

Despite grounding, United Airlines still expects new 737 MAX planes in 2019

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United Airlines still expects to receive new 737 MAX planes in 2019 despite a global grounding following two crashes involving the Boeing plane

United Continental still expects to receive new Boeing 737 MAX planes in 2019 and does not expect a fight with the manufacturer over recovering costs from the planes' grounding, United executives said Wednesday.



Boeing's 737 MAX planes have been grounded globally since mid-March following two deadly crashes involving the planes in less than five months.

United, parent to United Airlines, currently has 14 of the 737 MAX planes in its fleet and had been scheduled to receive five more planes in the <u>second quarter</u> and 11 additional planes in the third.

The company has temporarily suspended <u>deliveries</u> of new 737 MAX aircraft.

United executives said Wednesday some of their 2019 deliveries may lapse later in the year but that they still expect to receive all of the planes in 2019.

US aviation regulators say they will closely review Boeing's proposed fixes before allowing the planes to resume service.

United executives, who have removed the planes from scheduled flights through early July, were asked by an analyst whether Boeing has offered compensation to make up for moving planes and other <u>costs</u> due to the MAX situation.

"Right now we're focused on assisting every way we can with regulators and with Boeing on solving the problem," said Chief Financial Officer Gerry Laderman.

"Boeing has been a great partner of ours for decades," Laderman said, adding that the two parties had reached agreement a few years ago after a grounding of the 787 <u>plane</u> crimped some business.

"We'll have a conversation with Boeing and I expect like we always do to resolve whatever that conversation is in a way that works for both of us,"



he added.

United has been somewhat less affected by the 737 MAX grounding than two other US carriers, American Airlines and Southwest Airlines, which have 24 and 34 737 MAX in their current fleets respectively.

Shares of United rose 4.7 percent to \$89.18 near mid-day after the company reported better-than-expected first-quarter profits.

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