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Where Old Airplanes Go to Die

By CAROLINE BROTHERS

CHATEAUROUX, France — A windswept plateau in the center of France is an unlikely place to assess the health of the world's airline industry. Yet nowhere are the fortunes of global aviation displayed as starkly as on this remote stretch of pavement, which was one of the biggest U.S. Air Force bases in Europe during the Cold War.

At Châteauroux-Déols airport, 250 kilometers, or 155 miles, south of Paris, Bartin Aero Recycling and its partner, Europe Aviation, specialize in recycling old airplanes for scrap. It is one of just two sites of its type in the world. The other is the Evergreen Air Center in Marana, Arizona.

This tiny business at the forgotten end of aviation is where all the issues with which airline executives are now grappling — oil price volatility, declining traffic, evaporating aircraft finance, even hitches in the development of new aircraft — play out.

Judging by the scene on a recent weekday, the state of the industry is pretty bleak. Jets belonging to the Moscow city council and to a number of low-cost European carriers were arrayed in the airport's parking lot, clearly visible to a reporter standing on the wing of a DC-10 — once a 380-seat workhorse for the bankrupt French airline AOM — that was being rocked by a heavyweight Bartin pincer as it gnawed off a chunk for recycling.

Ascend, an aviation consulting company based in London, estimated that about 2,300 aircraft were stationed around the world — including some in the 50-plane parking lot on the far side of Châteauroux airport — while their owners awaited better times.

Martin Fraissignes, president of the Châteauroux Air Center, which handles the airport's parking, maintenance, painting and recycling activities, expects the number of aircraft parked on the Châteauroux apron to double in the next three months.

"Six months ago we had three or four. Now we have 16, and in the next two to three months we expect 30 planes — just like we had after Sept. 11," he added, referring to the last big aviation downturn, which took place after the terrorist attacks in the United States in 2001.

Bartin Aero is a minnow in the multibillion-dollar waste management industry, dwarfed by Veolia Environmental Services, the waste management division of the French water-to-waste giant Veolia, which acquired Bartin Aero's parent company, Bartin Recycling Group, early last year.

Bartin Recycling Group's revenue climbed to €249 million, or \$337 million, in 2007, compared with €30 million in 2000, on the strength of the commodity boom. The takeover of Bartin Recycling helped push revenue at Veolia Environment Services to €9.2 billion last year.

Bartin Aero's revenue was €210,000 in the year through March 2007, compared with €127,000 the year before, with profitability largely dependent on metals prices from Shanghai to New York.

The company dismantles just six commercial aircraft a year, and its earnings are determined above all by the

price of aluminum, the principal material from which aircraft are made. Volatility in the price of the metal — which fell from \$3,200 a ton in July 2008 to \$1,311 a ton in January, according to recent figures from Suez Environnement, a rival to Veolia — can send its earnings on a roller-coaster ride.

But whether Bartin Aero does business at all is directly related to the life cycle of the world's aircraft fleet and closely tied to the decisions airlines make in negotiating the industry's storms.

Every delay in the development of Boeing's long-awaited 787 Dreamliner and the Airbus A350 extra-wide-bodied jet is bad news for Bartin Aero, because that extends the lifetimes of fuel-guzzling dinosaurs that airlines are reluctant to retire, according to Bartin Aero's director, Charles Kofyan.

Every slip, meanwhile, in the price of oil and every notch that credit tightens for operators awaiting replacement aircraft amid the financial crisis delay the arrival of obsolete planes at Bartin's site, which occupies 15,000 square meters, or 160,000 square feet, in Châteauroux.

"When oil is at \$35 a barrel, it's not a problem for the operator, even if an aircraft is a big consumer of fuel," Mr. Kofyan said, explaining why airlines could afford to keep inefficient old carriers in service.

"It takes five years to get a new plane, but it is hard to get a bank that will finance you now," he added. "That means companies can't invest, so they are recovering their old planes, and instead of sending them to the wreckers, they are flying them." ("Recovering" an old plane means taking it out of storage.)

"Companies are just waiting to see how the crisis unfolds and how they will survive," Mr. Kofyan said.

It takes just more than six weeks to pulverize an aircraft at Bartin Aero. After a dozen Europe Aviation engineers have removed the engines, pried the instruments out on the flight deck and recovered any reusable parts, four Bartin Aero wreckers set to work.

First they remove explosive items like the escape and door-ejecting equipment. Then they unbolt seats, pry out floor panels, unravel cables, pull out insulation wadding and remove toilets, televisions and black boxes.

Passports occasionally turn up under the carpet, as do toothbrushes, jewelry and coins, according to Franck Chauveau, a machine operator seated at the pincer controls.

Television screens, batteries and tires are fed into existing recycling chains. The wings are chopped into pieces, and the remaining shell sawn apart and taken away in truckloads for crushing at Bartin Recycling's metal grinding plant, outside the nearby town of Bourges.

"In four hours it's all gone," said the site operating manager, Mickael Marteau, over the ground-shuddering roar of the grinder, nicknamed "the monster," which was shredding the flattened hulks of cars.

A 747 that weighs 450 tons when filled with passengers, baggage and fuel weighs 147 tons without them. Once its engines and parts are removed, it yields 127 tons of recyclable materials, including 70 tons of aluminum, according to Bartin Aero.

Steel, and smaller quantities of copper, titanium and tungsten, are also recovered. Nothing is burned. What cannot be salvaged ends up in a hillock of brown landfill.

Some of the newest planes will be "cocooned," or kept in a state of flight-readiness. Aeronautical mechanics at Europe Aviation can have them airborne again within 48 hours, Bartin executives said. Others will remain on the ground for as long as two years while their owners decide what to do with them — longer if there are ownership disputes.

When hope and money run out, the most antiquated among them will be towed to the wrecking ground.

That decision had already been made for a 747 in the livery of Corsair, a predecessor of the French carrier Corsairfly. During a recent visit it could be seen a short distance from the gutted DC-10, awaiting its turn under Bartin's saw.

Aircraft with metal fatigue in their fuselage and 70 million miles on the clock are sometimes purchased by Bartin Aero for \$3,000 to \$5,000 each. In other cases, owners pay Bartin Aero to take superannuated planes off their hands. Bartin Aero wins back what it can from selling the aluminum for smelting and recycling into soft drink cans.

Owners pay about €3,000 a month — a tenth of what they would pay at Orly, the second airport in Paris, according to Mr. Kofyan — to park a plane at Châteauroux while deciding whether to salvage, scrap or sell.

The extinct and the obsolete are Bartin's stock in trade. Its wrecking log spans 1960s-model Boeing 707s and the second Concorde ever built. It includes the Airbus consortium's first commercial aircraft, the A300; 80 Jaguar fighter jets; and antediluvian carriers from Africa to Kazakhstan.

But if Bartin Aero's new business should slow while airlines wait to see how the crisis develops, natural attrition alone should keep the company busy. Mr. Fraissignes estimates that 8,000 to 8,500 commercial aircraft in the world's fleet face retirement in the next 20 years.

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