

GSE leasing: the flexible option

For those GSE operators who are looking to avoid the initial expense of purchasing equipment, leasing offers significant benefits. And some GSE suppliers are specialising in meeting that need

One important player in the GSE rental business is AVIACO, which offers a wide range of refurbished equipment for both long- and short-term rental (as well as for purchase, if the customer wants this option).

CEO Danny Vranckx explains that the AVIACO offering is very much geared to meeting the needs of all customers, whatever they might be. The company will rent out GSE for one day or for as long as 10 years, whatever the client prefers, he informs.

Moreover, its prices are very competitive, especially when comparing the rent on AVIACO's refurbished GSE to other companies' fees for renting new

equipment, he says. "We can bring a very cost-effective solution. And one of the reasons for this is that we have our own stock of fully refurbished machines.

"We have an inventory of about 700 units that we can deliver at very short notice," he adds.

Customers can be of all shapes and sizes, Vranckx observes. They can be big or small, located anywhere around the world, and comparatively rich or poor. But rental will always be a good option for those that prefer a flexible solution with no great up-front cost.

Based primarily in Belgium and the Netherlands, within reach of Brussels and

Amsterdam airports and having access to nearby sea ports, AVIACO is well positioned to transport equipment to any destination around the world.

In October 2018, AVIACO opened the doors of a new workshop in Ampolla, Spain. The company employs nearly a dozen engineers at the plant, all of them with years of experience as mechanics and technical specialists, Vranckx explains. AVIACO also has branches in South Africa and Singapore that enable it to be close to the African and Far Eastern markets, all of which the company now serves.

Spare parts and technical back-up are also readily to hand.



AVIACO offers short- and long-term rental and lease options, as well as purchase – whatever the customer requires

GSE as a service

TCR is well known for its place in the GSE leasing market but Harold Delloye, senior business development manager for the APAC (Asia-Pacific) region at the Brussels-headquartered company, indicates that TCR is much more a supplier of 'GSE as a service' than a GSE leasing company.

TCR's mission is to provide its customers with the highest possible level of GSE 'availability', he explains – that is, the uptime of the equipment. This means providing high-quality units whose operators will benefit from extremely low levels of downtime caused by failures and the need for repairs.

Indeed, Delloye points out, this is exactly what TCR offers – across the more than 33,000 items of GSE that it has in its inventory, the equipment has an average uptime availability ratio of 94%. (Clearly, it is impossibility to have a 100% availability rate, given that all equipment needs to be serviced if it is to be maintained in good condition.)

Why is this so important? Because, says Delloye, the main task of GSE users – whether independent ground handling agents (GHAs) or the handling divisions of airlines – is to turn around aircraft quickly and efficiently. Turnaround delays create inconvenience and incur costs in the form of compensation payouts, which is why handlers' service level agreements (SLAs) tend to have on-time performance (OTP) at their heart and why GSE availability/uptime is so important.

Moreover, high levels of GSE uptime availability also mean that GSE operators can streamline their equipment inventories; as such, investing in quality actually leads to cost savings.

On top of all this, the flexibility in the leasing packages that TCR offers its clients is key to its success, Delloye continues. Its huge fleet of GSE available for lease, which takes in all equipment types from baggage tugs to big-ticket de-icers, enables customers to quickly up-scale or down-scale their fleets as required, as well as

offering start-ups a ready way of quickly establishing themselves in the handling business at any given airport, at least in terms of their equipment fleet and maintenance requirements.

The GSE fleet requirements of independent GHAs especially in particular vary regularly, Delloye points out. A handler might be gearing up for business at a new station, withdrawing from operations at another, or upsizing or downsizing as the result of taking on a new carrier customer – all of which can entail a quick change in fleet size, which TCR is ideally placed to facilitate.

Other handlers might be changing the underlying nature of their GSE fleets – perhaps moving to greener equipment. Again, TCR can help here. It can also cater for the large number of customers whose operational intensity depends upon the season: busy summer months of activity might require more GSE such as passenger stairs, GPUs and even pushbacks, while winter might require de-icers.



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Harold Delloye

Options such as sale and lease-back can also assist customers with more particular financing requirements or offer a desirable option simply because the client has decided to outsource GSE and have it managed by TCR. This is all part of the flexibility that TCR regards as key to its offering.

TCR equipment is to be found at more than 150 airports around the world, and all of its leased GSE is accompanied by a supporting maintenance package; at those airports where the company does not have its own repair and maintenance operation, it provides service support either through a local partner or via a bigger TCR station close by.

A leasing option takes away many of the ‘headaches’ that a GSE operator can suffer, Delloye says. ‘As a frequently welcome alternative to ownership, TCR takes on the responsibility of looking after a customer’s leased GSE, leaving the operator to concentrate on its core business of turning around aircraft.

Its customers – which range from big legacy carriers to low-cost carriers (LCCs), from globally active handlers to small independent GHAs, and from large airport hubs to small air gateways – are supplied with ‘GSE as a service’, with high-quality equipment provided in such a way as to offer customers the best possible flexibility and uptime availability. This in turn allows them to concentrate on giving their own customers the best possible service, Delloye concludes.

Investing in inventory

Rushlift is another of the GSE rental specialists currently active in this area of flexible GSE provision. It is part of Doosan Industrial Vehicle, one of the world’s biggest manufacturers of forklift trucks, while Doosan Industrial Vehicle itself is part of South Korea’s US\$-21 billion Doosan Group.

Rushlift has invested heavily in its GSE rental capability in recent times. In May last year, for example, it announced that it would be investing £2.2 million (\$2.8

million) in its national short-term rental fleet over the latter part of 2019 and into 2020. In fact, Tim Willett, Rushlift’s operations director, told *Airside* in November that the vast majority of that money had already been spent – only pennies were left, he remarked.

That investment represented the largest short-term rental equipment spend ever made by the company, and has expanded Rushlift GSE’s short-term rental fleet significantly. It is also a very new inventory: the entire fleet available for short or long-term hire is less than five years old.

The £2.2 million was used to increase Rushlift’s inventory of Charlotte and TLD electric baggage tugs, air start units, pushback tugs, and trailers and baggage carts. The company’s fleets of both electric and diesel-powered belt loaders and high loaders have also been significantly expanded. Given the focus of many customers on electric GSE, that addition of non-polluting equipment has been important, Willett notes.

Another priority for the acquisition programme was for Rushlift to be able to offer equipment designed to handle widebody aircraft. Covering what had previously been something of a gap in its portfolio, Rushlift has acquired a 70-tonne tug suitable for pushing back the A380, for example.

And the investment is not stopping there. When Willett spoke to *Airside* late last year, two-thirds of the GSE acquired by Rushlift in the second part of 2019 was already out on lease. And, with manufacturers’ supply of GSE struggling to keep up with demand, Willett confirms that Rushlift will be acquiring a further 400 GSE units during 2020.

Unusually for the UK short-term rental market, Rushlift GSE will be introducing combination air-conditioning/ground power units that can cool, heat or power narrowbodied aircraft on the ground. Another priority of the 2020 investment programme will be TBD-produced top-driven passenger stairs, Willett informs