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# AIRPORTS

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# GROUND HANDLING

FOCUS

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# TIME TO DIP IN TO THE POOL?

**TOM ALLETT**  
CAUGHT UP  
WITH LUTON'S  
LIAM BOLGER  
TO SEE HOW  
THE LONDON  
AIRPORT'S  
GSE POOLING  
PROJECT IS  
PROGRESSING.



Luton's 'Hanger Line' has 11 aircraft parking stands equipped with leased GSE.  
(KEY - Tom Allett)

**W**hen *Airports International* visited London Luton last summer, the airport was working towards its goal of pooling selected items of ground service equipment (GSE) in a bid to address the unacceptable level of congestion on apron stands. Some 14 months later, that first phase – acquiring steps, ground power units, belt loaders and other ancillary items such as chocks, passenger guidance systems, cones etc. – has been completed. In theory, the new modern equipment is shared between the various aprons and, when not in use, is positioned within clearly marked parking areas at the head of the aircraft stands. In practice though, the airport's increasing number of flights has meant the equipment that once moved between stands as required is now effectively allocated to an individual stand because there are so few empty ones at peak periods.

## Ground handlers' concerns

Liam Bolger, the airport's head of airside operations said that, initially, the ground handling companies were worried the move towards pooling might make it too easy for new start-up competitors to muscle in. He explained: "They were concerned that pooling your equipment lowers the entry bar to the market because potentially, new start-up companies or other established ground handlers could access the market on a very low volume of turns which wouldn't be otherwise possible had they to buy the equipment to service them. Well, I would refute that, because anyone who can get a handling contract could go to a number of leasing companies and be provided with equipment. As long as someone can demonstrate that they have a contract, that the figures don't present a risk then the leasing companies are not going to chase them away. The leasing companies are commercial entities, too. There is also the labour costs, this is the second highest cost in ground handling

after equipment, airports are not going to grant an operating license to anyone who clearly can't provide the service."

At the time of *Airports International's* June 2017 visit, Swissport and Menzies were Luton's ground handling companies, but Azzurra became the airport's third agent when it took over the Wizz Air contract last December.

By June 2017, some aircraft stands had already been equipped with new aircraft steps, ground power units and baggage belts from the TCR Group who were awarded the tender to provide and maintain the equipment for the next 5 years. With that transformation complete, Mr Bolger said the process had been "hugely successful". Looking back on the introduction of the airport's new strategy, he added: "When you consider what ground handlers go through in terms of summer uplift, winter downturn, all the effort that they put in to maintaining their fleets, this project has just cleared



the boards for them." With additional based aircraft scheduled for this autumn we will have a few more aircraft parking stands to equip, he added that since the original tender was placed, the number of turnrounds performed at the airport as of December 2017 had risen by 25%. To meet the growing volume of flights, more GSE has been added to the pool without increasing the ground handling companies' costs. Mr Bolger explained: "Additional equipment had to be brought in to meet the growth, but the ground handlers had saved money through a lack of damage and the new equipment's lower fuel consumption. That saved money was then available to be reinvested in more equipment. So, in real terms, nothing's changed for them. Despite the growth, their costs are still the same as they were on day one."

Asked what advice he would give to other airports that might be considering adopting the pooling method, Mr Bolger said: "Airports thinking about pooling need to really consider the problem they are trying to solve - one solution does not fit all - and the possibility that they will likely end up using the stand allocation [equipment method]. If they can do that from the outset, I think that makes a lot more sense." Asked if he would do anything differently if he were starting again today, he replied: "One thing I would change would be to make the lease period longer."

"We agreed a three-year deal with two possible 'plus one' year extensions at the end. I think

we should've aimed for around about a seven-year lease on the equipment, a five, plus one, plus one contract." He cited several reasons for wanting a longer deal, adding: "First of all, if you look at the equipment [we've leased] it looks as good now as the day it arrived, it's not being damaged as much as the direct leased GSE items were. Previously, if you looked at a set of steps that were 12 months old, they'd usually had so much wear and tear that they appeared maybe five years old, but that's not the case with pooling." He said the new equipment is well looked after - the airport insists that it is - and Luton has recently opened a new washdown base where the GSE items must be taken and cleaned. He added: "It also helps that people instinctively look after things when they have something new. If something looks awful, it'll be treated badly. Pooling the equipment keeps it looking good for the passenger and the user."

A second 'big win' for the airport, the airline and the ground handler was a significant reduction in the number of code 34 - equipment shortage - delays. Mr Bolger added: "The figures do fluctuate a bit but, at our last ten-week check, the equipment shortage delays were down 76% against pre-pooling figures... that's not an insignificant number." He noted that the ground handlers sometimes cause their own equipment shortages, explaining: "On occasions, we have struggled to provide enough aircraft steps because the increasing number of flights obviously means the

steps are in greater demand. Despite this, we sometimes had people 'dressing' aircraft that weren't about to depart, so they were [unintentionally] tying up equipment that could be used on other, more urgent aircraft movements." He added: "We had to address that, but old habits die hard and it took us the best part of 12 months to get the guys to stop towing equipment unnecessarily and leaving it on 'dead' aircraft. We'd sometimes go out onto the apron and find equipment out of place. When we asked why the item was out of position, we'd be told, 'oh well, I took it just in case'. Thankfully, we've almost eradicated that habit now."

The airport didn't set out to completely stop towing stairs and other GSE items, but just intended to limit their movement within specific zones. For example, the segment of Luton's apron known as the 'hangar line' has 11 aircraft parking stands stretched across it and Mr Bolger explained: "Not all of those stands are used at the same time, so we share the equipment between them, the items are not towed far, just between adjacent stands." To help alleviate any potential shortages, the airport retains some 'float' equipment that is called into action as and when something breaks down.

But Mr Bolger said that ultimately the deciding factor for GSE pooling should be the type of services your airport has. Luton is dominated by low-cost, narrow bodied, traffic that wants quick turnarounds, therefore to be efficient the infrastructure and equipment used has to lend itself to that model. That means that aircraft rotating through stands, particularly contact stands, is high and the pooled assets are much in demand. Mr Bolger said: "I would say stand allocation is absolutely the right way to go in a situation such as ours. You will probably end up with more equipment than you have today, but it won't look like that. We've got more equipment now than when we started the project, but it doesn't appear so because it is spread

At Luton, the statistics show that pooling GSE items has significantly increased the efficiency of delivering equipment to aircraft. (KEY - Tom Allett)



out, it's where it's meant to be so when the team turns up to that aircraft they're ready to start work." He added: "We maybe have 15 to 20% more [GSE] than we started with, however the number of aircraft turnrounds have increased by more than 25% [during that period] so even though we have more items now, we're really just keeping pace with the number of flights here – and we would've ended up with shockingly more equipment had we left it to each ground handler to bring their own in. We couldn't have grown the traffic [as efficiently]. We wouldn't be able to move for equipment. Passenger experience expectations are really different now, compared with how they used to be. You can imagine getting off the plane and having to walk through GSE to get to the gate to Arrivals; it's not a great experience. We still have some way to go in improving the passenger experience element, but these things are incremental and this [project] is a big step towards that." He noted that about 90% of Luton's passengers walk to and from the aircraft, and said: "We don't have air bridges, we don't have room for them and we're on a low-cost model. But what we do have is a very slick model, from gate to aircraft and back."

### Items

Not all types of GSE are included in the pooling deal, including aircraft tow tractors, but that may change as one of Luton's ground handling companies has already asked for tugs to be included in the project. Other items are 'missing', too. Mr Bolger explained: "We handle very little cargo, so we don't include top deck loaders amongst the equipment we require. So, should they wish to, a ground handler can bring one here and use it as a competitive advantage to bid for that work... that's fine."

"We're not trying to step in the way of competition. The ground handlers would argue that, by improving the equipment, we are [affecting competition], but I haven't seen one bit of evidence of that. No airlines have come to us saying, 'now that you've got an

equipment pool, we want more ground handlers." He continued: "What pooling does is give us a greater insight to the ground handling market, the pressures that it's under and really those things that we can and should change. And I don't think ground handling can stay the way it is for much longer." He referred to how the traditional check-in method has almost been replaced by kiosks, and he predicted that – thanks to technology such as retina scanning – customers would be self-boarding in in the not too distant future. He also noted the ongoing development of aircraft designed with the ability to push themselves back, controlled by the pilot via the airliner's nose wheels. Mr Bolger concluded: "The traditional form of ground handling is changing, and pooling is simply part of that process. Resisting pooling makes no sense whatsoever, because equipment isn't damaging the market for the ground handling companies. Equipment is a huge cost to ground handlers and pooling is actually a way of controlling those costs and knowing what you've got. We took 70 baggage trailers out of the system and parked them at the back of the airfield last October. Despite the increase in flights, only 20 of them had to be brought back into service this summer." He said there's a lot of waste in the market and added: "If you're leasing, these units are costing you on every turnround. What pooling does is tell you, very clearly, what items you need."

### Next step

The airport is about to enter phase 2A of the pooling process which will add electric baggage tugs and trailers. The stands will be 'dressed' with trailers. Mr Bolger explained: "We're looking to improve the process between the baggage dock, the aircraft parking stand and the inbound baggage belt. We'll create a cycle so that the staff meeting [the inbound flight] at the stand, start offloading into the trailers that are there. Others then take the outbound luggage from the

baggage dock to the aircraft, pick up the inbound baggage and take to the arrivals area. When the inbound bags have been delivered, the staff take the empty trailers back to the baggage dock and the whole cycle starts again." He added: "This cycle continually improves the process and that in turn lowers your costs. That doesn't mean losing staff, it means that the improved efficiency allows the ground handling companies to avoid paying penalties for delays as set out in their contracts with the airlines."

The statistics show a clear improvement in performance. For example, easyJet provided the airport with data showing that the delivery of rear steps to the aircraft had become 187% more efficient than previously. There's also a 20% improvement on the delivery of the front door steps which, Mr Bolger said: "... means service level agreements are met and fines are avoided."

Overall, the pooling project appears to be progressing well. I asked if anyone at Luton still had to be convinced that GSE pooling was the right strategy for the airport and Mr Bolger concluded: "Not on the frontline. At corporate level, I think some – though not all – ground handling companies are still concerned that pooling lowers entry to the market. But my question to them is, how low do you think this entry level can get?"

"This thing that some keep referring to as 'entry to the market' does not exist. Airports don't want lots of ground handlers; they want better performing ground handlers. It just makes no sense to thin the market so much that no one can make a living because it doesn't help [efficiency]. We are seeing a shift within industry toward self-handling or at least variants of self-handling which I am not convinced is the answer, because of the equipment acquisition and labour costs and the loss of synergies realised through the more traditional ground handling model that allows them to be more competitive."