engine manufacturer announced, hitting its planned deadline of having the durability-improvement kits available around mid-year.

A service bulletin detailing the retrofit process is set for release in the coming days, CFM confirmed during the recent Farnborough Airshow. Kits have been pre-positioned to help keep up with expected demand for the solution to a nagging problem.

CFM developed the RBS to prevent coking, or temperature-induced evaporation of unburned fuel around nozzles that inject fuel into the combustor. The condition results from residual heat in the engine core hardware "soaking back" after shutdown.

If the fuel nozzle temperature exceeds the coke formation threshold, solid carbon forms. Eventually, the deposits can affect fuel flow and cause uneven internal combustor temperatures, which leads to reduced on-wing life and in the most extreme cases, in-service issues such as in-flight shutdowns.

The coking has led to high rates of fuel-nozzle replacements. Some operators have been replacing up to 10 fuel nozzles during performance restorations, GE Aerospace says. The company's goal is to cut this to one. The Leap 1A has 19 fuel nozzles, while the Leap 1B has 18.

New Leap 1As began shipping with line-fit RBSs earlier in 2024. At the time, CFM said a retrofit kit would be available by "mid-summer."

Operator feedback on the line-fit RBSs has been positive, CFM president and CEO Gaël Méheust says, adding, "We're seeing good results from more than 100 RBS-equipped engines already in service with 24 customers."

CFM said some of its CFM-branded service agreement (CBSA) and other licensed third-party shops are expected to offer the retrofits. CFM's overhaul network comprises five CBSA facilities and 11 other approved shops alongside 19 OEM-owned repair stations.

A similar system is being developed for the Leap 1B and is slated to be available in 2025. Early testing on the GE9X, which powers the Boeing 777-9, revealed signs of coking conditions, so GE added an RBS to its newest widebody turbofan. GE and Safran are 50/50 partners in CFM.

TECHNOLOGY

Airbus Extends Future Wing Research In The UK

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With the third and final demonstrator in Airbus' Wing of Tomorrow research project taking shape, work on a follow-on program to further mature the technologies is gathering momentum.

The £15 million (\$19.3 million) Sustainable Wing Solutions (SuWingS) project is supported by £8.2 million in UK government funding via the Aerospace Technology Institute (ATI). As the major part manufacturer under the Airbus-led effort, GKN Aerospace is investing £4 million in the project.

According to the UK Research and Innovation (UKRI) agency, SuWingS bridges the gap between the Wing of Tomorrow program and Airbus' Wing Accelerator project and ZEROe hydrogen aircraft initiative. In addition to GKN, Cranfield University and the University of Sheffield are partners in SuWingS.

Under Wing of Tomorrow, Airbus UK has received more than £117 million in funding support from the ATI to build three full-scale demonstrators to develop and test technologies for lighter, lower-drag wings that can be built at high production rates for future lower-emission single-aisle aircraft.

SuWingS is addressing wing design and manufacturing

topics including developing single-sided fasteners for one-way assembly, replacing traditional two-piece fasteners. The project also covers advances in carbon-fiber materials and numerical analysis models to predict structural behavior.

By integrating these technologies into major components and assemblies, the project will also work to monitor, understand and minimize the environmental impact of these processes, focusing on volatile organic compounds, carbon dioxide, waste, water and energy.

According to UKRI, the Wing Accelerator program is a portfolio of 10 projects launched by Airbus UK with ATI funding support to help develop a production system that can ramp up production to 60 pairs of composite wings per month within two years of its next narrowbody aircraft entering service.

To avoid delays in ramping up, UKRI says, the industrial system must be developed before full production is launched. This out-of-cycle development will be undertaken through the Wing Accelerator projects, which are to develop the automation, digitalization, logistics and connect industrial network required.

An example is a Wing Accelerator project to develop the technology to enable high-rate production of composite wing upper covers in the UK. With £24 million in funding from the ATI, the project aims to develop a high-rate wing-cover production line that can be installed at Airbus' plant in Broughton, Wales.

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AIRLINES

Industry Movements, July 15-26, 2024

AVIATION WEEK NETWORK STAFF

Recent personnel developments in the commercial aviation industry include changes at several U.S., Caribbean and Indonesian airlines, a major U.S. supplier, and a pair of European industry service providers.

Eileen McCarthy has been appointed general counsel and corporate secretary at JetBlue, effective Aug. 5. Previously, she was SVP of legal at UiPath, where she worked for about three years. Before that, she worked for over 14 years at JetBlue, most recently as VP and associate general counsel for corporate governance.

Allegiant has named Greg Anderson CEO and president, succeeding Maurice Gallagher when he retires Sept. 1. Anderson was president at the company, which he joined in 2010. Before that, he worked with U.S. Airways and Ernst & Young, with a focus on commercial aviation.

Spirit Airlines has appointed Richard Wallman to its board of directors. The former chief financial officer of Honeywell International and predecessor AlliedSignal, he is concurrently a director at CECO Environmental, Charles River Laboratories International and Roper Technologies.

Nico Buchholz has joined Bermuda-based airline BermudAir as president and deputy CEO, with over 30 years of aerospace experience behind him. He was most recently interim chief commercial officer at Deutsche Aircraft, with past roles as SVP of strategic initiatives at Bombardier and EVP of Lufthansa Group Fleet Management, among others.

Brendan Craig Martin has been appointed as President Director of BBN Airlines Indonesia, which specializes in ACMI (Aircraft, Crew, Maintenance, and Insurance) leasing, air charter flights, and air freight services. Martin took on the position in early July. Martin previously served as BBN Airlines Indonesia's chief operating officer.

Troy Brunk has been promoted to president of Collins Aerospace from president of mission systems, succeeding Stephen Trimm, who is retiring. Brunk has been with the company since 1992, when it was Rockwell Collins, starting as an operations manager in industrial engineering and working his way up through airborne solutions, interiors, avionics and other segments. Heather Robertson succeeds him in heading mission systems, moving up from chief operating officer of the segment. She has worked with the company since 2001, managing programs for datalinks, rotary wings and commercial avionics, among others.

Marcel Haar has been named managing director in Germany of Frequentis, an Austrian provider of safety-critical communications systems in air traffic management, public transport, public safety and defense, effective Aug. 1. He moves up from director of group communications and marketing, succeeding Reinhard Grimm, who has been promoted to EVP of civil air traffic management. Grimm is taking the reins from Hannu Juurakko, who is retiring.

EME Aero, a joint venture between Lufthansa Technik and MTU Aero Engines located in Poland, has announced the appointments of Robert Maslach as CEO and Anneke Troller as chief operating officer. Previously managing director of operations, Maslach succeeds Ulf Reinmoeller, who is returning to Lufthansa Technik in Hamburg as head of engine disassembly, assembly and test. Troller was regional manager at Lufthansa Technik as part of her transition into the role, having previously worked with Lufthansa Group at Swiss Airlines.

AIRLINES

Flynas To Add A320neos, A330neos For Faster Fleet Expansion

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LONDON—Airbus announced a memorandum of understanding with Flynas for 75 Airbus A320neo family aircraft and 15 A330-900s during the Farnborough Airshow.

In a separate statement, Flynas announced headline numbers of 30 A330-900s and 130 A320neos. Airbus has confirmed that the disparity is because Flynas included additional purchase rights.

The commitment is the basis for further growth of Saudi Arabia's currently largest low-cost airline. It also makes it a much bigger player in the widebody market with the A330neo commitment marking its first direct order for twin-aisle aircraft.

Flynas currently has a fleet of 64 A320neo family aircraft, which includes six leased A330s, according to the Aviation Week Network Fleet Discovery database.

The airline already has a firm order in place for 52 A320neos and 10 A321neos, according to Airbus data. Neither Airbus nor Flynas detailed what the split between the two narrowbody variants is in the new Farnborough agreement.

Saudi Arabia's airline sector is evolving fast. In addition to Flynas, Saudia Group subsidiary Flyadeal is trying to become more established in the low-cost sector. As part of a larger group order, Flyadeal will receive 51 A320neos and plans to grow the fleet to around 100 aircraft in the next five years. It is also looking at placing an order for widebodies, CEO Steven Greenway told Aviation Week in June. Flyadeal wants to use the widebodies on services to India, with Jeddah-Calcutta sectors being the longest at about eight hours.

Flynas did not say where it plans to use the A330-900s, but India as well as all destinations in Europe and Africa are well within its range. The airline plans to equip the aircraft with a two-class cabin seating up to 400 passengers. Cebu Pacific, another LCC with a long-haul fleet, is flying the A330-900 with 459 seats. "The A330neo will enhance our long-haul capabilities with its advanced technology and efficiency while supporting our growth plans and Saudi Arabia's pilgrim program," Flynas CEO Bander Al Mohanna said.

Flynas did not reveal details about the planned delivery schedule. Airbus has said its single-aisle production is essentially sold out until 2031. There are earlier delivery slots for the A330neo.

TECHNOLOGY

Hydrogen-Electric Pioneer ZeroAvia Bidding To Power Airbus' ZEROe

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Hydrogen-electric propulsion startup ZeroAvia says it is prepared to supply Airbus with engines if the airframer decides to launch development of a zero-emission hydrogen-powered commercial aircraft under its ZEROe initiative.

"We hope to power their ZEROe," ZeroAvia founder and CEO Val Miftakhov said at the Farnborough Airshow on July 22. Airbus is an investor in ZeroAvia and in May the companies partnered to study the creation of hydrogen hubs at Canada's three largest airports.

"Airbus is testing technologies and ZeroAvia is one of the technology teams in their exploration," Miftakhov said. "We hope to go on at least one of those [ZEROe] aircraft."

Airbus is studying a hydrogen-electric concept with up to 100 passengers and up to 1,000-nm range as well as a hydrogen-combustion concept with 200 seats and up to 2,000-nm range. A propulsion downselect is expected in 2026-27 and a launch decision in 2027-28.

ZeroAvia is likely talking to Airbus about an engine developed from its ZA2000 family, which has a planned power range from

2-5.4 megawatts to power regional turboprops and jets from 40-90 seats. "Airbus is an airframe manufacturer. We're looking to supply engines to them," he said.

The ZA2000 uses high-temperature proton exchange membrane (HTPEM) fuel-cell technology that ZeroAvia brought in-house when it acquired UK-based startup HyPoint in 2022. The company has just received UK government funding support to commercialize the HTPEM technology, which has higher power density than the low-temperature proton exchange membrane fuel cells used in its smaller ZA600 powertrain.

Miftakhov says ZeroAvia has now applied for certification of the 600-kW ZA600 with the FAA and UK Civil Aviation Authority aiming for market by the end of 2025. The first application is the Cessna Caravan, but the ZA600 is designed for retrofit to any nine-to-19-passenger aircraft powered by Pratt & Whitney Canada PT6-class turboprops. "We are building prototypes for certification testing," he says.

The ZA2000 is planned to be flight tested on a De Havilland Dash 8-400 that is undergoing modification in Seattle. Initial testing of the powertrain has been completed using a ground rig. "We are progressing to higher-power testing, then integration [on the aircraft] and ground test. The earliest it could fly is a couple of years from now," he said.

AIRLINES

Ryanair Calls For Raising Passenger Cap For Regional Airport Funding

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Ryanair has called on the Irish government to raise the passenger cap on its Regional Airports Program to allow airports to increase traffic while still benefiting from financial assistance.

Currently, only airports with fewer than 1 million passengers per annum qualify for capital and operational funding under the scheme, which supports Ireland's smaller airports.

Ryanair argues that this limit should be increased to 2 million passengers per annum, providing airports with an incentive to increase traffic and thereby promote tourism, jobs, and economic growth. The ULCC contends that the existing cap contradicts Ireland's National Aviation Policy.

"It makes no sense that regional airports are being penalized for growing tourism and delivering economic benefit to the regions," Ryanair DAC CEO Eddie Wilson says. "There is no incentive for regional airports, such as Knock, to grow beyond 1 million passengers per annum."

Ryanair said it aims to invest more than \$1.6 billion in Ireland's airports, intending to double traffic at Cork, Kerry and Shannon, and establish a base at Ireland West Airport Knock. However, Wilson warns that this potential growth is hindered by the current cap, which would cause regional airports like Knock to lose government funding if exceeded.

Cork Airport handled 2.8 million passengers in 2023, while Ireland West, Kerry and Shannon airports had passenger counts

of 813,000, 414,000, and 1.9 million, respectively.

Ireland's Regional Airports Program 2021-2025 awarded more than €11 million (\$11.9 million) in December 2023 to Donegal, Kerry, Ireland West, and Shannon airports, bringing the total funding provided to regional airports to €28 million for 2023.

In a mid-term review of the scheme, published on July 16, the Irish government said the program was "delivering on its objectives and is in line with Ireland's National Aviation Policy."

However, it acknowledged that it would consider extending support on a temporary phased step-down basis for airports forecasting growth beyond 1 million passengers under any future program beyond 2025. It said this would prevent a sudden loss of eligibility when surpassing the current 1 million passenger threshold.

Additionally, the review noted that there should be "detailed analysis" undertaken to broaden the scope of the scheme to include airports with more than 1 million passengers. It also said a €4.2 million Regional State Airports Sustainability Program would be launched to support Cork and Shannon airports' sustainability plans.

"I am pleased to see the continued growth in connectivity across our regional airports this year with passenger traffic to end June being 9% higher when compared with the same period last year," transport minister James Lawless said. "With a view to further enhancing regional connectivity, I have asked my department to undertake a consultation process with relevant stakeholders to consider the potential for the development of a start-up aid Scheme for airlines, to further support new strategic route development to and from our regions."

MRO

OGMA's New GTF MRO Shop Expected To Triple Revenues

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ALVERCA, PORTUGAL—Embraer subsidiary OGMA has opened a new engine maintenance facility dedicated to Pratt & Whitney geared turbofan engines, a business line the company expects to triple its revenues once it reaches full capacity.

OGMA signed an agreement with Pratt & Whitney in 2020 to become part of its geared turbofan (GTF) network, a move that is part of Embraer's ambitious services growth strategy which aims to generate new business through the launch of platform-agnostic MRO capabilities.

Speaking with Aviation Week Network at the engine facility's opening ceremony, Embraer Services and Support president Carlos Naufel, who is also chairman of the board of OGMA, said the company expects to induct between 20-25 GTF engines this

year. By 2030, he says OGMA plans to service around 240 GTF engines, which should generate around half a billion euros.

At the opening ceremony, Paulo Monghinho, CEO of OGMA, described the work behind setting up the new facility, noting that it took hundreds of people and thousands of hours to design it, set up teams and build new infrastructure. The more than €90 million (\$97.7 million) investment includes a 8,000 m² (more than 86,000 ft.²) facility that incorporates capabilities such as an automatic line for cleaning, balancing of static and rotating components, numerical control assisted grinding, a new logistics center and what OGMA says is the largest test cell in the country.

Monghinho also noted that the facility has created about 200 new jobs, a staff count that could increase in the future as OGMA ramps up work on the GTF. The company has established on-site training capability for the GTF engine, and it is working

OGMA, P. 7

LESSORS

SMBC Selects Pratt & Whitney GTF For A320neos

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FARNBOROUGH—As Pratt & Whitney works to restore market confidence in its PW1000G geared turbofan (GTF), the engine-maker has announced SMBC Aviation Capital—one of the largest lessors for GTF-powered Airbus A320neo-family aircraft—has exercised options for a further 22 firm orders.

The latest deal is supplemental to a 2021 order for 20 additional firm aircraft, bringing SMBC's commitment to 42 firm PW1100G-powered A320neo-family aircraft. SMBC originally announced its initial selection for 50 firm Pratt & Whitney A320neo-family aircraft in 2019, and currently manages a

portfolio of 142 GTF-powered A320neos.

The SMBC decision to firm up the Pratt-powered options appears to signal growing market belief in the engine-maker's mid- to long-term ability to work its way through the contaminated powder metal (PM) issue that has dogged the PW1000G in recent years.

As of June, about 673 aircraft, or one-third of the 2,034 in-service aircraft powered by PW1000G GTFs, were parked or stored, the Aviation Week Network Fleet Discovery database shows. The total includes aircraft parked for several reasons and not just as part of Pratt's PM fleet-management plan that has hundreds of engines coming off-wing for inspections of life-limited parts—the most critical in any engine—to detect signs of cracking and prevent in-service failures.

AIRLINES

Korean Air Launches 787-10 On Tokyo Route, Long-Haul To Follow

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Korean Air began scheduled services with its first Boeing 787-10 July 25, which also marked the debut of a new widebody business-class product.

The airline introduced the -10 on its route between Seoul Incheon and Tokyo Narita airports. Korean said the -10s will first be deployed on short-haul routes, but then will be used on long-haul service, such as Seoul-Vancouver.

The carrier said it intends to eventually use the -10s on other high-demand long-haul routes, including services to the western U.S. and Europe.

Korean has a total of 20 787-10s on order, which are due to be delivered by 2027, a spokesperson told Aviation Week. It is not revealing yearly delivery numbers. The airline also

has seven 787-9s on order, according to the Aviation Week Network Fleet Discovery database. It already has 13 -9s in service.

Korean Air signed a memorandum of understanding with Boeing at the Farnborough Airshow on July 22, which includes prospective orders for another 20 787-10s.

The airline is introducing its new Prestige Class business seat on the -10s, which it calls Prestige Suites 2.0. The upcoming -9 deliveries are also due to have the new Prestige product, the spokesperson said. The airline has not decided whether this product will be equipped on the Airbus A350s it ordered in April and retrofit decisions have also yet to be made.

The -10s will be configured with 325 seats, comprising 36 Prestige and 289 economy seats.

The 787-10s feature components manufactured by Korean Air's Aerospace Division in Busan, South Korea, such as the aft body, raked wing tips and flap support fairings.

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with local universities and unions to attract new staff. Naufel noted that Embraer is considering expanding its GIFT (Guiding and Inspiring Future Technicians) training program, which was launched in Brazil earlier this year, to additional locations in Europe and the U.S.

When asked about the business impact of ongoing GTF inspections due to powdered metal issues, Naufel said that it should not be significant because "one of the things about this business model that Pratt created is I don't need to go out to sell," he said. "It's a very secure network because there's already a need for [GTF services] and the volume of work is split across it."

Amey Comer, vice president of GTF programs at Pratt & Whit-

ney, noted at the opening ceremony that OGMA is now the 18th shop in the OEM's GTF network and the eighth in the European region capable of full disassembly, assembly and test capability. She also said the OEM has more than 11,000 GTFs on order.

According to Naufel, engine maintenance currently accounts for approximately 60% of OGMA's revenues. Embraer owns 65% of its shares, and the Portuguese government owns the remaining 35%. In addition to its new GTF capability, OGMA also works on Rolls-Royce T56, AE2100, AE3007 and AE1107 engines. The company offers MRO services for commercial, defense and executive jet customers, including airframe, components, aircraft painting, manufacturing and engineering capabilities.

SUPPLIERS

CAE CFO Leaving As Trainer Faces Challenging Quarterly Report

MICHAEL BRUNO, michael.bruno@aviationweek.com

Two months after Canadian trainer giant CAE shocked investors with news of a financial write-down due to difficulties in its defense division, CAE on July 26 announced CFO Sonya Branco will step down from her position at the end of August and leave the company.

The Montreal-based company is scheduled to report its fiscal 2025 first-quarter results on Aug. 14. The CFO joins other recent sub-CEO management changes, including the appointment of a new COO.

Branco has been CAE's EVP for finance and CFO since 2016. She joined CAE in 2008 and was appointed to the role of VP and corporate controller in 2011, the company said.

CAE CEO and president Marc Parent praised Branco in the announcement. "On behalf of myself, CAE's Board of Directors, and

the entire executive management team, I wish to express my sincere appreciation to Sonya for her numerous contributions to CAE's success over the last 17 years," Parent said. "Sonya led CAE's finance organization through a period of significant growth and reached many important milestones. We have benefited greatly from Sonya's stewardship, her insightful mentorship of her colleagues, and her deep commitment to the company. We wish Sonya the very best in her future endeavors."

Constantino Malatesta, CAE's chief accounting officer and VP for the controller office, will become interim CFO following Branco's departure. A search for a permanent CFO is underway, CAE said.

The company on May 21 surprised investors with a financial warning and write-off due to defense work, particularly old fixed-price contracts that have come back to haunt the company. CAE also announced changes to its leadership, including establishing a companywide COO. CAE veteran Nick Leontidis was appointed to the COO position.

AIRLINES

China Southern C919 Delivery Set For Late August

CHEN CHUANREN, chuanren.chen@informa.com

SINGAPORE—China Southern Airlines said it is expecting to take delivery of its first Comac C919 narrowbody airliner at the end of August and has been training its staff in preparation.

The airline will be introducing a three-class configuration on the C919—business, premium economy and economy—with 164 seats. All cabin products are supplied by domestic manufacturers, the airline said. The first C919 in China Southern livery has already rolled out of Comac's Shanghai plant.

On top of the first eight pilots who were certified following a 38-day conversion training course, China Southern says 26 cabin crew also received training on the C919 at the Guangzhou Industry-Education Integration Training Base. More notably, photos released by China Southern show a full-motion C919 cabin trainer to enhance realism for emergency training.

China Southern's technical department will also increase cooperation with Comac on component R&D, engineering, MRO and additional training.

China's largest airline group announced the acquisition of 100 C919s in the baseline configuration back in May in a deal pegged at \$9.9 billion based on list price.

AIRLINES

Air Tahiti Orders Four ATR 72-600 Turboprops

THIERRY DUBOIS, thierry.dubois@aviationweek.com

FARNBOROUGH—ATR has received an order for four ATR 72-600s from Air Tahiti, the regional turboprop manufacturer announced July 24 at the Farnborough Airshow.

The customer exemplifies the market ATR has been pursuing against otherwise slow demand in the 50-70-seat class of turboprops. Air Tahiti's fleet of 11 ATRs connects more than 90% of the inhabited islands in French Polynesia. The airline's network includes 48 domestic routes and one international service, and ATRs have been crucial in linking communities and supporting the economy, the airframer says.

"In French Polynesia, where air services are particularly vital, our aircraft, emitting 45% less CO₂ compared to similar-size regional jets, are ideal for responsible travel," ATR CEO Nathalie Tarnaud Laude said. "This region, with the shortest and one of the longest ATR flights between islands, highlights the importance of our mission."

Deliveries of the additional four aircraft to the Papeete Faa'a International Airport-based carrier are scheduled over the 2025-28 period. Since 2022, ATR has been striving to solve supply chain issues that severely disrupted its production line, hampering the manufacturer's ambition to ramp up.

The aircraft order is accompanied by an eight-year global maintenance agreement. Under the pay-by-the-hour package, ATR will provide repair, overhaul and pooling services of line-replaceable units.

Industry Data

Farnborough Airshow 2024 Orderbook

Aviation Week Network staff on site at the 2024 Farnborough International Airshow July 22-26, 2024, compiled a running list of orders, announcements and agreements to purchase commercial aircraft. Entries shown in bold are firm orders.

Date	Manufacturer	Customer	Aircraft Class	Aircraft Type	Order type	Number
July 25	Airbus	Abra Group	Widebody	A350-900	MOU	5
July 25	Airbus	flynas	Narrowbody	A320neo	MOU	75
July 25	Airbus	flynas	Widebody	A330neo	MOU	15
July 24	ATR	Air Tahiti	Regional Turboprop	ATR 72	Order	4
July 23	Airbus	Vietjet	Widebody	A330neo	Order	20
July 23	Airbus	Berniq Airways	Narrowbody	A320neo	Order	6
July 23	Boeing	Qatar Airways	Widebody	777-9	Previously undisclosed	20
July 23	Boeing	Macquarie AirFinance	Narrowbody	737-8	Order	20
July 23	Airbus	Japan Airlines	Widebody	A350	Order	20
July 23	Airbus	Japan Airlines	Narrowbody	A321neo	Order	11
July 23	Airbus	Virgin Atlantic	Widebody	A330neo	Order	7
July 23	De Haviland Canada	SATENA	Regional Turboprop	DHC-6-400	Order	8
July 23	De Haviland Canada	Pegasus Air Services	Regional Turboprop	DHC-6-400	Order	1
July 23	De Haviland Canada	Undisclosed European	Regional Turboprop	DHC-6-400	MOU	1
July 23	De Haviland Canada	Undisclosed	Regional Turboprop	DHC-6-400	MOU	1
July 22	Airbus	Drukair	Narrowbody	A321XLR	MOU	2
July 22	Airbus	Drukair	Narrowbody	A320neo	MOU	3
July 22	Boeing	Japan Airlines	Widebody	787-9	Option	10
July 22	Boeing	Japan Airlines	Widebody	787-9	Order	10
July 22	Boeing	Luxair	Narrowbody	737-10	Option	2
July 22	Boeing	Luxair	Narrowbody	737-10	Order	2
July 22	Boeing	Korean Air	Widebody	777-9	MOU	20
July 22	Boeing	Korean Air	Widebody	787-10	MOU	30
July 22	Boeing	National Airlines	Widebody	777F	MOU	4

MOU = Memorandum of understanding—not tracked in Fleet Discovery

LOI = Letter of Intent—not tracked in Fleet Discovery

Previously Undisclosed = Already on the OEM's orderbook prior to FIA 2024

Source: Source: AWIN Fleet Discovery © Informa Markets 2024

Industry Data

SpeedNews Commercial Aircraft & Engines Marketplace

COMPANY	COMMERCIAL AIRCRAFT FOR SALE OR LEASE	PHONE	E-MAIL	CONTACT
ALTAVAIR LTD	2- 767-300ERBCF (PW4060-3), MSN 28141/30563, DOM 2000, FOR SALE/LEASE, AVAILABLE NOW	(353)1-267-8814	gareth.henry@altavair.com	GARETH HENRY
BRISTOL ASSOCIATES	2- ERJ 145XR, DOM 2002, MSN 655/657, 50-SEATERS, TR'S, WINGLETS, 2,000 NM RANGE, AVAILABLE NOW	(1)202-682-4000	bristol@bristolassociates.com	PETE SEIDLITZ
JET MIDWEST	1- 777-200ER (TRENT 895), DOM 2007, MSN 34379, FOR SALE/LEASE; ADDITIONAL AIRCRAFT AVAILABLE	(1)913-706-2517	aircraft@jetmidwest.com	MARIZA BROWNING
WILLIS LEASE FINANCE CORPORATION	2- ATR 72-500 (PW127FM), WLFC ENGINE ConstantThrust® PROGRAM, 70-PAX, MSN 699/767, FOR SALE/LEASE	(1)647-242-4952	nrwane@willislease.com	NEIL RUANE
COMPANY	ENGINES FOR SALE OR LEASE	PHONE	E-MAIL	CONTACT
AVIAN INVENTORY MANAGEMENT	4- CF34-10E, SERVICEABLE, FULL QEC, FOR SALE, AVAILABLE NOW	(1)407-787-9100	engines@avianparts.com	IAN GUREKIAN
WILLIS LEASE	GErx / LEAP / CFM56 / IAE / GE / P&W ENGINES AND APUS FOR LEASE, PLUS ENGINE STANDS	(1)415-408-4742	leasing@willislease.com	JENNIFER MERRIAM
COMPANY	ENGINE STANDS AVAILABLE	PHONE	E-MAIL/WEB ADDRESS	CONTACT
GLOBAL ENGINE STANDS, INC.	GE90-94/115B, PW1100/1500/2000/4000, CFM56, CF34, CF6, V2500, RB211, AE3007, TRENT 700; APUs & REFURBs	(1)305-978-0898	yperez@globalenginesstands.com	YEXCELD PEREZ
NATIONAL AERO STANDS	STANDS FOR LEASE: AE3007; CFM56; CF34; CF6; GE90; GERx; LEAP; PW1100/1500/2000/4000; V2500 RB211-535; TRENT 500/700/800/1000/7000. BOOTSTRAP KITS: CFM56-3I-7; CF6; RB211-535; TRENT 1000.	(1)512-296-9502	support@stands.aero www.stands.aero	GAIL HOLGUIN
COMPANY	LANDING GEAR AVAILABLE	PHONE	E-MAIL/WEB ADDRESS	CONTACT
PRIME AIR EUROPE, LTD	A320 ENHANCED LG SHIPSET, UK STOCK, CERTIFIED SV BY REVIMA, 2.5 YEARS GREEN TIME REMAINING	(44)1442-262698	smallinson@primeair.com	SEAN MALLINSON

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Calendar

To list an event, send information in calendar format to aero.calendar@aviationweek.com. For a complete list of Aviation Week Network's upcoming events, and to register, visit www.aviationweek.com/events (**Bold type indicates new calendar listing.**)

July 28-30—RAA 2024 Summer Seminars, Jacquard Hotel & Rooftop, Denver, Colorado. <https://www.raa.org/events/2024-summer-seminars>

July 30-Aug. 1—FAA Drone and Advanced Air Mobility (AAM) Symposium, Baltimore Convention Center, Baltimore, Maryland. <https://www.faadroneaamsymposium.org>

Aug. 22-23—CAPA Airline Leader Summit Latin America & Caribbean, Port of Spain, Trinidad and Tobago. <https://laas24.capaevents.com/home>

Sept. 2-5—Egypt International Airshow, El Alamein International Airport, Ghazal, El Dabaa, Egypt. <https://www.egypt-air-show.com>

Sept. 10-11—U.S. Chamber of Commerce Global Aerospace Summit, Ronald Reagan Building and International Trade Center, Washington, DC. <https://events.uschamber.com/globalaerospacesummit24>

Sept. 10-11—Aero-Engine Europe, Beurs van Berlage, Amsterdam, The Netherlands. <https://www.aeroengineconference.com/en/home.html>

Sept. 12-13—CAPA Airline Leader Summit Australia-Pacific, The Star, Brisbane, Australia. <https://apas24.capaevents.com/>

Sept. 18-21—Bali International Airshow, Ngurah Rai International Airport, Bali, Indonesia. <https://www.baliairshow.com/>

Sept. 18-22—Africa Aerospace and Defence, Air Force Base Waterkloof, Tshwane, South Africa. <https://www.aadexpo.co.za/>

Sept. 24-25—RAA Leaders Conference – Regional Airline Association, Washington, DC. <https://www.raa.org/events/2024-raa-leaders-conference>

Sept. 24-25—IATA World Sustainability Symposium, Loews Coral Gables Hotel, Miami, Florida. <https://www.iata.org/en/events/all/world-sustainability-symposium/>

Sept. 24-26—MRO Asia-Pacific, Singapore Expo Convention and Exhibition Centre, Singapore. <https://mroasia.aviationweek.com/en/home.html>

Sept. 30-Oct. 3—International Society of Air Safety Investigators (ISASI) Annual Seminar, Marriott Lisbon Hotel, Lisbon, Portugal. <https://web.cvent.com/event/2ab37792-b117-4ba1-b814-bee92c109348/summary>

Oct. 2-4—Sustainable Aviation Futures North America Congress, Marriott Marquis Houston, Houston, Texas. <https://www.safcongressna.com>

Oct. 6-8—Routes World 2024, Exhibition World Bahrain, Bahrain International Airport. <https://www.routesonline.com/events/250/routes-world-2024>

Oct. 8-9—Aviation Week Network Digital Transformation Summit, Delta by Marriott Hotels Dallas Southlake, Southlake, Texas. <https://digital-transformation.aviationweek.com>

Oct. 22-24—MRO Europe, Fira Barcelona, Barcelona, Spain. <https://mroeurope.aviationweek.com/en/home.html>

Oct. 23—ACI EUROPE Commercial & Retail Conference, Helsinki, Finland. <https://www.aci-europe.org/events.html>

Oct. 28-30—ALTA AGM & Airline Leaders Forum, Nassau, Bahamas. <https://alta.aero/forum/2024>

Oct. 29—IATA/National Airlines Council of Canada (NACC) Aviation Day Canada, National Arts Centre, Ottawa, Canada <https://www.iata.org/en/about/worldwide/americas/regional-events/aviation-day-canada/>

Nov. 5-7—IAWA Annual Conference, Radisson Blu Royal Hotel, Dublin, Ireland. https://www.iawa.org/36th_annual_conference.php

Nov. 26-28—ACI Airports Innovate 2024, Rome, Italy. <https://mroasia.aviationweek.com/en/home.html>

Dec. 11-13—GAD (Global Airport Development) World 2024, Marriott Hotel City West, Munich, Germany. <https://gad-world.aviationweek.com/en/home.html>

2025

Feb. 26-27, 2025—IATA World Data Symposium, Dublin, Ireland. <https://www.iata.org/en/events/all/world-data-symposium>