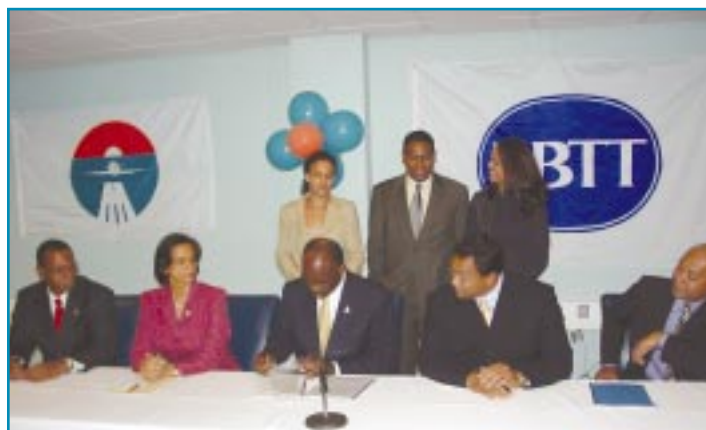




Continue from page 1 - Phase II Execution

PJIAE Operating Company President drs. Eugene Holiday couldn't have painted a more promising picture, when he outlined the plans at the signing ceremony for the financing of the prestigious project. "No modern economy, in view of ever increasing globalization and interdependence, can function well without a safe, secure, efficient and effective aviation industry. The airport has always fulfilled a strategic function in our economic development. In fact, the growth potential of our local economy depends strongly on the capacity of the airport to accommodate and handle the flow of aircraft and passenger movements in a safe, secure and efficient manner. To fulfill this all-important role as a catalyst of growth, the airport must have adequate tools and facilities that meet the required international standards," he said. The construction that got started is part of a strategic development plan. The plan was designed to address the capacity constraints the airport currently faces -as far as aircraft parking and terminal capacity are concerned- and aims to resolve them for the next 25 to 30 years, thereby creating opportunities for long term economic growth. The groundbreaking on Friday June 18th ended seven years of preparation. RBTT Merchant Bank agreed to be the financier and fully underwrite the financing of the project. "We have issued notes in the amount of USD 118,590,000 to be repaid in 15 years at a fixed rate of 8.25 percent and RBTT has agreed to purchase the notes," said drs. Holiday. The loan (notes) will fund the construction of the Phase II works (USD 87 million, the refinancing of existing loans (USD17 million), reserve funds (USD 7.3 million) and transaction costs. The bank did so under a number of conditions, including: that PJIAE maintains adequate liquidity and solvency positions; that PJIAE meet its repayment obligations; that PJIAE provides the airport departure fee as col-

lateral for the repayment; and that PJIAE obtains all required government permits and consents. "This is in a nutshell a summary of over 236 pages of loan documentation. This summary in no way does justice to the amount of time and effort that has been put into concluding the financing agreements," said the PJIAE president. He said the financing was not only a critical step in the realization of the ambitious project; it also is the first transaction of its scope; it places St. Maarten on international capital markets; it is an indication of the business and economic potential of the island and its airport and it is a measure of the confidence of RBTT Merchant Bank. "It is a confidence that we must enhance and build on to ensure the success of this and other required projects for the development of our island," said drs. Holiday. He said failure to realize the project would represent lost opportunities in terms of; job creation, foreign exchange and income generation, improved competitive position, and hence the airport's and St. Maarten's leading role as a airport and tourism destination in the North Eastern Caribbean. drs. Holiday said the execution of the project will present PJIAE as a new gateway, a regional airport leader that will stand out as a symbol of progress with a unique blend of modern architecture and Caribbean style. He called for a truly national effort to pull it off. "(The execution of Phase II) will require the cooperation of many people, for the maximum



The financing agreements for phase II were officially signed June 1, 2004. From left to right: Mr. Miguel Alexander, chairman of the board PJIAE, Mrs. Sarah Wescott-Williams Commissioner of Aviation Affairs, drs. Eugene Holiday, President PJIAE, Mr. Mark Singh, Managing director of RBTT Merchant Bank Ltd., Mr. Keston Howell ass. general manager of RBTT Merchant Bank Ltd. while Ms. Nathalie Maccow legal advisor PJIAE, Mr. Gregory Hill, regional manager of RBTT Merchant Bank Ltd. and Ms. Kamla Besançon of Lexwell attorneys at law look on.

cooperation between the employees, the management and the board of supervisory directors of PJIAE, between PJIAE and the airlines and the various concessionaires," he said. He said the project also calls for the cooperation of Government, the contractor, the local contractors, the financiers, the community, the surrounding islands and the many individuals and businesses who will be acting as suppliers. "It must be a national effort because the project is a significant and bold step into a new era of the development of our tourism infrastructure," said drs. Holiday.

**AIR SERVICE DEVELOPMENT**

United Airlines is expected to start direct scheduled service to PJIA on December 18, 2004 from Chicago, Illinois. With this connection St. Maarten will have a gateway to the Mid-West of the US. The Flight frequency and aircraft type to be used are currently being discussed.

Air Canada has also expressed interest to operate to St. Maarten in the coming high season, which will start mid December. This initiative is very much welcomed given the potential of the Canadian market for St. Maarten/St. Martin.

**IMPROVEMENTS PHASE II DEVELOPMENTS**

**New situation**

- New terminal building consisting of 4 levels with 27,000 m2 of total space
- Max. capacity of 2.5. mln passengers per year
- 42 check-in positions with CUTE system
- Space for max. 6 security screening positions
- 335 public car parking positions and 255 employee and long term car parking positions
- 2,815 m2 of retail space
- 100% hold baggage screening with explosive detection system
- Fully air-conditioned Terminal Building
- Expanded Apron
- 4 jet bridges
- Upgraded infrastructure included rerouted Airport road
- Reclamation of 54,000 m2 in the Simpson Bay Lagoon
- New Integrated ATC Tower and Radar Facility
- Capital investment of USD 87 million

**Current situation**

- 2 level terminal building with 10,400 m2 of total space
- Max. capacity of 1.2 mln passengers per year
- 36 check-in positions
- 3 security screening positions
- 185 public car parking positions and 80 employee car parking positions
- 853 m2 of retail space



Artist impression of the check-in hall in the new terminal building.



**EN ROUTE TO NEW HORIZONS**

Dear Readers,

I am pleased to present you with the first issue of our monthly Horizons newsletter. This newsletter is intended to inform you of the developments that take place at Princess Juliana International Airport. This issue focuses on the second phase of the airport expansion project, which was initiated in April 2001. The conclusion of the financial arrangements and the start of the construction works in June 2004 ushered in a new era for Juliana Airport and for the communities we serve. To reach this stage a long road has been traveled and the effort and input of many individuals and entities were needed. To all who contributed we at PJIAE hereby express our thanks. At the same time we are cognizant that the most critical part of the work is still ahead of us. We therefore look forward to your continued support and count on the concerted effort and input of all our stakeholders in completing the phase II developments in the coming 27 months. With your support we are convinced that we will deliver new and improved facilities which, when completed will meet the demands of passengers and the economies of St.Maarten/St. Martin and surrounding islands for the next 25 to 30 years. We therefore welcome you to join us as we embark on this new and exiting journey: "En Route To New horizons".

drs. Eugene B. Holiday  
President

**PHASE II EXECUTION TO LIFT PJIAE AND ST. MAARTEN ONTO # 1 POSITION**

An airport product, designed to meet 21st century travelers' demands will emerge when the works that started on Friday, June 18th on Phase II of the Princess Juliana International Airport (PJIAE) Expansion Plan unfold 27 months from now. The new airport terminal building (NTB) will double the size and passenger design capacity of the current facility. The 27,000 square-meter NTB will be able to accommodate 2.5 million passengers per year -1 million more than it can now. It will feature a modern exterior with a Caribbean interior. In 2001, 54,000 square meters of land was reclaimed from the Simpson Bay lagoon north of the current terminal building for its construction. Koop Holding Europe, headquartered in Groningen, Netherlands is the contractor for the project; Netherlands Airport Consultants (NACO) has been engaged to conduct supervision. The phase II project that is the NTB and related works represent an investment of USD 87 million and is expected to be finished for the 2006 high season.



The phase II airport expansion project board was revealed during the groundbreaking ceremony held June 18, 2004, which marked the official launching of the project. From left to right: Mr. Alexander, Chairman of the supervisory board PJIAE, Mr. Harinarain, Manager corporate banking RBTT Bank NV, Mr. Richards, Lt. Governor, Mrs. Wescott-Williams, Commissioner of Aviation Affairs, drs. Holiday President PJIAE, Mr. Van Schaick construction project manager from Koop Holding Europe B.V.

Continue on page 5

**Also in this issue . . .**

- Chairman Board PJIAE urges cooperation . . . . .2
- Corsair joins airport departure fee program . . . . .3
- Airport Departure Fee amended . . . . .3
- Phase II development plan presented to Government St. Martin . . .4
- Lt. Governor and Comm. Aviation Affairs stress on commitment . . 4

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**PJIAE SUPERVISORY BOARD CHAIRMAN, MR. ALEXANDER URGES COOPERATION**

Mr. Miguel Alexander, the Chairman of the supervisory board of directors of Princess Juliana International Airport Operating Company (PJIAE) has said that cooperation is one of the most important elements in taking full advantage of the potential of the airport. "I emphasize the need for us to cooperate with each other in St. Maarten. It is of great importance that the different companies, organizations and Government Departments work together as a team," he said at the groundbreaking ceremony of Phase II of the Airport Expansion Project on Friday June 18<sup>th</sup>, 2004. He called for "solid cooperation" between PJIAE, the AC Wathey harbor, tourism authorities and SHTA, as far as tourism is concerned. "It is no time for grandstanding. Let us create the necessary platform from which we can work for the benefit of the island," he urged. He said he also looked forward to a continued fruitful relationship with the airlines, the ground handlers, the concessionaires, the fuel suppliers, Immigration and other stakeholders. Cooperation with the North Eastern Caribbean islands, for which St. Maarten acts as a hub, is also important he said. "We will keep you abreast of our developments and take your suggestions into consideration, because this airport influences the economy of St. Maarten and that of your islands," he assured.

And, ensuring the north side of the island that they too will be involved, he said: "it goes without saying that the relationship with French St. Martin should be enhanced to the fullest." Alexander concluded: "Let us rally around the airport expansion project and make use of all the positive effects this project will have for the island."

**NEW ATC TOWER: LEADING THE WAY IN THE CARIBBEAN**

The road to the Air Traffic Control (ATC) Tower and Radar Facilities does no justice to the interior of the mysterious looking building-with-the-ball-on-top. The semi-dirt road has been punished by the heavy equipment driving up and down and only a brawny vehicle could conquer the puddles and pot-holes. A world of technology awaits you in the tower though. Completed in November 2003 and in operation since March 2004, the facility is fitted with state of the art equipment; and, with a dedicated staff second to none in the region. Like an enthusiastic youngster, happy with his new toys, Supervisor Junior Williams led the tour of the facilities that helped place Princess Juliana International Airport way ahead of other Caribbean gateways. When we walked in he was working with a couple of young Air Traffic Controllers. "What did you ask him that for? You don't ask a pilot for information you are not going to use," he says to one of the young men on the radio with a pilot on approach.



*Air Traffic Controller Philmore Watson (left) assisting air traffic controller trainee Donovan Blackman during his on the job training, under supervision of Mr. Junior Williams.*

The young man is one of five St. Maarteners who were sent off to NAV CANADA, Ontario, Canada, last year. We are now giving them practical training so they learn how to put what they have learned in school to practice," says Williams.

This training, he says, will last about 60 days after which the new Air Traffic Controller trainees will have practical check out to earn their licenses. "Then we will have 16 Air Traffic Controllers and four supervisors. That will put us at the capacity we need."

That full capacity will go well with the new equipment in the tower. "In essence, our job is so much easier since we are here," said Williams. He listed the availability of advanced radar equipment, the size of the building and its hawk's eye view among the advantages. "The systems we have here are all self contained. They can operate on their own," he said.

The almost USD 12 million facilities came at a crucial time in the development of PJIAE. By the late 1980's it was already evident that the airport -which had become one of the busiest in the Caribbean - could no longer properly handle the amount of traffic without an upgrade of its navigation equipment. In 2001 financing was arranged through First Caribbean International Bank while Raytheon Canada Ltd was engaged to supply the equipment and construct the facility. When the first stone was laid in August 2002 it heralded the end of an era during which PJIAE Air Traffic Controllers performed their tasks solely through radio communication.

The Caribbean's most advanced ATC facilities comprises five floors: the airport training center, the radar control room, the flight information office, the electronics equipment room, the control tower and the radar antenna. It provides air traffic services to all airports within the PJIA airspace, including PJIA, Grand Case, Saba, St. Eustatius, Anguilla and St. Barths. It comes with advantages: Air Traffic Controllers are actually able to follow aircraft as they depart from airports in a range of 255 miles, and monitor them while they approach PJIA. "We can now actually see what the aircraft are doing, instead of having to rely on what the pilots to tell us," says Williams. This has enhanced the level of safety a great deal. "We work with high standards and at a high responsibility level. We don't take anything for granted." He concluded.

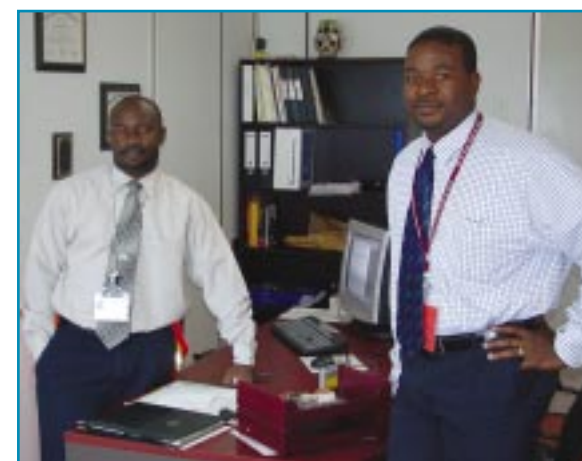
**PJIAE ASSURING QUALITY**

PJIAE has a responsibility and duty to ensure the welfare, security and safety of its customers and employees. Safety, security and exceptional service standards, are paramount for customer satisfaction. Customers' expectation of 100% safety must not be taken for granted. Safety will not be compromised at any time at PJIAE. For this reason, we are pleased to announce that we have added the Quality Assurance Department, (QAD) to the PJIAE Family. As the name suggests, QAD is charged with improving and further developing the quality level of the operational processes at the Airport.

QAD is comprised of two officers. Mr. Mirto Breell, the Chief of QAD is no stranger to this airport and its culture. He has been employed at Winair for 11 years, where he held the positions of Director of Operations & Maintenance and twin otter Captain. He was instrumental in writing various manuals during the FAA Certification of Winair. Mr. Breell graduated from Florida Tech with his Bachelors in Aviation Management and Flight Technology.

Mr. Anastacio Baker recently graduated with his double masters from Embry Riddle Aeronautical University in Daytona Beach Florida. During his studies, he obtained an Associate degree in Aircraft Maintenance technology, a Bachelors degree in Aircraft Maintenance Management, and a double Masters in Airport Management and Airport Safety. Mr. Baker felt it was his obligation, and an honor, to return home to St. Maarten and apply the knowledge and experience he obtained in the U.S.

The Chief of QAD intends to introduce all departments of PJIAE to the scope of Quality Assurance. This will be done in the form of a presentation that will explain the functions, obligations, and expectations of the Quality Assurance Department.



*QAD officer Anastacio Baker (left) and chief QAD, Mirto Breell.*

**CORSAIR JOINS AIRPORT DEPARTURE FEE PROGRAM**



Corsair is the latest airline company who has signed an agreement with PJIAE for inclusion of the airport departure fee in the airline ticket. As of August 1, 2004 passengers traveling on Corsair service will no longer have to separately stand in line to pay their departure fee. "This will enhance our service and will facilitate in a smoother flow of passengers in the airport terminal," Station manager Christophe Meuter states.

The airport departure fee will be separately mentioned on the ticket by means of a designated code.

Corsair is the fifth airline to have joined the program. The others are: American Airlines, American Eagle, Air France and Delta Airlines. "With Corsair on board, approximately 40 per cent of our passengers can go directly to pre-screening area after having checked in", president of PJIAE, drs. Eugene Holiday said. He continued: "We are content with this development however our management team is working diligently to have more airlines join the program. To this end a meeting is scheduled with the International Air Transport Association (IATA) representatives beginning July to discuss possibilities of fee collection via their clearing house system".

**NOTICE: AIRPORT DEPARTURE FEE AMENDED**

PJIAE is in the process of executing the second phase of its Master Plan aimed at meeting future growth and ensuring compliance with international safety, security and passenger comfort standards. The required works consist of:

- a. A New Integrated ATC Tower and Radar Facility , already completed
- b. A New Terminal Building
- c. New Land side Facilities, i.e., rerouted airport road and parking facilities
- d. Expanded aircraft parking facilities

These investments are being financed with external financing. For the realization of phase II it is imperative that PJIAE, based on the above, implement various measures. One of these measures is the amendment of the rates and charges applied at PJIA to recover the costs of the investments involved. We therefore hereby notify all airport users of the following amendment in the airport departure fee.

As of September 1, 2004 the Airport departure fee for passengers traveling to international destinations will increase to USD 25,- and on January 1, 2005 to USD 30,-

For passengers traveling to domestic destinations: Saba, Statia, Curacao and Bonaire, the airport departure fee will be increased to USD 10,- as of January 1, 2005.

For further information please contact, Ms. Juliette Hassell, Chief Marketing and Customer Services dept. at tel. 545 5752.

**PHASE II AIRPORT DEVELOPMENT PLANS PRESENTED TO GOVERNMENT OF ST. MARTIN F.W.I.**

Commissioner of aviation affairs Mrs. Sarah Wescott-Williams and a delegation of PJIAE presented the phase II airport development plans to the

government officials of St. Martin F.W.I., chaired by the Mayor, Mr. Albert Fleming. The PJIAE delegation consisted of: drs. Eugene Holiday,

Services. The presentation, which highlighted among others the scope and construction phases as well as an artist impression video of the new facilities, was very well received. Following the presentation a fruitful discussion took place, regarding issues such as improving passengers flows and cooperation in sharing statistical information.

presented, Mr. Miguel Alexander, Chairman of the supervisory board, Mr. Andre Dijkhoffz, vice chairman of the supervisory board and Ms. Juliette Hassell, chief Marketing and Customer

Presentations are also planned with government officials of the neighboring islands: Saba, Statia, St. Barths, Anguilla and St Kitts and Nevis. In recognition of the interdependent relationships with our neighboring islands we are committed to ensure that they are informed of the developments at the airport.



*Mayor Albert Fleming receiving an information package regarding the phase II development plans from Commissioner of Aviation Affairs Mrs. Sarah Wescott-Williams. Photo: courtesy of O'Neil Richardson*

**LT. GOVERNOR RICHARDS AND COMMISSIONER WESCOTT-WILLIAMS STRESS ON COMMITMENT**

Lt. Governor Franklyn Richards and Leader of Government, Commissioner Sarah Wescott-Williams both expressed high expectations of Phase II of the Airport Expansion Project at the groundbreaking ceremony on June 18<sup>th</sup>, 2004. "A groundbreaking ceremony is a time of optimism and anticipation. It is a time to look forward to the day when the project we are breaking grounds for today will be completed and functioning to house the operations at PJIAE," said the Lt. Governor. In the view of Commissioner Wescott-Williams the ground breaking ceremony had brought the airport and the island to a point of no return. "We are taking a symbolic leap of faith into the future," the Leader of Government said. It will not be a leap into the dark though, if confidence and commitment are in place. "One hundred percent guarantee

cannot be given by the Board of Supervisors (of PJIAE) or Mr Holiday or Government. What can be the confidence in our own potential. We will be able to boast of all of the things that will come with the execution of this expansion project," she said. She said that with belief in the future of the airport, much can be realized. But, she added "how can we determine our future without looking back on how we have come where we are today. Whatever lessons we can learn from our history, let us learn from them, and wherever necessary let us correct them. But let us continue on with unfailing confidence in this island and this project." Lt. Governor Franklyn Richards called for commitment. "We are here to commit to continue working diligently in the years to come to take this project from

the drawing boards to reality. We should be strongly committed to achieving a timely, cost-effective, efficient and successful project," he said, adding that he drew inspiration from the effort that has already been put in motion getting Phase II into its starting blocks. Wescott-Williams said she had an undying confidence in the people of St. Maarten, which strengthened her faith. "We need commitment and support from the people. This is not a project of the airport or Government but of the people of St. Maarten. Sacrifices and commitments will be asked from all of us, visitors and residents alike," she said. She also said that there will be spin offs for the people of the rest of the Caribbean as well.