Delta To Buy 100 Boeing 737 Jets

Samantha Bomkamp, AP Airlines Writer

NEW YORK (AP) — Delta Air Lines on Thursday confirmed its plan to buy 100 Boeing 737 jets as part of a fleet upgrade, with delivery set for 2013 to 2018.

The order announced Thursday is valued at $8.5 billion at list prices, although airlines commonly get discounts. The newer planes offer perks for travelers including a roomier cabin, less engine noise and more room in overhead bins. But they also have huge benefits for airlines because they are more efficient, require less maintenance and burn less fuel.

The 737-900 extended-range aircraft from Boeing Co. have a single aisle and up to 180 seats when set up with economy and first class. They have the range to fly on any of Delta's current domestic routes. The 737-900 is the newest of Boeing's popular 737 model.

Delta Air Lines Inc., which is based in Atlanta, said in January it was considering an order for as many as 200 jets — possibly with options for 200 more — to replace the aging fleet it uses for domestic flying. It said the timing of its delivery plan announced Thursday will allow it to keep its capital spending plan on target for this year. Keeping its costs under control is critical to its goal of reducing its debt over the next two years.

The new planes will replace Delta workhorses such as the DC-9-50s and Airbus A320s that it got when it bought Northwest Airlines in 2008, as well as Boeing 757-200s, which both airlines have operated. The average age of Delta's planes is 16 years. It has some Boeing planes that are less than two years old. But its DC-9s date back to the 1970s. They are the oldest commercial passenger planes flown today by a U.S. airline. Delta is the world's second-largest airline, behind United Continental Holdings Inc. It has a total fleet of more than 700 planes.

Delta estimates that it will save between 15 and 20 percent in fuel and maintenance costs when it takes on the new planes. It is now more than halfway through a three-year, $2 billion plan to upgrade its fleet, facilities and technology.

The purchase is good news for Chicago-based Boeing, which lost its exclusive hold on American Airlines' fleet last month. The airline, which is owned by AMR Corp., announced plans to split a massive order between Boeing and rival Airbus. It was the biggest plane order in history: 460 aircraft (260 planes from Airbus and 200 from Boeing) with options to buy 465 more.

In morning trading, Delta shares fell 39 cents, or 5.4 percent, to $6.86. Boeing shares shed 64 cents to $61.05.

Source URL (retrieved on *04/25/2015 - 10:54pm*):
http://www.impomag.com/news/2011/08/delta-buy-100-boeing-737-jets?qt-most_popular=0