Boeing Signs with Aeromexico for Component Services Program

Boeing [NYSE: BA] and Aeromexico today said they have signed an agreement in which the airline will become part of Boeing's Component Services Program (CSP). CSP is a parts-provisioning program that significantly reduces the airline's up-front investment in spare parts and offers a quick and reliable supply of critical parts from a pool shared by participating 777 operators.

Aeromexico has signed up for the 777 CSP, which will initially cover two 777-200ERs. The first of those two was delivered in March; the second is scheduled for delivery in late April. Additional 777s will be added to the CSP program as the Aeromexico fleet expands. Aeromexico is the first airline in the Americas to join the 777 CSP program.

The CSP program essentially allows airlines to outsource the cost and logistical trouble of keeping important parts on hand. By doing so, CSP helps reduce inventory, component repair and administration costs. Under the CSP, Boeing commits to providing parts covered under the agreement within 24 hours of a request.

"Aeromexico has become an industry leader in recognizing how the job of maintaining and repairing airplanes is changing for airlines," said Dan da Silva, vice president of Sales and Marketing for Boeing Commercial Aviation Services. "This is a strong validation of how CSP is especially beneficial to a company that is flying 777s for the first time."

Aeromexico has signed up for a 10-year commitment on CSP, paying a rate that covers a potential exchange of more than 475 LRUs, or line replaceable units. LRUs are typically high-value items such as avionics boxes and precision mechanical assemblies, which are time-consuming and costly for an airline to repair and keep in inventory. Aeromexico becomes the seventh airline in the 777 CSP program, which is offered jointly by Boeing and Air France Industries. Boeing offers a similar CSP program for Next-Generation 737 aircraft.

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