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# Boeing Seeks New Homes For Mexicana Unit's 717 Aircraft

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Boeing Co. (BA) is looking for new customers for the 717 planes previously flown by the low-cost arm of arm of Grupo Mexicana, which have been grounded for a month after the company filed for bankruptcy protection.

MexicanaLink operated 20 Boeing 717s leased from Boeing Capital, according to consultancy Ascend Worldwide. Owners and lessors have repossessed a handful of the 109 planes flown by the group and are working to recover and remarket the remainder, despite faint hopes that a slimmed-down Mexicana could restart later this year.

"We have terminated our current 717 leases at [MexicanaClick] and are exploring remarketing options, whether at a restructured Click or other potential operators," said Boeing Capital Corp. spokesman John Kvasnosky.

The MexicanaClick 717s were previously flown by U.S.-based Midwest airlines, and analysts said one potential home could be AirTran Airways, a unit of AirTran Holdings Inc. (AAI) which is being acquired by Southwest Airlines Co. (LUV).

AirTran is the largest operator of 717s, which are also leased from Boeing, and Southwest has committed to retain the fleet and could expand it to open routes to smaller cities.

The collapse of the Mexicana group in August has seen several U.S. airlines add crossborder flights. The downgrading of Mexico's safety rating by the U.S. Federal Aviation Administration in July left its airlines unable to expand their U.S. services.

Volaris and Aeromar, two of Mexicana's domestic rivals, have announced plans to launch new local services, and Aeromexico is eyeing a fleet expansion to take advantage of opportunities.

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