



Horizons Newsletter



DRS HOLIDAY: CONTINUED CAUTION FOR 2010



Drs. Eugene Holiday

PJJAE President drs. Eugene Holiday has called for continued caution in the handling of the affairs of the airport. Addressing employees at the airport company's annual year-end party on December 19, 2009, the PJJAE President forecast that 2010 will present challenges. "There will be continued economic uncertainty globally and high unemployment in the US and it is expected that 2010, like 2009 will continue to present financial economic challenges," he said.

Repeating an appeal he made at the 2008 year-end party, he again called for continued commitment to PJJAE's mission to be 'A Regional Leader'. "To overcome these challenges will as I said in 2008 for 2009, depend on our collective actions. With 2009 coming to an end and 2010 - with its challenges - around the corner, I call on your continued commitment, individually and collectively, because it is only by working together that

we can overcome these challenges and achieve our mission to be the best airport in the world," he said. He introduced a Year End Employee Recognition Program to single out a number of employees who have stood out in the past year in terms of their performance, dedication and leadership through 2009.

The PJJAE President commended the workers for contributing to PJJAE successfully navigating through a difficult 2009.

"We were successful thanks to the continued input and effort of you the employees of PJJAE. Without the daily contribution of every single one of you, our company would not be what it is, that is: "A Regional Leader in Providing Airport Services," he said, extending sincere appreciations for workers' contributions and input in 2009 towards keeping PJJAE safe and secure and for their support in making projects such as the relocation of the road north of the terminal building and the preparations for the start of the RESA works in 2010 possible.

Drs. Holiday said through October 2009 PJJAE had seen business decline, with passenger and aircraft movements declining by 9 percent and 14 percent respectively. "The decline is a result of the negative effect of the global financial economic recession on the demand for travel," he said.

He added that it was because of the conservative and prudent management approach, with emphasis on safe, secure, efficient and effective operations that PJJAE has been able to absorb this large fallout in business. "It is therefore essential that we continue to be conservative and prudent in the management and operations of the affairs of our airport."

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INDUSTRY HOPEFUL AFTER SUCCESSFUL NETWORK LATIN AMERICA

Network Latin America 2009 has come and gone. On December 7 and 8 2009, PJIAE hosted some 178 delegates representing various companies, namely airlines, airports, handling companies and other aviation related businesses. "There were some 330 one-to-one meetings between airlines and airports. PJIAE executives had 12 meetings with different airlines and these meetings were mostly successful and hopeful," reported PJIAE President Drs. Eugene Holiday at the wrap-up conference at which he was joined by Mr. Mark Pilling, Editor of Airline Business Magazine, the organizer of the conference.

The PJIAE President explained that since PJIAE measures success from its ability to perform at highest possible standards, he was satisfied with how the conference went. "Based on the feedback we received, we may conclude that Network Latin America 2009 was a success. The objectives of the conference to create a forum for aviation exchange, while showcasing our airport and our island have been achieved," he said.

Responding to questions from journalists about tangible results of the conference, Mr. Pilling explained that these may only materialize in six to 18 months. "Every airport wants airlines to start new service. And for us, success of a conference is when we can help to achieve that. But generally all these conferences serve is the establishment of good relationships. People don't come and sign contracts to start new service unless you are lucky. That being said, I will be surprised if within six to 18 months you don't get new service. The bottom-line is that you want new service and that will happen," he said.

Drs. Holiday, in full agreement with Mr. Pilling, stressed that he never counts his eggs before they hatch. "Over the years we have built many solid relationships with airlines at conferences like these, but there is nothing better than meeting some of those people here, on our own island. Now they know what to expect. They have seen it and that makes a major difference," he said. "Latin America, from a route development perspective, is the new frontier for St. Maarten and I am convinced that we will be seeing direct flights from this region as scheduled operations. We will see deepening of the relationships," he assured.

The conference got underway on Monday December 7, 2009 with a panel discussion about the challenges facing sustainability in the industry. The executives agreed that they face a host of challenges, for which however solutions are not too far off. "You have to think outside



Drs. Eugene Holiday addressing the conference.

the box. We increased our market value through sheer creativity," said Mauricio Moreira, of Brazilian airline GOL.

Challenging his audience with his company's operational target to turn-around aircraft from touch-down to departure in 20 minutes, Mr. Moreira was adamant that operational efficiency is key to sustainability. "Aircraft on the ground do not make money, so you have to turn them around as quick as possible to get them back in the air," he said.

Former LIAT Chief Mark Darby made a call for Caribbean Governments to adopt a more enlightened approach as to the role of airports in the Caribbean. He said that on his own ticket on which he flew from England, through Antigua to St. Maarten no less than 45 percent was tax. "Too many islands in the Caribbean see their airports as a means to drop parts of their operational costs on the tourists and this holds back the region," he said. In his view taxing discourages visitors from visiting and airlines from adding flights. "They say: we have a choice. We are better off operating domestically," he explained. He advocated that Governments bear a proportion of the costs of airlines and airports and make their destinations attractive to airlines and encourage tourists.

Delegates also recognized a need for more marketing of the tourism destinations. "It is crucial to get the message across that you have a product. Get your islands and destinations on the map and demand will build," said Mr. Kirby.

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TWO COMPANIES BID FOR RUNWAY END SAFETY AREA AND AIRPORT ROAD REROUTING

PJIAE on Monday Morning December 21, 2009 opened the bids for the diversion of the eastern airport road, extension of the runway and the implementation of the runway end safety areas (RESAs).

Two St. Maarten based construction companies – Windward Roads Infrastructure and MNO Vervat St. Maarten – had been invited to bid on the project; both were represented as their sealed envelopes were opened and their bids were made public. Windward Roads Infrastructure offered to carry out the works for NAF. 17,546,900.00; MNO Vervat St. Maarten NAF.16,983,847.00.

This project is another step by PJIAE in the further development of the airport facilities; by extending its runway, PJIAE heeds International Civil Aviation Organization's (ICAO) requirements that airports should have a safety area at both runway ends.

RESAs are located at the runway extremity and are primarily intended to reduce the risk of damage to an airplane under-shooting or overrunning the runway. Due to the construction of these RESAs and the requirement to maintain the existing runway length for takeoffs and landings it became necessary to extend the runway by 120 meters to the east. The landing threshold at runway 10 (western runway end) and its associated marking and lighting will also have to be shifted accordingly.



Representatives of the bidding companies with PJIAE officials.

With the project for the rerouting of the road in front of the terminal building nearing completion the tendering process for this project was initiated on November 23, 2009. Based on the bids received PJIAE Evaluation Committee – comprised of personnel from the company's Technical, Operational, Air Traffic Services and Financial Divisions- will evaluate the bids.

Bids will be evaluated on the basis of their completeness, compliance with required specifications and price. The winner of the bid is expected to be announced by mid January 2010.

DRS. HOLIDAY: LATIN AMERICA ST. MAARTEN'S NEW FRONTIER

PJIAE President drs. Eugene Holiday has called for continued action aimed at increasing and diversifying our airlift by seeking to among others establish air services from Latin America. "Expanding existing services and developing new routes is essential in that regard, with demand for travel to the region down significantly and to St. Maarten down by almost 10 percent," he said, referring to Latin America as St. Maarten's new frontier.

He referred to the annual Network Latin America conference which was held at Westin, St. Maarten on December 6 - 8, 2009 as an excellent forum for the purpose of spurring new business. "I welcome this opportunity for us as airlines and airports to search for new and mutually beneficial opportunities for our companies. This is especially important in the current challenging economic conditions.

Drs. Holiday said that PJIAE's strategic approach is aimed at maintaining St. Maarten's position as a premier tourist destination; a position that can only be ensured by offering airlines, passengers, and other users: airport, air traffic control and commercial services, that meet and exceed the highest possible industry standards. He reported that in 2008, PJIAE served over 1.7 million passengers, 50% of which came from North America; handled some 71,000 aircraft which transported these passengers through an extensive network of air services connecting St. Maarten/St. Martin and surrounding islands to North America, South and Central America, and Europe.

"The activities of PJIAE on the island translates in major economic spin-offs by the strong correlation between the economic growth on the island and passenger growth at PJIA. This makes PJIA the islands single most important strategic asset. It is therefore essential that the airport continues to be in a position to offer the services required to fuel our local economy," drs. Holiday said.

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BRAZILIAN AIRLINE GOL SHARES ITS MODEL FOR SUCCESS



Mr. Moreira

Probably the most startling statement at the Network Latin America conference was made by Mauricio Moreira, of Brazilian airline GOL. Challenging his audience during the panel discussion on Monday December 6, Mr. Moreira boasted about with his company's operational target to turn-around aircraft from touch-down to departure in less than 20 minutes; he was adamant that operational efficiency is key to sustainability.

Sparked by the reaction which hinted at disbelief among many in the crowd, Horizons asked Mr. Moreira how "he" does it. "We are a learning organization and we always try to improve," he said. According to Mr. Moreira, what worked for GOL, was using the right equipment and learning everything there was to learn about it.

GOL is the largest operator of the Next Generation Boeing 737 in Latin America. The airline operates both the 700 and 800 versions of the aircraft on routes across Brazil. "Boeing has been in business since 1916; they have tremendous know-how on how to operate their aircraft and they have great after-sale service. We have a pretty modern fleet and we just took the ultimate advantage of that, so we continuously make sure that our people get the right training," Mr. Moreira said.

The result, he insisted, was aircraft turn-around time - from "block to block"- of less than 20 minutes. He agreed though that up to 90 percent of GOL's flights are domestic and that there are some cases in which the 20 minute turn-around time just isn't possible. "But we try. Aircraft on the ground do not make money, so you have to turn them around as quick as possible to get them back in the air," he said.

GOL Transportes Aereos was launched in January 2001 as the first low-fare airline in Brazil and today is the fastest growing airline in South America. Mr. Moreira said the airline's ability to offer fares that were 30 percent below the average, spurred domestic traffic in Brazil. He said it also helped that the country's currency stayed strong and the economy actually saw up to US\$ 30 million growth despite the recession. "It stimulated the demand for travel. We are doing well as a company," he said.

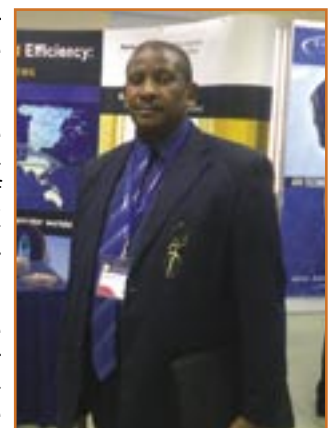
As he advocated inventiveness, creativity and efficiency, the Brazilian airline executive said GOL's model could work for other airlines as well. "Our model can be translated and is applicable in other situations. Very few things in life aren't," he said. The model, he said, includes incentives for airline employees, which increases motivation. "All our employees have earning-related profit share. From the Vice President to the flight attendant. For them it is clear that we make more money if we are more competitive than the other company. It's a matter of efficiency and creativity. If you always continue to do the same thing, you will always get the same result."

Mr. Moreira met with PJIAE officials to discuss the possibility of his airline adding flights to St. Maarten. PJIAE President drs. Holiday was hopeful about the meeting.

CANSO 1ST CARIBBEAN & LATIN AMERICAN ANSP CONFERENCE SIGNIFICANT ADVANCE IN THE REGION

CANSO, the Civil Air Navigation Services Organization has reported that its first conference for Caribbean and Latin American ANSPs has been a significant advancement in the region for the organization. The event, held in Curacao and hosted by Netherlands Antilles Air Traffic Control (NAATC) attracted more than 100 delegates from across the Caribbean, Central and South America, as well as representatives from the aviation industry world-wide. The response to the debates and workshops was strong and there was overwhelming support to return for a second conference in 2010. Among the keynote speeches were Mr. Maurice Adriaens, Minister of Transport of the Netherlands Antilles and Alexander ter Kuile, Secretary General of CANSO. PJIAE Director of Air Traffic Services Mr. Jan Brown and ATC Supervisor Mr. Lloyd Hinds represented St. Maarten.

CANSO is the global voice of the companies that provide air traffic control, and represents the interests of Air Navigation Services Providers worldwide. CANSO members are responsible for supporting 85 percent of world air traffic, and through Workgroups, members share information and develop new policies, with the ultimate aim of improving air navigation services on the ground and in the air. CANSO also represents its members' views in major regulatory and industry forums, including at ICAO.



Mr. Jan Brown

AIR CARAÏBES INAUGURAL FLIGHT MARKS NEW MILESTONE TO PJIA



The official ribbon cutting

Air Caraïbes' inaugural transatlantic flight to St. Maarten on Saturday Dec. 12, was greeted with much fanfare at Princess Juliana Airport (PJIA) as airport officials, the two tourism offices, and Government dignitaries from both sides of the island laid on the full red carpet treatment.

The arrival of flight 534, a relatively new Airbus 330 with 324 passengers on board, ushered in Air Caraïbes' twice weekly Paris Orly-St. Maarten-Haiti service. Among the passengers were 21 specialised journalists and 46 French tour operators and travel agents who were on a 3-day familiarisation visit to St. Martin.

Speakers at the ceremony included PJIAE President drs. Eugene Holiday, Commissioner of Tourism and Aviation Affairs Frans Richardson, Senator Louis-Constant Fleming, First Vice-President Daniel Gibbs, and Air Caraïbes President Marc Rochet. Speeches were followed by a ribbon cutting and exchange of gifts with Air Caraïbes executives and flight crew in the departure lounge.

drs. Holiday said the new Air Caraïbes service "fits well" into PJIA's objective to increase and diversify its airlift into St. Maarten from Europe. "This new service expresses a renewed confidence and commitment in St. Maarten by the management of Air Caraïbes," he said. "It is especially important when the global

economy, airlines, and airport are facing financial challenges. We appreciate your decision to start direct flights from Paris and we will continue to work with you to make this service a success."

Mr. Marc Rochet called St. Maarten a "unique" destination, describing the inaugural flight into St. Maarten as "a great day for Air Caraïbes". The last route opened by the airline, he said, was Cayenne one year ago. "This is another step forward in the company's development in establishing a better connectivity network in the Caribbean," he added.

He disclosed the airline is currently set to record its healthiest profit in five years. "We are proud to say we have built something that has been an incredible success. We have an airline that is sustainable and profitable. But also one that offers quality service. Our surveys constantly show that customers are happy with what we offer."

Air Caraïbes, created in 1998 by the Dubreuil Group from a merger of four small airlines that serviced the French islands, transported 513,000 passengers on its long haul flights in 2008 and 522,000 on its regional flights. The company generated annual revenue of over 230-million Euros and posted a 6-million Euro profit in 2008. It transported over a million passengers in 2009 and aims to increase that by 50 per cent in 2010, Rochet added.

The airline is the first to offer a non-stop service from Port-au-Prince to Paris. Haiti has not previously been well connected to Europe but Rochet said his company "was now pleased to support the economy of this poor country by offering the best prices to Haitian nationals."

Observers say the airline has an advantage over other European carriers coming to St. Maarten by negotiating deals with rail network partners SNCF and to give passengers convenient access to the French provinces. Passengers from any of the 13 rail stations in 11 regions of France can buy a combined rail/ Air Caraïbes air ticket and be transported to or from Massy station (closest to Orly) by high speed TGV trains.

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AIR CARAIBES....

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Air Caraïbes' Regional Manager for the North Eastern Caribbean MS. Zoé Wegnerowicz said Orly-Sud was a "perfect solution" for passengers that have the South of France as their final destination. "Orly-Sud is not as busy as Charles de Gaulle Airport and offers good connections to the south," she said. "Many people from the French Antilles have family in that region."

Mr. Rochet said the company has three important goals. One is to offer Caribbean nationals, mainly in the French zones, the opportunity of employment with the airline. "Currently the airline has 874 staff and more than 500 of them are Caribbean nationals. We will continue this policy because we believe Caribbean people are very warm and they provide our customers with good service."

The second goal as a regional and long haul operator is to give confidence to other airlines that, as Air Caraïbes has shown over the years, it is possible to have success and be profitable in the Caribbean region.

The third goal is to support the



The customary water welcome

world economy, environmental concerns, and offer people in all islands the opportunity to fly and at cheaper prices. "Good pricing only happens when there is good competition, and that benefits everybody. But no competition has the opposite effect. I do believe with more airlines flying the Paris St. Maarten route prices will come down."

AIRLINE OFFICIALS ADVOCATE OPEN SKY

After an encouraging resumption of operations in May 2009, FlyMontserrat is appealing to Caribbean Governments to introduce open sky agreements in the region, as this would not only ease their operations, but boost intra-regional travel as well. Nigel Harris, who operated the airline until the Soufriere Hills volcano closed down Montserrat's airport in 1995, told Horizons that he is currently operating on three islands –Montserrat, Antigua and Anguilla- and would like to extend his itinerary to as far as Tortola. The airline just received its ICAO certification. They operate two Jetstream aircraft and two Islanders, and plan to add one Twin Otter to their fleet. The airline also operates air ambulance flights.

Mr. Harris said FlyMontserrat is copying the low cost model that has proven successful for airlines like JetBlue. "We have 12 employees and everyone multitasks. We are keeping our overhead low. I clean aircraft. Our passengers are on first name basis with all pilots and other workers, because we have a high repeat audience. Customer satisfaction is high," he said. "We had an excellent start and our pilots are really working their socks off. We now have to get to that critical mass."

However, Mr. Harris noted that not having an open sky agreement in the region, is proving to be a bottleneck for his expansion. "Every flight I operate is an international flight and that causes a lot of hassle. It really is one of the last barriers for more efficient operations in this region," he said. He said he wants to add St. Kitts & Nevis and Tortola flights, but is facing the red tape that comes with this.

Mr. Harris had the opportunity to voice his concerns at the Network Latin America conference, which was held at Westin, St. Maarten on December



A FlyMontserrat aircraft in take-off.

6 - 8, 2009. His appeal found support from Mark Darby, former CEO of Caribbean commuter airline LIAT and Mr. Moreira of Brazilian low cost carrier GOL, who both took aim at the non-existence of open sky agreements which make operating in the region expensive. "What will work for expanding service are bilateral agreements. I really cannot see why any island would want to hamper the creation of open sky agreements, aside from the need to monopolize their industry and uphold protectionism," Mr. Moreira said.