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Southwest Returns 737-300s To Service As Type Keeps Flying

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Southwest Airlines Co. (LUV) said Monday that it had returned 57 planes into service after grounding part of its fleet following Friday's mid-air incident when a hole opened up in one aircraft, forcing an emergency landing.

The carrier voluntarily stopped flying 79 of its oldest 737-300 models and is continuing inspection of the remaining aircraft, having found cracks in the fuselage of three planes.

More than 760 737-300s made by Boeing Co. (BA) are in service, according to consultant Ascend Worldwide, though other carriers have not followed Southwest in grounding planes, and the manufacturer said Monday that it had not identified the need for "fleetwide action."

Southwest said in a blog update on its website that it had cancelled 70 of around 3,400 scheduled flights Monday.

Deutsche Lufthansa AG (LHA.XE), the second-largest operator of 737-300s said Monday it has no plans to ground any of the 33 it flies. Lufthansa said its 737-300s have a different configuration from Southwest, though it will react and conduct upgrades according to information given by Boeing.

"We continue to monitor the in-service fleet, and no fleetwide action has been identified. If the investigation determines a need to communicate to the fleet, we will take appropriate action," said Boeing in a statement.

Lufthansa's bmibaby operates 11 of the type and like Jet2, another UK-based low-cost airline that flies 24 of the type, declined immediate comment.

Southwest has 169 737-300s, and is gradually replacing the fleet with newer-types on a one-for-one basis. More than 70 of the type are flown Air China Ltd. (0753.HK), China Southern Airlines Co. Ltd. (1055.HK) and China Eastern Airlines Corp. Ltd. (0670.HK), according to Ascend, while US Airways Group Inc. (LCC) has 18 and Air New Zealand Ltd. (AIR.NZ) has 15.

Southwest Airlines' shares were recently down 2% at \$12.41 amid the broader sector decline driven by a rise in Brent crude prices

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