Trade disputes in the aircraft industry have continuously strained the U.S. – E.U. trade relationship during the past 30 years. This paper studies the recent trade conflict surrounding the launch of Airbus's super-jumbo, the A-380. I outline the reasons behind the current disagreement and evaluate the potential impact that A-380 entry will have on the prices and market shares of other aircraft. To better understand the current conflict, I also present some empirical evidence on the important industry features that have shaped the international competition between the U.S. and E.U. producers. Finally, I discuss the 1992 U.S. –E.U. agreement on trade in civil aircraft that plays an important role in the recent dispute.