

American Airlines Orders 90 Regional Jets

The Associated Press

FORT WORTH, Texas (AP) -- American Airlines, fresh out of bankruptcy and newly merged with US Airways, said Thursday that it will buy 90 new regional jets from Brazil's Embraer S.A. and Canada's Bombardier Inc. and use them to replace smaller, less fuel-efficient planes.

American senior vice president of regional carriers Kenji Hashimoto said the new planes will reduce operating costs and allow for first-class cabins, economy seats with more legroom that the airline sells for a premium and in-flight Internet service.

Financial terms were not disclosed. The Embraer planes carry a total sticker price of about \$2.5 billion, although airlines routinely get discounts.

The airplane order was in the works long before this week's closure of American's merger with US Airways, which made it the world's biggest airline. In a regulatory filing Thursday, the new American Airlines Group Inc. said that including the new Embraer and Bombardier firm orders, it has committed \$22.5 billion for new planes and engines.

American's last big order was in 2011, for 460 planes from Boeing Co. and Airbus.

Deliveries from Bombardier are expected to begin next spring, and the first Embraer planes are scheduled to arrive in early 2015.

The airline placed firm orders for 60 of Embraer's E-175 jets and 30 Bombardier CRJ900 jets. It took options for another 130 planes — 90 from Embraer and 40 from Bombardier.

The 76-seat planes will replace 50-seat aircraft that will be retired. Airlines have been dumping the smaller planes because of higher fuel prices. Larger jets let airlines spread the cost of fuel across more passengers.

American said that the 30 Bombardier planes will go to PSA Airlines, a regional carrier owned by US Airways. The company said it would decide later which regional carrier would fly the 60 Embraer jets.

American's longtime regional affiliate, American Eagle, has a fleet consisting mostly of Embraer planes with 37, 44 or 50 seats and some Bombardiers with about 65 seats. Pilots at American had negotiated a limit on Eagle's use of larger regional jets to protect their jobs, but their most recent contract — negotiated while American was going through bankruptcy protection — gave the company power to add more large regional jets.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Source URL (retrieved on 12/17/2014 - 5:09pm):

<http://www.impomag.com/news/2013/12/american-airlines-orders-90-regional-jets>