

Boeing, lawmakers upbeat after multiple plane orders

BY MATTHEW DALY
THE ASSOCIATED PRESS

WASHINGTON, D.C. — Buoyed by an influx of new orders, Boeing Co. appears to be turning the corner in its battle with archrival Airbus SAS.

Boeing's commercial airplanes chief, Alan Mulally, conveyed that message in a private meeting with lawmakers Tuesday, backed by a slew of new orders that testifies to the company's improving jet sales outlook.

The latest evidence came earlier Tuesday when Air-India announced plans to order 50 new Boeing jetliners — a deal worth \$6.8 billion minus undisclosed price discounts. On Monday, Air Canada said it had made firm orders for 32 Boeing jets at a list price of \$6 billion.

Earlier this month, Korean Air said it will order up to 20 of Boeing's new fuel-efficient 787 aircraft in a deal worth up to \$2.6 billion at list prices. Analysts and numerous published reports also have said that Northwest Airlines Corp. is negotiating an order for a substantial number of planes.

"The momentum has definitely swung in their favor, in terms of orders," analyst J.B. Groh of D.A. Davidson said of Boeing.

All the airlines involved in the recent orders had been committed Airbus clients.

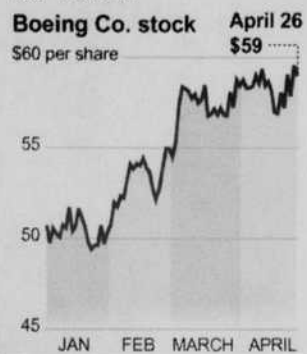
"It's not just sheer volume in customers' orders — it's penetration deep in the heart of Airbus territory," said Richard Aboulafia, an aviation analyst for the Teal Group in Fairfax, Va.

Boeing's stock fell 97 cents to \$58.61 on the New York Stock Exchange on Tuesday afternoon after rising earlier to \$60, matching a four-year high it also reached earlier this month.

Mulally wouldn't give specifics about his closed-door presentation,

Taking off

Boeing Co. stock climbed more than 15 percent over the past four months.



which lawmakers commented on afterward, other than to say the meeting "went really well." But numbers released by Boeing show the company is making inroads in the airplane market after being runner-up to Airbus in each of the past two years.

Boeing said that in 2005 it now has 57 net new orders plus unsigned but announced commitments for another 238, compared with the 2004 total of 272 orders. For the 787, it has a total of 237 orders and commitments since that program was launched a year ago Tuesday, company spokesman Todd Blecher said.

Mulally, a top contender along with Boeing defense unit Chief Jim Albaugh to become the company's new CEO, made an upbeat presentation to Washington state's congressional delegation on the day before Boeing reports its quarterly earnings results.

Mulally said the company was pleased with the U.S. government's response to Boeing complaints about subsidies given to Airbus by

European governments.

The Bush administration has threatened to resume a trade case against the European Union if Europe goes forward with new development subsidies for Airbus. Despite missing an April 11 deadline, both sides have offered to keep negotiating to avoid a formal complaint with the World Trade Organization.

"I don't know how that will come out, but we're all very supportive of the United States and Europe working things out. We're very encouraged by what's going on," Mulally said.

Washington lawmakers also were encouraged, but for a different reason. They said the company appears back on track after a difficult two years in which it lost market share and watched as Airbus became the world's top supplier of commercial airplanes.

Sen. Maria Cantwell, D-Wash., said she was struck by the difference in tone from a similar meeting with Mulally two years ago.

"Basically it's good news and great orders," she said, contrasting it with Boeing's recent troubles over an ethics scandal and a business slump spurred by the 2001 terrorist attacks.

Cantwell called the company's new 787 Dreamliner — which has played a key role in new orders from Canada, India and China — a "game-changer" and said Mulally deserves much of the credit for it.

Rep. Norm Dicks, D-Wash., also touted Mulally. "We've turned the corner and are going to be able to compete effectively with Airbus," Dicks said, referring to Boeing.

Dicks, the delegation's senior member, convened the meeting with Mulally, saying it was time to re-establish the monthly breakfasts and strengthen ties with the jet-maker, the state's largest private employer.

IN BRIEF

Airbus A380 prepares for maiden flight

BLAGNAC, France — After 11 years of preparation and \$13 billion in spending, the world's largest passenger plane, the Airbus A380, is scheduled to fly for the first time today.

Weather permitting, Airbus test pilots will power the four engines on a test model of the 555-seat "superjumbo" to lift its 308-ton frame aloft. About 50,000 onlookers are expected for what some are calling the biggest aviation event since Concorde's first flight in 1969.

The first A380 flight is tentatively set to begin around midmorning and could last for much of the day as the plane circles the region, beaming back real-time measurements of 150,000 parameters to Airbus headquarters from its 22 tons of on-board test instruments.

Industry analysts are keeping a close watch on Airbus, which hopes to woo customers away from rival Boeing Co.

with the A380 but has yet to prove that it can turn a profit on its superjumbo investment, a third of which came from European governments.

As Airbus and Boeing spar over what each calls unfair government subsidies for the other, the rival aircraft manufacturers have staked their success on competing visions of the future of commercial air travel.

The A380, with a catalogue price of \$282 million, represents a huge bet that international airlines will need bigger aircraft to transport passengers between ever-busier hub airports. But some analysts say signs of a boom in the market for smaller wide-body planes, such as Boeing's long-range 787 "Dreamliner," show that Airbus was wrong to focus so much time and money on its superjumbo.

While plane enthusiasts have lined fences in recent days at the airport in the Toulouse suburb of Blagnac, Airbus has warned that the first flight of the A380, already about a month behind schedule, could be further delayed by any unforeseen weather conditions.

— The Associated Press

Airbus trumpets its jumbo

Airbus' new A380 overtakes Boeing's 747 as the world's largest passenger jet with double-decker seating for 555 passengers.

The air up there

The A380 is only slightly longer than its predecessor but it stacks two decks of seating and stands nearly 80 feet tall (to the top of its tail), compared to the smaller 747 at just under 64 feet.

Airbus A380

Passengers 555
Wingspan 262 feet
Cabin width
Main 22 ft.
Upper 19 ft.

Boeing 747

Passengers 416
Wingspan 211 ft.
Cabin width 20 ft.

NOTE: Specifications rounded to nearest foot; 747 figures refer to Boeing model 747-400ER

SOURCES: Airbus SAS; Boeing Co.

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3. May 12: Door to the Sky (Morocco)
4. May 18: Informal Panel Discussion with local Muslim women.

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