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In the News

"We are implementing more initiatives than I have seen across our whole 53-year history ... Many of the policies that we're implementing are exactly what our employees are looking for the company to do."

—SOUTHWEST AIRLINES CEO BOB JORDAN

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AIRLINES

U.S. Airlines Cut Q1 Guidance As Delta Cites 'Parade of Horribles'

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Declining consumer confidence, a drop off in government demand and fallout from the fatal accident at Ronald Reagan Washington National Airport (DCA) in January have forced major U.S. airlines to slash their first quarter (Q1) financial projections.

But operators believe those trends are temporary and see brighter prospects for the second quarter (Q2) ahead.

Among the U.S. carriers to cut Q1 guidance, Delta Air Lines started 2025 by facing the "worst snow and ice event ... in over a decade" at its home city of Atlanta, costing the carrier roughly $100 million. The month then closed out with the fatal Jan. 29 crash of American Eagle Flight 5342 in Washington, D.C., an event that rattled consumer confidence in air travel.

The crash "caused a lot of shock amongst our consumers," CEO Ed Bastian told investors at the JP Morgan Industrials Conference on March 11. "There's a whole generation of people traveling these days that didn't realize these things can happen."

On increased macro uncertainty and resulting softness in domestic demand, Delta now forecasts total revenue to be up 3-4% year-over-year versus prior expectations of 7-9%, while its Q1 operating margin is projected to be up 4-5% compared to previous guidance of 6-8%. Earnings per share is expected to be $0.30-$0.50 in Q1, compared to the $0.70-$1.00 it had been targeting.

American Airlines also adjusted its financial forecast for Q1 and now expects revenue to be flat versus prior expectations of up 3-5% and is expecting an adjusted loss per diluted share of between $0.60 to $0.80 for the three-month period during which Flight 5342 has been its primary focus. "From a leadership perspective, none has been more difficult than this quarter," said American Airlines CEO Robert Isom, remarks that came hours before NTSB was expected to issue a preliminary report. "I do not believe that this incident will have a long-term impact on the industry or American—though, that said, it has had a real impact on this Q1," he told investors.

For Delta, a "pretty immediate" stall in corporate travel and bookings was observed following the January incident, while "some aspects of the crash were politicized, which did not help matters in terms of restoring confidence in consumers' minds," added Bastian. Though the carrier had been growing its corporate revenues by 10% year-over-year, that rate dropped into the low single digits "quickly," he shared. Hoping to enter February on more stable ground, the airline instead found close-in booking trends, corporate confidence and consumer sentiment continuing to lag prior to the Delta Connection Flight 4819 incident in which a CRJ-900 flipped upon landing at Toronto Pearson.

"Fortunately. no one was seriously hurt ... and that fed into another round of delay—it became pretty quickly obvious to us there was more than just the consumer sentiment coming out of the incidents," said Bastian. "There was something going on with economic sentiment, something going on with consumer confidence, and we were seeing that very much in the close-in bookings."

For Q1, Delta now anticipates being about $500 million short of the revenue it previously anticipated. Half it attributes to transitory costs, including from weather and wildfires, on top of consumer confidence in air travel, an element the carrier believes is improving. It has also recalibrated its pricing and inventory strategies, after determining it was "a little bit out of market" on pricing. The other $250 million, "we feel is going to be something that we've got to address as we move forward into the second quarter and beyond in the year," said Bastian.

Domestic Weakness

American was also affected by the California wildfires, as well as severe weather at large Sunbelt hubs, including Dallas/Fort Worth and Charlotte. "If those were the only two issues, we probably wouldn't be talking about major adjustments," said Isom. "But when you combine Flight 5342 with the uncertainty in the economy right now, and certainly domestic weakness in March—those are the primary reasons behind our adjustments to revenue."

United Airlines, meanwhile, is guiding to the lower end of its previously released guidance. The carrier forecasted in late January earnings per share for Q1 of $0.75-$1.25. United CEO Scott Kirby stated that the U.S. government represents about 2% of United's business while "government adjacent" firms including consultants and contractors represent another 2-3%. Revenue from those sectors is "running down about 50% right now," he concluded. United's long-haul international, premium and Hawaiian markets "all remain really strong," he said, while observing some "low end consumer leisure weakness."

One of the ways United is working to mitigate some of the demand erosion is the carrier's decision to retire 21 aircraft earlier than originally planned. "That's something that will be cash positive for us this year. We'd have to spend $100 million on engine overhauls this year alone for those airplanes," Kirby explained. "Those are our most expensive aircraft," and the decision to retire those jets will be "CASM [unit costs per available seat mile] positive," he stated.

The Aviation Week Network Fleet Discovery database shows United has an in-service fleet of 933 jets, and 77 inactive.

Observing a big drop in Canadian traffic to the U.S., Kirby noted that that carrier has already begun to remove capacity. "Some of it is going to come out of government markets where we've seen less demand, and we're also going to cancel red eye flying," he said. "Utilization flying is generally unprofitable at airlines, even in good times, and it's really unprofitable in bad times."

Additionally, United is adjusting yield management for the drop off in government demand, a system that was saving seats for government customers, Kirby explained. "By the time we're into April, we're not doing that anymore," he added, noting it will take more leisure than government bookings. Much of the 50% drop in government business gets corrected by the changes in United's capacity and its yield management, said Kirby.

Rounding out the Big Four, Southwest Airlines also lowered its Q1 expectations, now projecting RASM to be up 2-4% versus prior projections of being up 5-7%. Roughly a point of its lower unit revenue guide is primarily attributed to higher-than-expected completion factor, less government travel, and a greater impact from the California wildfires than originally estimated. The remainder it attributes to softness in bookings and demand trends. It now expects Q1 CASM-X to increase approximately 6% year-over-year—below its previously expected range of 7-9%, mainly due to increased capacity and lower than expected expenses.

Still working to cut costs and boost revenues amidst a three-year plan for transformation, Southwest announced its first-ever round of layoffs in February, and on March 11 disclosed that it would do-away with its hallmark "bags fly free" policy, except for certain tiers, beginning May 28.

"Our margin contraction over recent years is in part due to our own cost pressures," Southwest CEO Bob Jordan told investors. "Over many years, we also fell behind in revenue generation as our peers introduced a host of things that we did not pursue at Southwest."

JetBlue Airways, working through its own multi-year plan, is maintaining its RASM and CASM guide for Q1 and describing peak demand periods as remaining healthy, with the troughs under pressure. It has adjusted capacity to compensate, now guiding to end Q1 with available seat miles down 4-5% year-over-year, widened from previous expectations of being down by 2-5%.

Looking ahead, Delta is optimistic on Q2. "We're confident that as we move into the second quarter, the worst is behind us," said Delta president Glen Hauenstein. The carrier described good advance bookings for both transatlantic and transpacific travel, on continued strength in its loyalty business; co-brand credit card spending was up double digits in both January and February. The Atlanta-based carrier is not yet changing the three-to five-year targets it announced in November 2024, nor has it altered full year 2025 guidance at this point in time.

"We think margins will expand this year," said Bastian. "First quarter, even though we just went through a little bit of a 'parade of horribles,' will still be just as profitable as it was in the prior year." ■

The Daily Memo

Archer, Joby Shift Focus To UAE As Timelines Slip

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For years, investors in leading electric air taxi startups Archer and Joby have eagerly awaited the launch of commercial urban air mobility services in major U.S. cities such as New York and Los Angeles.

But as timelines continue to stretch and the reality of the FAA's somewhat opaque and highly arduous aircraft type certification process fully sets in, the two market leaders are determined to not lose their momentum. Rather than talking up their U.S. launch plans, they are increasingly eyeing the United Arab Emirates (UAE) as the major international launch market where they will prove out their technology and business case flying real routes with passengers on board.

Archer, for example, disclosed on its fourth quarter (Q4) earnings details about its new "Launch Edition" program, in which it will provide aircraft, pilots and maintenance and training professionals to international launch markets around the world, beginning with Abu Dhabi later in 2025. The launch of non-commercial market survey flights will be preceded by a series of tests in the desert evaluating the aircraft in extremely hot and sandy conditions. The first Midnight eVTOL will be delivered sometime toward the middle of the year, Archer says.

In an interview with Aviation Week, Archer's founder and CEO Adam Goldstein describes the initiative as a way to begin earning revenues—he estimates the Abu Dhabi deal will generate up to $20 million primarily through aircraft sales—while the extended FAA type certification process plays out. The company has earmarked seven aircraft for the program; these are considered pre-production prototypes. It is not yet clear whether the Gulf Civil Aviation Authority (GCAA) will require its own certification or if there is a pathway to operations on some other basis.

"We have found a way to monetize our aircraft even ahead of FAA certification," Goldstein tells Aviation Week. "That means we have less of a sole dependence on waiting for type cert, because we can still deploy every plane we build and build out a real business. The FAA cert will come whenever it comes—but in the meantime, we're not going to be waiting around to start standing up our business and generating revenues."

Like its main rival, Joby has also seized on the fast-moving UAE as an ideal launch market, with an early focus on Dubai. The startup said it plans to transfer its first S4 air taxi to Dubai around the middle of this year to complete flight testing in the emirate. The aircraft is to arrive ahead of Joby's plans to start carrying its first passengers in late 2025 or early 2026 in Dubai, the company said in its Q4 earnings call. Like Archer, the initial flights would be market test flights.

The aircraft that is being sent to Dubai is a "production prototype" from Joby's existing fleet of five aircraft and flies on a regular basis, the company says. Aircraft in Dubai are to be owned and operated by Joby.

While the two startups aspire to launch market survey flights as soon as late 2025, it is not yet clear when a commercial service could begin. An official with the GCAA told Aviation Week sister publication Times Aerospace last month that it may not be until 2027.

In announcing the plans on their latest earnings calls, both Archer and Joby were conspicuously mum on the subject of U.S. certification progress and timelines to launch domestic service. While neither company has officially announced a delay from their previous goals of launching U.S. service as soon as late 2025, investors and industry watchers have awakened to the reality that commercial service is still likely years away. Neither Archer nor Joby has rolled out a conforming aircraft yet. Joby announced a goal to begin for-credit testing under Type Inspection Authorization (TIA) within 12 months; Archer did not provide an estimate.

An updated infographic from industry expert Sergio Cecutta, founder and president of SMG Consulting, projects under a baseline scenario that Archer and Joby will launch into TIA flight testing in the third quarter of this year, achieve type certification in the first quarter of 2027, and launch service by the second quarter of 2028. Under a best-case scenario, commercial service could begin in the second quarter of 2027.

"Archer and Joby are in denial" about their entry-into-service timelines, Cecutta says.

While it remains to be seen whether Archer and Joby can launch commercial service abroad ahead of FAA type certification, the startups' efforts to prove out their business case and technology should reassure long-term investors that serious progress is underway even if certification timelines continue to slip.

That added confidence will be critical as investors may be stuck waiting until the 2030s to see commercial operations at a meaningful scale. ■

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SUSTAINABILITY

Japan's First Large-Scale SAF Facility To Begin Production In April

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Japan has completed the construction of its first large-scale dedicated sustainable aviation fuel (SAF) facility.

Using primarily waste cooking oil, the facility will start production in fiscal 2025-26, which commences on April 1.

Located at Cosmo Oil's Sakai refinery in Osaka, the site is expected to produce 300,000 kiloliters (79 million gal.) of SAF by 2030.

A joint venture called Saffaire Sky Energy has been set up by Cosmo, JGC Holdings Corporation and Revo International to operate the facility. Cosmo and JGC Holdings each have a 48% share, while Revo accounts for the remaining 4%.

Tokyo imposed a requirement for domestic aviation fuel producers to generate SAF supply equivalent to 10% of their aviation fuel sales by 2030.

Takeshi Takada, general manager of Saffaire Sky Energy, says that the company will open a second site in Sakaide on Shikoku island that will produce SAF using bioethanol from 2029, Reuters reports. Cosmo is also in the process of securing and importing 120,000 kiloliters from Thailand's Bangchak Corporation. ■

AIRLINES

Voepass Turboprop Ops Suspended By Brazilian Regulator ANAC

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Brazil's civil aviation authority ANAC suspended regional airline Voepass Linhas Aereas from operating on March 11, citing persisting problems at the turboprop operator.

The grounding is the latest development in the fallout from the airline's fatal ATR 72-500 accident in August 2024. While investigators have yet to publish a final report on the causes, the crew's response to icing conditions has been under scrutiny, as well as a potential malfunction of the deicing system. Since the crash, Voepass has undergone ANAC inspections, drastically cut its fleet and network, and entered a financial restructuring process.

The suspension will be in force until non-conformities related to the company's management system are corrected, ANAC said. Voepass has not addressed irregularities previously identified by the regulator and does not meet the conditions for the safe continuity of operations, ANAC added.

In October 2024, ANAC ordered Voepass to downsize its network, ensure each aircraft in its fleet spends more time in maintenance, and replace its administrators. In February, ANAC noted the degradation of the management system and non-compliance with ANAC's requirements. Irregularities that were considered remedied reappeared, ANAC said.

Until the grounding, Voepass had been operating five ATR 72-500s and a single ATR 72-600, Aviation Week Network's Fleet Discovery database shows. The airline served 15 destinations with regular commercial flights, while operating charter flights to two more destinations. ■

AIRLINES

Wizz Air Targets Saudi Growth With Third A321XLR Route

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Wizz Air is expanding its Saudi Arabia operations with the launch of a second Airbus A321XLR route from London Gatwick Airport (LGW), introducing nonstop flights to Medina.

The long-haul service, set to begin Aug. 1, will make the ULCC the sole airline to offer nonstop flights between the cities. It comes as Wizz prepares to take delivery of its first A321XLR, with its inaugural commercial flight scheduled from LGW to Jeddah on March 31.

With the introduction of the daily Medina service, the airline will offer more than 174,000 seats per year on the route, improving access to the holy city for UK travelers.

"It is great to be able to offer more choice to our passengers with a second destination in Saudi Arabia, particularly as Medina is considered the second of the three holiest cities in Islamic tradition and therefore very popular for pilgrimages," says Stephanie Wear, LGW's vice president of aviation development.

Wizz's expansion in Saudi Arabia aligns with the kingdom's Vision 2030 strategy, which aims to increase international tourism and drive economic diversification. Saudi Arabia is targeting annual passenger growth to 330 million and plans to expand air connectivity to more than 250 destinations worldwide.

Wizz has 47 A321XLRs on order and the extended range of 4,700 nm opens up the prospect of new routes beyond the airline's traditional network, with Western European cities to India seen as a key area of interest.

CEO József Váradi previously said that the intention was to position the incoming fleet at six to eight operating bases, with three to five aircraft at each. "We need to be at some scale at each of the places, so you have some kind of mass," he explained. "You need to think of operational back-up if something goes wrong."

London Gatwick-Medina becomes the third A321XLR route to be announced by Wizz, joining the planned London Gatwick-Jeddah flights and a route between Milan Malpensa and Abu Dhabi, set to commence in June.

The London-Medina market has lacked regular scheduled service, although Saudia operated limited flights until 2019 for Hajj travelers. According to Sabre Market Intelligence figures, O&D traffic between the cities totaled almost 158,000 two-way passengers in 2024, making it the sixth-largest city pair between Europe and Saudi Arabia.

Wizz launched its first service to Saudi Arabia in September 2022 and currently offers nine routes to the country, linking Jeddah with Bucharest, Budapest, Milan Malpensa, Rome Fiumicino and Vienna; Riyadh with Budapest and Vienna; and Dammam and Medina with Abu Dhabi.

The ULCC has also announced another new route from London Gatwick to Warsaw Chopin Airport, which will start on Aug. 2 and operate daily. ■

AIRLINES

Southwest Airlines Slashes 'Bags Fly Free' Policy

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Despite earlier assertions to the contrary, Southwest Airlines will soon end its "bags fly free" policy, a long-running perk that helped differentiate the brand from its competitors for decades.

The reversal comes just weeks after Southwest announced its first-ever round of layoffs while working to divest its hallmark open-boarding process for assigned and premium seating.

Recent deviations from the carrier's traditional playbook are geared toward cutting costs and boosting revenues under a three-year transformational plan the carrier launched late in 2024. Citing progress, Southwest has now doubled its anticipated 2027 cost savings target to more than $1 billion.

"At Southwest we are pivoting, and we are evolving very quickly, as you can tell," Southwest CEO Bob Jordan told investors March 11 at the JP Morgan Industrials Conference. Over the years, Southwest "fell behind in revenue generation as our peers introduced a host of things that we did not pursue," Jordan explained. "Cost increases combined with not pursuing these key revenue opportunities resulted in margin contraction at Southwest."

Initially, during a September 2024 Investor Day, executives said "bags fly free" would remain as "extensive data driven research" had determined the loss in trips flown from customer defection would overwhelm the value of incremental ancillary revenue from bag fees. In each scenario tested, changing the policy was found to be "value destructive," executives said at the time, estimating the potential for annual revenue loss at about $300 million. Counted among a "unique set" of customer friendly policies, the offering was one Southwest believed helped to win and retain customers. New data has since changed that line of thinking.

"In contrast to our previous analysis, actual customer booking behavior through new booking channels such as metasearch [engines] did not show that we are getting the same benefit from our bundled offering with free bags, which has led us to update the assumptions," Jordan told investors. "We've also benefited from the additional experience of leaders that have direct experience implementing bag fees at multiple airlines, and that's also helped further validate the new assumptions."

Jordan did not identify which leaders gave input on the matter, though the carrier's newly reconstituted board includes four former LCC CEOs.

New Baggage Policies

Now, beginning May 28, two free checked bags will be offered only to Southwest's Rapid Rewards A-List Preferred members and customers traveling on Business Select fares, while A-List Members and Rapid Rewards credit card holders will have one free checked bag. Others will be charged for both the first and second checked pieces of luggage.

Additionally, flight credits issued for tickets purchased on or after May 28 will expire in one year or earlier depending on the fare type—reversing a move the carrier made in July 2022 to eliminate its flight credit expiration dates.

"It's important to note that while all of these initiatives are new to Southwest; they are not new to the industry," Jordan stressed. "That adds additional confidence in the ability to execute as planned and in achieving the financial targets that are laid out."

Analyst reception to the carrier's newest initiative varied. But potential impacts to the business may be tempered by Southwest's recent expansion into fare distribution channels, observed Raymond James analyst Savanthi Syth.

"There is likely less reliance" on being differentiated enough to drive booking traffic to its own website, Syth explained. "We were not supporters of bag fees and are concerned about the impact on the brand, however, many investors were," she wrote in a March 11 update. "We would note that there are enough exemptions that Southwest is unlikely to upset the most important customers."

Evolution Of Strategy

Meanwhile, Southwest's implementation of new technology to launch assigned seating and fleet modifications to install premium extra legroom seats are both on track. The airline has refined its planned sell date for those products to the third quarter of 2025, with operation beginning in the first quarter of 2026.

The carrier has also moved to discontinue its fuel hedging program. "We're known for fuel hedging—for decades now," said Jordan. But pointing to the last 10–15 years, he added, "With exception of a couple of positive years, it's not been beneficial to the company ... it just doesn't make sense, looking backwards over a long period of time, to continue the program."

Of its now doubled 2027 cost-savings target, Southwest expects to achieve $370 million in savings in 2025, with the 15% reduction in corporate overhead positions representing $300 million in run rate cost savings, it says.

The bag fee changes are the latest to be announced since Elliott Investment Management announced a large stake in summer 2024, calling for a shakeup in Southwest's leadership and strategy. Before reaching an accord with the carrier in October, a refusal to consider checked bag fees was one of the Southwest tenets the activist fund criticized in early messaging.

Today, working to attract new customer segments and return to sustained profitability, the initiatives announced are just a start, the carrier's CEO said.

"We are implementing more initiatives than I have seen across our whole 53-year history," Jordan told investors, while stating that "the core of who we are" remains the same. "A lot of the policy changes that we're making, it's very clear that our employees want them," he said, citing assigned seating and bag fees as helping to ease boarding time and luggage volumes. "Many of the policies that we're implementing are exactly what our employees are looking for the company to do." ■

SAFETY

NTSB Urges FAA To Issue Helo Traffic Ban At Washington Airport

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The NTSB is urging the FAA to take steps to ensure helicopter traffic is never permitted to cross arrival and departure paths at Ronald Reagan Washington National Airport (DCA), eliminating a risk that the board suggests should have been addressed before the Jan. 29 midair collision of a regional jet and a U.S Army helicopter.

The board's recommendations, made public March 11, call on the FAA to prohibit helicopter operations east of DCA when Runway 15/33 is in use. NTSB also said the FAA should come up with an alternate helicopter route to ensure more risks aren't introduced by holding helicopter traffic.

The suggested ban would affect helicopter route 4, which runs along the Potomac River's east bank and crosses the arrival end of Runway 33 at about 200 ft. above the river, or within 100 ft. of where an arriving aircraft should be. This spot is where American Eagle Flight 5432, an MHIRJ CRJ-700, and the Sikorsky UH-60L Black Hawk collided as the regional jet was on final approach to Runway 33. The collision occurred at 20:48 local time, in the dark. All 64 occupants on the regional jet and three on the helicopter were killed.

Details released so far indicate the Black Hawk was flying above the 200-ft. maximum altitude along route 4. While this may have contributed to the accident, the board's recommendations make clear that the broader operational environment was too risky and should have been flagged by the FAA long before the disaster.

"There clearly were indicators where safety trending could have occurred," NTSB Chair Jennifer Homendy told reporters in a March 11 briefing. "Fortunately, we have a [DOT Secretary] in place that is taking safety very seriously. But it shouldn't take a tragedy to require immediate action."

The FAA, which is part of the DOT, issued a temporary ban on most helicopter operations around DCA soon after the accident. But data reviewed by the NTSB, including publicly available reports filed by pilots and controllers, show the risks were documented years before the accident.

A preliminary NTSB review of FAA records shows that from 2011-2024, commercial aircraft received an average of one traffic collision avoidance system resolution advisory (RA) per month due to conflicts with helicopters near DCA. Most of the occurrences came during approaches, and two-thirds occurred at night.

Investigators also found that commercial aircraft and helicopters came within 1 nm mile laterally and 400 ft. vertically some 15,200 times on 974,000 operations from October 2021-December 2024. On 85 occasions, the separations were less than 1,500 ft. laterally and 200 ft. vertically.

"There's a serious safety issue here, which is why we're issuing these urgent safety recommendations," said Homendy, who credited the FAA with its quick post-accident response. "Now we need to see that more permanent solution."

DCA has three runways. An NTSB review of DCA operations found that Runway 15/33 handled about 5% of all arrivals and departures over the last five years. Most of the rest used the main runway, 1/19.

The NTSB's recommendations stem from the ongoing probe. A preliminary report on the investigation released along with the recommendations sheds little new light on the accident sequence.

Investigators concluded that both aircraft had routine navigation and collision lights illuminated. The CRJ also had its right- and left-wing landing lights and upper and lower beacon lights on, the report added. None of the airplane's lights were LEDs.

The helicopter's active lights include the left, right, and tail pylon position lights, the report said.

Detailed altitude data on the helicopter is still being compiled, Homendy said.

A review of communications between the local controller in DCA's tower and both crews confirms the controller communicated with the Black Hawk crew twice about the inbound CRJ.

Both times, the helicopter confirmed it had the airplane in sight, and requested visual separation, which was granted. This effectively made the helicopter responsible for ensuring separation, though controllers can always intervene.

There is no indication the controller informed the CRJ about the Black Hawk's presence.

Both the CRJ and the Black Hawk were using VHF frequencies, but they were on different channels. This meant that while both crews could hear everything the controller said to each aircraft, they could not hear each other.

An NTSB review of DCA tower controller staffing on the day of the accident found the local controller and helicopter controller positions were combined, or being worked by one controller, at 1540—about five hours before the accident. A second controller was also working two positions—flight data and clearance delivery. Three other controllers were on duty working other positions, the report said.

Controller workload and communications protocols are among many factors the board will analyze as the probe continues. The initial recommendations point to an even larger focus on the FAA's risk assessments of potential airspace safety issues. ■

AIRPORTS

Moscow Airports Close After Large Retaliatory Ukrainian Drone Attack

AVIATION WEEK NETWORK STAFF

All four of Moscow's airports suspended operations for several hours on the morning of March 11 after a large retaliatory drone strike from Ukraine.

According to federal air transport agency Rosaviatsia, 18 aircraft were diverted from the Russian capital's largest airport, Sheremetyevo, which was closed for 4 hr. Dozens of flights were delayed, and some canceled.

Other Moscow airports stood idle for almost 6 hr. Twenty-six aircraft were diverted from Domodedovo, 18 from Vnukovo and two from Zhukovsky. Away from the capital, airports in nearby Nizhny Novgorod and Yaroslavl also suspended flights.

According to the General Staff of Ukraine's Armed Forces, the drones hit a refinery in Moscow which provided about half of the fuel for the Russian capital.

The Russian Defense Ministry said it detected a total of 343 Ukrainian uncrewed air vehicles (UAV) over 10 Russian regions, making it the largest retaliatory attack from Kyiv since Moscow launched its full-scale invasion of Ukraine in February 2022. The ministry said 126 drones were shot down over the Kursk region, which Russian and Ukrainian forces are contesting.

Ninety-one UAVs were engaged over the Moscow region, some of them reaching Moscow's southwest and southeast outskirts, the ministry said. Three people were killed and another 18 were wounded, while several apartment blocks, an industrial building and railways near Domodedovo Airport were damaged, according to Russian media. ■

AIRFRAMERS

Leonardo Updates Strategy But Does Not Name Aerostructures Partner

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Leonardo held off on naming its future aerostructures partner as part of a highly anticipated March 11 strategy update.

"The ambition is to become a reference partner for original equipment manufacturer operators, expanding business into new markets," the industrial plan's summary says.

"By the end of the year, I'm sure we'll give you a very clear picture for this," Roberto Cingolani, CEO and general manager, told investors. In February, he said the company had identified an aerostructures partner, hinting the business could be identified with the strategy update. The end-of-year milestone would involve details on the full solution to the company's aerostructures woes, not just the naming of a partner, he noted.

"We want to create a global champion in the aerostructures sector," he said during the strategy briefing. "We want to pursue all commercial and operational synergies unlocked by partnership to ensure a solid and sustainable business."

Leonardo's aerostructures business, which makes parts for Boeing 787s and other aircraft, has been a drag on the Italian company's financial performance. Boeing's production woes in recent years have complicated matters.

The new arrangement is supposed to increase production volumes to gain efficiencies, while facilitating growth in the military sector and MRO, Cingolani said. The joint venture should also yield lower purchasing costs, stronger supply chains and activities in lower-cost countries, he added.

Absent the partnership, Leonardo expects operating earnings to remain in the red through 2027. ■

Industry Data

Data: Boeing Maintains Solid Delivery Pace In February

AVIATION WEEK NETWORK STAFF

Boeing delivered 44 aircraft in February, including 31 737 MAXs.

The output came on the heels of a solid January, bolstered in part by deliveries held up following the late 2024 Puget Sound-area strike.

Activity out of the Boeing plant in North Charleston, South Carolina, continues to lag, with just nine 787s in the first two months of the year, including five in February. The slow customer hand-over pace is due in part to certification delays on new, front-of-cabin interior equipment for affected operators, including Lufthansa.

The company has recorded gross orders for 49 commercial aircraft through Feb. 28. Boeing reported eight cancellations in February: five 737 MAXs by Arajet, one 737 MAX by an unidentified customer and two 777Fs by Western Global Airlines, bringing its net order total to 41 aircraft for the year through Feb. 28. The OEM's official backlog as of Feb. 28 is 5,528 aircraft.

In the first two months of the year, Boeing has delivered 89 commercial aircraft: 72 737 family jets including 71 MAX aircraft, nine 787s, five 767s and three 777s. ■

Boeing Commercial Aircraft Orders & Deliveries February 2025

Boeing Orders February 2025

Model	Customer	Region	Total
737 MAX	BOC Aviation (Arajet)	Asia-Pacific	5
	Unidentified	Unidentified	8
777F	Unidentified	Unidentified	2
TOTAL			**15**

Boeing Deliveries February 2025

Model	Customer	Region	Total
737 MAX	9Air	Asia-Pacific	1
	Aercap	Europe	1
	Air India	Asia-Pacific	4
	Air Lease Corp.	North America	5
	Allegiant	North America	2
	American Airlines	North America	3
	Aviation Capital Group	North America	1
	BOC Aviation	Asia-Pacific	2
	China Eastern Airlines	Asia-Pacific	1
	DAE Aviation Group	Africa/Middle East	1
	Jackson Square	North America	3
	Jeju Air	Asia-Pacific	1
	Ryanair	Europe	1
	United Airlines	North America	4
	Xiamen Airlines	Asia-Pacific	2

Notes: Boeing reported eight cancellations in February: five 737 MAXs by Arajet, one 737 MAX by an unidentified customer and two 777Fs by Western Global Airlines
ASC 606 adjustments: a net 13 firm orders moved out of ASC 606 into the official backlog.
Backlog as of Feb. 28, 2025: 6,197 undelivered orders - 669 in ASC 606 = 5,528 in official backlog.

Source: Boeing

Industry Data

Boeing Deliveries February 2025 (continued)

Model	Customer	Region	Total
767-2C	BDS (USAF Tanker Program)	North America	3
767-300F	FedEx	North America	1
	UPS	“North America	“
777F	Air China	Asia-Pacific	1
	China Southern Airlines	Asia-Pacific	1
787-9	China Eastern Airlines	Asia-Pacific	1
	EVA Air	Asia-Pacific	1
	Juneyao	Asia-Pacific	1
	United Airlines	North America	1
787-10	Air Lease Corp.	North America	1
TOTAL			**44**

Notes: Boeing reported eight cancellations in February: five 737 MAXs by Arajet, one 737 MAX by an unidentified customer and two 777Fs by Western Global Airlines
ASC 606 adjustments: a net 13 firm orders moved out of ASC 606 into the official backlog.
Backlog as of Feb. 28, 2025: 6,197 undelivered orders - 669 in ASC 606 = 5,528 in official backlog.

Source: Boeing

Industry Data

Leisure Fares

Week Of March 3 Vs. Previous Week And Year-Ago Week

LEISURE FARES (ONE WAY)

		Last Year		This Year			
Airline	Route	26-Feb-24	04-Mar-24	24-Feb-25	03-Mar-25	% WoW	% YoY
UA	ATL-EWR	$54	$54	$53	$58	9%	7%
DL	ATL-TPA	$33	$43	$33	$33	0%	(23)%
AA	BOS-WAS	$44	$44	$53	$53	0%	20%
DL	CHI-MSP	$33	$34	$43	$33	(23)%	(3)%
UA	CHI-NYC	$48	$37	$58	$53	(9)%	43%
UA	DEN-LAX	$52	$37	$74	$53	(28)%	43%
AA	DFW-LAX	$80	$80	$74	$73	(1)%	(9)%
UA	EWR-ATL	$54	$54	$53	$58	9%	7%
DL	EWR-ORL	$73	$73	$63	$58	(8)%	(21)%
UA	LAX-DEN	$52	$37	$74	$53	(28)%	43%
AA	LAX-DFW	$80	$80	$74	$73	(1)%	(9)%
AA	LAX-NYC	$109	$118	$118	$118	0%	0%
DL	MSP-CHI	$33	$34	$43	$33	(23)%	(3)%
UA	NYC-CHI	$48	$37	$58	$53	(9)%	43%
AA	NYC-LAX	$109	$118	$118	$118	0%	0%
DL	ORL-EWR	$73	$73	$63	$58	(8)%	(21)%
DL	TPA-ATL	$33	$43	$33	$33	0%	(23)%
AA	WAS-BOS	$44	$44	$53	$53	0%	20%

Source: Harrell Associates, LLC – Fares as filed by the airlines.

LEISURE COST PER MILE

		Last Year		This Year				Length	% Thru	Current
Airline	Route	26-Feb-24	04-Mar-24	24-Feb-25	03-Mar-25	% WoW	% YoY	Type	Range	Quintile
UA	ATL-EWR	$0.07	$0.07	$0.07	$0.08	9%	7%	M	48%	3
DL	ATL-TPA	$0.08	$0.11	$0.08	$0.08	0%	(23)%	S	4%	1
AA	BOS-WAS	$0.11	$0.11	$0.13	$0.13	0%	20%	S	11%	1
DL	CHI-MSP	$0.10	$0.10	$0.13	$0.10	(23)%	(3)%	S	6%	1
UA	CHI-NYC	$0.07	$0.05	$0.08	$0.07	(9)%	43%	M	42%	3
UA	DEN-LAX	$0.06	$0.04	$0.09	$0.06	(28)%	43%	M	26%	2
AA	DFW-LAX	$0.06	$0.06	$0.06	$0.06	(1)%	(9)%	L	26%	2
UA	EWR-ATL	$0.07	$0.07	$0.07	$0.08	9%	7%	M	48%	3
DL	EWR-ORL	$0.08	$0.08	$0.07	$0.06	(8)%	(21)%	M	26%	2
UA	LAX-DEN	$0.06	$0.04	$0.09	$0.06	(28)%	43%	M	26%	2
AA	LAX-DFW	$0.06	$0.06	$0.06	$0.06	(1)%	(9)%	L	26%	2
AA	LAX-NYC	$0.04	$0.05	$0.05	$0.05	0%	0%	T	17%	1
DL	MSP-CHI	$0.10	$0.10	$0.13	$0.10	(23)%	(3)%	S	6%	1
UA	NYC-CHI	$0.07	$0.05	$0.08	$0.07	(9)%	43%	M	42%	3
AA	NYC-LAX	$0.04	$0.05	$0.05	$0.05	0%	0%	T	17%	1
DL	ORL-EWR	$0.08	$0.08	$0.07	$0.06	(8)%	(21)%	M	26%	2
DL	TPA-ATL	$0.08	$0.11	$0.08	$0.08	0%	(23)%	S	4%	1
AA	WAS-BOS	$0.11	$0.11	$0.13	$0.13	0%	20%	S	11%	1

Fares above are the lowest levels for fare types generally used for leisure travel.

Sample data from the Harrell Associates H100 Airfare Report

WoW = week over week; **YoY** = year over year.
Airline Codes: AA: American; **DL**: Delta; **UA**: United; **US**: US Airways
Airports: Fares are for the airport with the most non-stop flights. Most fares are filed city specific rather than airport specific.
CHI = O'Hare; **NYC** = LaGuardia/Kennedy; **WAS** = Reagan/Dulles

Leisure Fares: Lowest fare generally used by the leisure traveler. These fares are highly restricted in terms of advance purchase, penalty, minimum stay, etc. All fares shown are one way.
Cost per mile (CPM) is based on DOT route mileage.
CPM % Through range shows the relative position of the cost per mile as compared to the Min and Max levels for the trip length type, Short, Medium, Long, etc.
Trip Length Type Detail: S = Short: 650 miles or less
M = Medium: 651 - 1,000 miles; **L** = Long: 1,001 - 1,750 miles
T = Transcon: 1,751 miles or more.

Industry Data

Business Fares

Week Of March 3 Vs. Previous Week And Year-Ago Week

DISCOUNTED BUSINESS FARES (ONE WAY)

		Last Year		This Year			
Airline	Route	26-Feb-24	04-Mar-24	24-Feb-25	03-Mar-25	% WoW	% YoY
UA	ATL-EWR	$281	$273	$343	$357	4%	31%
DL	ATL-TPA	$440	$543	$394	$415	5%	(24)%
AA	BOS-WAS	$217	$225	$268	$284	6%	27%
DL	CHI-MSP	$301	$313	$371	$374	1%	19%
UA	CHI-NYC	$261	$258	$270	$267	(1)%	4%
UA	DEN-LAX	$446	$426	$289	$271	(6)%	(36)%
AA	DFW-LAX	$324	$385	$422	$333	(21)%	(14)%
UA	EWR-ATL	$281	$273	$343	$357	4%	31%
DL	EWR-ORL	$469	$511	$441	$494	12%	(3)%
UA	LAX-DEN	$446	$426	$289	$271	(6)%	(36)%
AA	LAX-DFW	$324	$385	$422	$333	(21)%	(14)%
AA	LAX-NYC	$423	$397	$343	$443	29%	12%
DL	MSP-CHI	$301	$313	$371	$374	1%	19%
UA	NYC-CHI	$261	$258	$270	$267	(1)%	4%
AA	NYC-LAX	$423	$397	$343	$443	29%	12%
DL	ORL-EWR	$469	$511	$441	$494	12%	(3)%
DL	TPA-ATL	$440	$543	$394	$415	5%	(24)%
AA	WAS-BOS	$217	$225	$268	$284	6%	27%

Source: Harrell Associates, LLC — Fares as filed by the airlines.

DISCOUNTED BUSINESS COST PER MILE (AVERAGE - ONE WAY)

		Last Year		This Year				Length	% Thru	Current
Airline	Route	26-Feb-24	04-Mar-24	24-Feb-25	03-Mar-25	% WoW	% YoY	Type	Range	Quintile
UA	ATL-EWR	$0.37	$0.36	$0.45	$0.47	4%	31%	M	42%	3
DL	ATL-TPA	$1.08	$1.34	$0.97	$1.02	5%	(24)%	S	35%	2
AA	BOS-WAS	$0.54	$0.55	$0.66	$0.70	6%	27%	S	16%	1
DL	CHI-MSP	$0.87	$0.91	$1.08	$1.09	1%	19%	S	39%	2
UA	CHI-NYC	$0.36	$0.35	$0.37	$0.37	(1)%	4%	M	22%	2
UA	DEN-LAX	$0.52	$0.49	$0.34	$0.31	(6)%	(36)%	M	12%	1
AA	DFW-LAX	$0.26	$0.31	$0.34	$0.27	(21)%	(14)%	L	13%	1
UA	EWR-ATL	$0.37	$0.36	$0.45	$0.47	4%	31%	M	42%	3
DL	EWR-ORL	$0.50	$0.54	$0.47	$0.52	12%	(3)%	M	52%	3
UA	LAX-DEN	$0.52	$0.49	$0.34	$0.31	(6)%	(36)%	M	12%	1
AA	LAX-DFW	$0.26	$0.31	$0.34	$0.27	(21)%	(14)%	L	13%	1
AA	LAX-NYC	$0.17	$0.16	$0.14	$0.18	29%	12%	T	10%	1
DL	MSP-CHI	$0.87	$0.91	$1.08	$1.09	1%	19%	S	39%	2
UA	NYC-CHI	$0.36	$0.35	$0.37	$0.37	(1)%	4%	M	22%	2
AA	NYC-LAX	$0.17	$0.16	$0.14	$0.18	29%	12%	T	10%	1
DL	ORL-EWR	$0.50	$0.54	$0.47	$0.52	12%	(3)%	M	52%	3
DL	TPA-ATL	$1.08	$1.34	$0.97	$1.02	5%	(24)%	S	35%	2
AA	WAS-BOS	$0.54	$0.55	$0.66	$0.70	6%	27%	S	16%	1

Fares above are the lowest levels for fare types generally used for discount business travel.

Sample data from the Harrell Associates H100 Airfare Report

WoW = week over week; **YoY** = year over year.
Airline Codes: AA: American; **DL**: Delta; **UA**: United; **US**: US Airways
Airports: Fares are for the airport with the most non-stop flights. Most fares are filed city specific rather than airport specific.
CHI = O'Hare; **NYC** = LaGuardia/Kennedy; **WAS** = Reagan/Dulles

Leisure Fares: Lowest fare generally used by the leisure traveler. These fares are highly restricted in terms of advance purchase, penalty, minimum stay, etc. All fares shown are one way.
Cost per mile (CPM) is based on DOT route mileage. CPM % Through range shows the relative position of the cost per mile as compared to the Min and Max levels for the trip length type, Short, Medium, Long, etc.
Trip Length Type Detail: S = Short: 650 miles or less
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