

MARKETPLACE

Airline Mergers Spur Rise in Paint Jobs

Industry's Willingness to Spend on Nonessential Items Like Marketing and Appearance Is a Sign Sector Is Coming Back

BY SUSAN CAREY

VICTORVILLE, Calif. — As a motorized tug nudged a United Airlines 777 out of an airport hangar here one recent day, Sergio Garcia and his colleagues beamed.

The massive jet had gone into the hangar 11 days before wearing United's battleship gray. It emerged in the white, blue and gold of United's recent merger partner, Continental Airlines.

"It's nice to see the final paint job," said Mr. Garcia, 30 years old, who has been painting planes since 1997. "We know how much work it takes to paint an aircraft."

Mr. Garcia works for **Leading Edge Aviation Services** Inc. The company has never been busier, thanks to a slew of repainting contracts from airlines refreshing their colors and two big mergers, which have brought a surge of work.

The fact that the industry is opening its purse strings for nonessential items related to marketing and appearance is a sign it is finally recovering its financial health. Leading Edge repainted about 500 jetliners in 2009, and it has done about 450 already this year, says Mike Manclark, the founder, owner and chief executive.

When Delta Air Lines Inc. bought Northwest Airlines in 2008, Delta wanted the combined fleet to sport the Delta livery as soon as possible. Although Delta has its own paint shops, the carrier preferred to expedite the project for branding purposes, says a Delta spokeswoman.

So Mr. Manclark's company, which operates 24 hours a day, seven days a week, converted 400 Northwest planes to the Delta costume in just 14 months. In all, Leading Edge has put 477 Northwest

planes and 112 Delta aircraft into Delta's new livery in the past two years, Delta says.

Normally that would have taken years because airlines cycle their planes out of service and into paint shops at a much more leisurely pace. "In the old days, paint was an afterthought," Mr. Manclark says. "Nowadays, it's your calling card."

"Painting is really an art," he says, adding that "in painting commercial airliners, there is no cheating" because the paint must survive pressurization and depressurization, bitter cold at 35,000 feet, searing ground temperatures, as well as lightning and the elements.

A plane's manufacturer applies the initial coat of paint as part of the sale. But when airlines change liveries or refresh paint, which they generally



A Boeing 777 sports United Continental's new look, with United, above, on the fuselage and the Continental colors and globe logo on the tail, left.

MARKETPLACE

do every five to six years, they frequently turn to outsiders.

Leading Edge is one of several paint shops enjoying the industry updraft. For instance, **Dean Baldwin Painting LP** just won a contract to paint for **JetBlue Airways Corp.** Maintenance providers also offer painting around the world, and some carriers, such as Delta and **Malaysia Airlines**, provide the service. Saltillo Jet Center near Monterrey, Mexico, opened in 2006.

A 777 paint job can cost \$100,000 to \$200,000, depending on the number of colors involved, and a smaller A320 can cost \$50,000 or more. And resurfacing a slightly larger model, a 747, can take nearly two weeks and 180 gallons of paint.

First, technicians use special aluminized paper and tape to protect titanium and composite parts, the windows and engine intakes. Then they use chemicals to strip existing paint, wash the plane, sand composite areas and apply a precoat. Next comes primer, the base color and, after more masking and stenciling, accent colors, speed stripes and logo, and sometimes a clear coat.

Painters wear lint-free suits, hoods and full-face respirators, and they work on 60-foot-high cherry pickers to repaint the largest models. Guided by blueprints, they spray on paint—no brushes or rollers allowed—in ventilated, temperature-controlled hangars. The paint adheres easily because paint pots, painters and the plane itself are grounded negative while the paint guns are positively charged, creating an electrical attraction.

In 20 years in business, Leading Edge, Santa Ana, Calif., has painted more than 5,000 planes. Its clients have included **UPS Airlines**, **Southwest Airlines**, regional airlines, the U.S. military, and assorted planes from overseas carriers including **Air Canada**, **Air India** and **Air France**.

Now that United and Continental have merged, Mr. Manclark's painters are working flat out to repaint the United planes in Continental's colors with United's name on the fuselage. The first United plane to get the makeover, a 777, came out of Leading Edge's Amarillo, Texas, hangar in November.

United Continental Holdings Inc. awarded Leading Edge the contract to redo most of the big jets in the combined fleet. The goal is to have all Continental planes renamed by the end of 2011 and to have all United planes get the treatment by the end of 2012, a spokesman said. That is about 16 United and as many as 30 Continental planes a month. The airline declined to say how much it will cost.

Mr. Manclark expects next year to be his busiest ever and plans to hire more workers to augment the 1,000 he already employs. "We were pretty busy before," he says. "Now, with the mergers, we've turned the turbo on."

The company got its start washing corporate jets and now operates paint hangars in three U.S. cities, works on behalf of outside maintenance providers in four other locations, and sends "away teams" elsewhere. It has revenue of about \$42 million in 2009 and expects to \$40 million this year.

In Victorville, 80 miles northeast of Los Angeles, Leading Edge leases space at a former Air Force base outfitted with four paint hangars. The 15,000-foot military runway can accommodate the biggest commercial planes when they come in for touchups.

Last week, Leading Edge's hangars here housed a Horizon Air regional turboprop being painted with Washington State University's red cougar logo, joining others Horizon has decked out in the regalia of Pacific Northwest schools as part of a marketing campaign. Another hangar had a Mesa Airlines regional jet getting a fresh coat. Once the United wide-body exited, a Delta 747 rolled in.

Mr. Garcia, one of the veteran painters at Victorville, estimates he has applied at least 30 different liveries in his career. A favorite was a purple-and-orange Phoenix Suns-themed 757 for **America West Airlines**. "That was cool," he recalls. "The colors, the graphics, the sun on the tail, the basketball."

Does he ever leave his signature on a completed airplane? "No way," interjects his boss, Pete Robertson, Victorville's general manager. "If it's not on the blueprint, it better not be on the airplane."

Watch a video of one plane's makeover at WSJ.com/US