

Airlines and Airports Significantly Impacted by the Boeing 737 Max 9 Grounding

On January 6th, 2024, the FAA issued an Emergency Airworthiness Directive ("EAD") ordering the temporary grounding of 171 Boeing 737-9 Max ("Max 9") aircraft that are operated by U.S. airlines, or in U.S. territory, following the in-flight loss of a mid-cabin door plug on an Alaska Airlines ("AS") Boeing 737-9 MAX airplane.

Alaska Airlines and United Airlines ("UA") have the largest Max 9 fleets worldwide with 65 and 79, respectively, which accounts for 20.9% and 8.4% of their fleets. As a result, some of the largest impacts of the groundings are at these airlines' hubs.

- At SEA, Alaska's largest hub, 11.3% of departing seats are operated on the Max 9. Other AS hubs with significant Max 9 capacity include ANC, PDX, SFO, and SAN.
- For UA, the impacted is really concentrated at three of the carrier's eight hubs, SFO, EWR, and IAD. While other hubs such as LAX, IAH, DEN, and ORD, will see the effects of the FAA's EAD, their impact will be more limited.

Copa Airlines ("CM") and AeroMexico ("AM") have the third and fourth largest fleets of Max 9's worldwide with 29 and 19, respectively, which accounts for 30.2% and 17.8% of their fleets. At PTY, Copa's largest hub, 22.9% of total departing seats are flown on the Max 9, while at AM's largest hub, MEX, 9.8% of departing seats are flown on the Max 9.

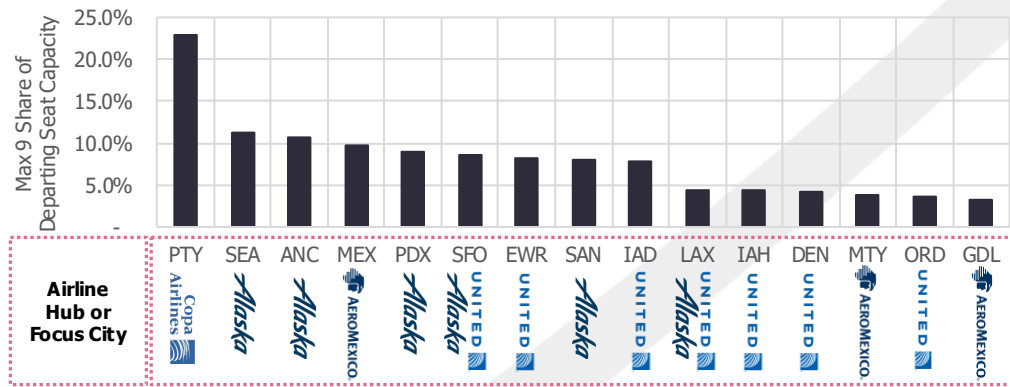
Since the initial EAD, the FAA has:

- Recommended carriers perform checks on the door plugs on Boeing 737-900ER aircraft, as these jets also have a mid-cabin exit door similar to the Max 9.
- Allowed airlines to resume flying grounded Max 9 jets following a "thorough inspection and maintenance process".
- Halted Boeing's plans to expand the current production rate of the 737 Max beyond 31 jets per month, or open new production lines, as previously planned.

Furthermore, while the EAD is affecting carriers' current capacity and fleet, enhanced FAA oversight of production is also expected to cause additional delays in Boeing's deliveries of new Max 8 and Max 9 aircraft, as well as the certification and delivery of Max 7 and Max 10 aircraft. These delays will likely result in constrained capacity growth for many airlines.

Ultimately, **the grounding of both the Max 8 and Max 9 jets have highlighted the risk of operating a simplified or single aircraft fleet**, which for decades have been touted for its numerous advantages, including cost savings, streamlined maintenance, and other operational efficiencies. In order for airlines to benefit from the efficiencies of fleet with minimal aircraft types, aircraft manufacturers must produce high quality aircraft free of defects to avoid groundings and ensure safe transportation to the travelling public.

Max 9 Share of Departing Seat Capacity at Airline Hubs, January 2024



<p>Fleet Impact</p> <ul style="list-style-type: none"> Alaska has 65 Max 9 aircraft in its fleet of 311. The carrier currently has a backlog of 80 additional Max aircraft on order. <p>20.9%</p> <p>Airline Response</p> <ul style="list-style-type: none"> Grounded all 737-9 Max aircraft in its fleet. <p>Network Impact</p> <ul style="list-style-type: none"> Notable impact to all AS hubs. 	<p>Fleet Impact</p> <ul style="list-style-type: none"> United has 79 Max 9 aircraft in its fleet of 944. UA has a backlog of 354 Max aircraft on order. <p>8.4%</p> <p>Airline Response</p> <ul style="list-style-type: none"> Grounded all 737-9 Max aircraft in its fleet. <p>Network Impact</p> <ul style="list-style-type: none"> Impact is primarily concentrated at three of UA's eight hubs. 	<p>Fleet Impact</p> <ul style="list-style-type: none"> Copa has 29 Max 9 aircraft in its fleet of 96. CM currently has 25 additional Max aircraft on order. <p>30.2%</p> <p>Airline Response</p> <ul style="list-style-type: none"> Grounded 21 of its 737-9 Max aircraft. <p>Network Impact</p> <ul style="list-style-type: none"> The airline announced the temporary grounding "impacts 20% of Copa Airlines' daily flights...the return of these aircraft to operation is contingent upon FAA approval". 	<p>Fleet Impact</p> <ul style="list-style-type: none"> Aeromexico has 19 Max 9 aircraft in its fleet of 107. The carrier does not currently have any Max aircraft on order. <p>17.8%</p> <p>Airline Response</p> <ul style="list-style-type: none"> Grounded all 737-9 Max aircraft in its fleet. <p>Network Impact</p> <ul style="list-style-type: none"> In addition to operating the Max 9 on 20 domestic routes, the grounding also impacts AM's flights to the U.S. 	<p>Fleet Impact</p> <ul style="list-style-type: none"> Several other airlines operate small Max 9 fleets, including: <ul style="list-style-type: none"> Icelandair operates 9 Max 9's, which the airline says are not impacted by the grounding. Turkish Airlines which operates 5 Max 9's. SCAT Airlines has a fleet of 5 Max 9's. FlyDubai operates 3 Max 9's, which it says are not impacted by the FAA mandate. Lion Air temporarily grounded its 3 Max 9's but has since cleared them to fly.