



Horizons Newsletter



DRS. HOLIDAY CALLS FOR COMMON USE CULTURE AT PJIAE



drs. Holiday: a new philosophy

PJIAE President drs. Eugene Holiday is positive about the future. Understandably. The new terminal building was ceremonially opened on November 10th 2006 –shortly after the operational opening on October 25th, 2006- as a major milestone that laid the groundwork for PJIAE, St. Maarten and surrounding destinations PJIA is a hub to, to prosper. “For the airport as a company the building is a major milestone. And it gives me personally a very satisfying feeling of accomplishment, knowing that I have been able to help make it a reality,” he said. The real challenge now is making it work as envisioned; the PJIAE President called on all who use the facility to adapt the new culture that is necessary to take full advantage of the possibilities of the building.

When the new terminal building was commissioned, PJIAE fulfilled its promise for a totally upgraded facility. Spanning an astounding 27,000 square meters, the four-level, fully air-conditioned building stands out with its glass exterior which gives espe-

cially departing passengers a magnificent panoramic view of airport activities. There are 46 airline check-in counters with Common Use Terminal Equipment and 11 gates, four of which with jet bridges. “We have come from the former facility –which has served St. Maarten well and was for its time one of the better airports in the region- to a new facility which is state-of-the-art for this present time,” said drs. Holiday. He explained that whereas the former facility had stand-alone systems, the whole array of systems in the new facility is fully integrated. He mentioned the safety -, operational -, security -, flight information display - and baggage information display, the central air-conditioning system, the centralized communications network and the common use terminal equipment (CUTE).

Drs. Holiday said this brings about a joint responsibility amongst users. “As a result of this upgrade a very strong common use culture needs to be developed; it calls for a shift in philosophy. Developing that culture is a change in itself,” he said. He explained that the culture that needs to be developed is one where everything is properly planned. “It requires a high degree of discipline and coordination,” he said, stressing that this will bring benefits.

“The CUTE system, for instance, offers greater flexibility. Through it, users can make more efficient use of space and available financial resources and it also allows for constant communication with passengers in the event that there are changes in departure times; which is another advantage because generally an informed passenger is more happy than one who is left in the dark,” said drs. Holiday. He said the CUTE system also offers the airport the possibility to see right away when there is something amiss. “In the case of an incident, the system sends off signals to the respective departments,” he explained. “CUTE is just one of our integrated systems that enhance safety, efficiency, management, planning. And through advantages, it optimizes companies’ generating capacity.”

Also in this issue...

- Spirit Airlines to start non-stop service to St. Maarten 3
- Old airport terminal totally demolished 4
- A new airline is born for the Caribbean 5
- Increase in private jet movements reported 6

Horizons Newsletter is a monthly publication of PJIAE N.V. The views expressed by our interviewees do not necessarily reflect the views of PJIAE N.V. Send comments and requests for information to the attention of the Marketing & Customer Service department.

Horizons Newsletter is also available in electronic format. To be placed on the mailing list please send us an email with “mailing list” in the subject line.

Text : Marvin Hokstam (Agile Ventures),
 Layout : Agile Ventures
 Design : J. Hassell, PJIAE
 Coordinator : N. Brill, PJIAE
 Print : Print Services
 PJIAE N.V.
 P.O. Box 2027 Tel. + 599 546 7528
 Simpson Bay Fax. + 599 546 7550
 St. Maarten N.A. www.pjiae.com
 email: horizonsnewsletter@pjiae.com

Continued on page 2

Continued from page 1

Generally, he said, the new facility offers more business opportunities. "Through our increased capacity we can accommodate more business. We welcome the positive results from discussions with Spirit Airlines, which will carry-out three flights a week as of April. It is a positive development to welcome a new major carrier and the first low-cost airline to fly to St. Maarten within the first six months of operations from our new facility," he said. "We are continuing talks with additional airlines –some from Europe- to open up this market and generate more traffic for St. Maarten and the surrounding destinations PJIA is the hub to." He predicted a 2.5 percent growth in aircraft traffic in 2007 over 2006.

Drs. Holiday was optimistic about 2007 and the years beyond. "All indications are that traffic to the Caribbean will continue to grow. Airports Council International (ACI) projects a four percent growth of traffic to the region and we are well positioned to take advantage of that," he said. Taking the ongoing developments in the island's accommodations sector into consideration, the PJIAE President concluded that St. Maarten could handle the growth. "Airports all over the world are catalysts for growth. Having realized this new facility will play a major role in selling the island and bring more traffic. The investment and the execution were a positive step where that is concerned," said drs. Holiday. He said though that the development also called for a response from different sectors on the island. "Based on international publications, our outlook is good. There are predictions that traffic worldwide will double in the next 10 to 15 years, and, though St. Maarten might only get a small portion of that –maybe 3%- it still represents a substantial increase. And to take full advantage of that, a number of factors play a role. Hotel and time share developments, infrastructural developments and so on are

crucial," he said. He added with a thoughtful smile: "Assuming of course that Mother Nature continues to smile on us."

Drs. Holiday said 2007 is already mapped out. Bringing about that psychological change in behavior, that new common use culture, is the main task, he said. In addition there are a couple of projects that will be completed this year. "One major investment is the completion of the Runway Extension Safety Areas (RESA) which is being tendered right now," he said. This project entails the extension of the eastern end of the runway, in accordance with international safety requirements. Furthermore the demolition of the former terminal building and the subsequent addition to the airport apron continues. "That is important; it adds to our parking capacity for commuter and corporate aircraft," said drs. Holiday. He said that work also continues on the apron control tower, an elevated stand-alone facility, separate from the Air Traffic Control tower which will give the Operations Department a bird's eye view over the movement of aircraft on the ramp. And plans are meanwhile also in advanced stage for the construction of the Fixed Based Operations terminal for handling passengers of corporate jets. "That segment of the aviation industry is growing, and to accommodate that and stay ahead of the competition we are providing a facility that meets the demand of these clients. We do recognize the importance," said drs. Holiday.

He reported that PJIAE is taking the necessary steps to ensure that it is able to meet its obligations. "Toward the end of last year we started with servicing the debt we made to be able to make investments in our upgrades. The growth foreseen needs to be taken advantage of, for us to be able to meet our financial and operational obligations," he said.



Princess Juliana International Airport
operating company N.V.

NEW PJIAE PHONE NUMBERS

DESCRIPTION	TELEPHONE	Ext. Nr.	FAX Nr.
PJIAE Receptionist 1	546-PJIA	7542	
PJIAE Receptionist 2	546-7549	7549	
President's Office & Secretariat	546-7501	7501	546-7550
Financial Accounting Department			
- Accounts Payable	546-7527	7527	
Marketing & Customer Service			
- Customer Information	546-7777	7777	
Soualiga Business Class Lounge	546-7529	7529	546-7557
Purchasing Department	546-7523	7523	
Operations Department	546-7514	7514	
Security Department	546-7518	7518	
Rescue & Fire Fighting Department	546-7512	7512	
Air Traffic Control	546-7532	7532	

THE REALISTIC REVOLUTION OF INSEL AIR



Insel Air: the first flight on December 27, 2006

Undeterred by an onslaught of attacks to keep its planes out of the sky, Curacao-based airline Insel Air started a new service to St. Maarten in December 2006 and according to its tough-talking Managing Director Edward Heerenveen, this is just part of the execution of an ambitious, business plan aimed at providing quality services to customers. "Our primary objective isn't to reach deep into the pockets of our customers. We started our company to provide service and because we want to make use of our right to fly from one island to another within our country. And if while doing that, it turns out that the customer can benefit, then that is good too," said Mr. Heerenveen.

The airline's rates created a buzz when its St. Maarten-Curacao flights started, even though it was obvious that these only represented temporary benefits. Mr. Heerenveen explained that these benefits were possible because the Pan Caribbean Alliance the airline initiated together with Winair, Suriname Airways and Conviasa from Venezuela. "Insel Air now has two airlines—an Embraer and an MD82, but our intention is to acquire four in total. However, through the Pan Caribbean Alliance we will have more than 20 aircraft on the routes we fly together," he said.

He was adamant about it. "This is not revolutionary. It's realistic. It's unrealistic to consider the possibility of conquering the world alone and standing alone. You could say that our ideals are ambitious. What we are doing is following the steps in our businessplan to the letter. We have chosen a direction an airline has to take if it wants to succeed in this region," he said.

The Managing Director said talks are already being held with other airlines in the region and indications are that these will join the alliance as well. "We want to make it as beneficial to the customer as possible. By aligning ourselves with other airlines, our costs drop because everybody shares in the costs and profits," he said. And indications are that these profits will materialize because the rates attract customers. "Our bookings exceed our expectations and have high hopes that we will continue to see positive load factors. And the passengers are satisfied. As a matter of fact, so are we," said Mr. Heerenveen.

Insel now flies to St. Maarten four times a week; intentions are to add a Wednesday flight. Mr. Heerenveen said the company will soon add Haiti, Dominican Republic, Miami and Fort Lauderdale to its destinations. "The Haiti flight we'll conduct together with Winair," he said. He added that passengers flying and continuing on airlines that are signatories to the alliance have seamless transfers

The Managing Director said Insel Air would remain in the air, unlike other airlines that mushroomed after the demise of Antillean Airline ALM that went belly-up some years ago. "None of those airlines actually materialized. The mere fact that we started with flights should be an indication of how serious we are. There is a need. Just see how many people have been using American Eagle to fly to Curacao from St. Maarten through Puerto Rico, because it was just too expensive to fly direct. We are not afraid of the competition; in fact we think it is healthy. The moment we notice that more people use alternate routes to the same destinations we're flying to because it is cheaper, we will understand that we too have reached a point where we have to adapt as well."

SPIRIT TO START NONSTOP SERVICE TO ST. MAARTEN

Spirit Airlines will begin offering nonstop service between its Fort Lauderdale hub and St. Maarten, Netherlands Antilles, on April 20. The flights are to run on Fridays, Saturdays and Sundays.

In addition to non-stop service from its Fort Lauderdale hub, Spirit will also offer connecting service from its domestic network with its fleet of Airbus aircraft, the youngest in the Americas.

We couldn't be happier to have St. Maarten in our 2007 expansion plans," said Barry Biffle, Chief Marketing Officer of Spirit Airlines. "This is a beautiful destination with no shortage of demand for travel. Whether it's a vacation in one of the Caribbean's most unique settings, or a shopping spree in South Florida, Spirit's plan is to offer an affordable option for travel to great destinations."

"Spirit Airlines is currently Fort Lauderdale's largest international carrier so we weren't surprised that they planned for yet another Caribbean destination," said Interim Aviation Director, Bob Bielek. "Spirit's continued expansion is reinforcing Fort Lauderdale's position as the gateway to the Caribbean and Latin America."

"We look forward to welcoming Spirit to our airline product line and in a true 'St. Maarten Spirit,' we know that this is the beginning of a long term partnership with the Island Government of St. Maarten," said Commissioner Roy Marlin, Acting Commissioner of Aviation. "On behalf of The Little Caribbean Alliance; the Directors



Spirit Airlines will start direct service to St. Maarten in April 2007

of Tourism of Anguilla, St. Barths, Saba, St. Eustatius, St. Maarten and St. Martin, we knew that we wanted to 'Catch the Spirit' since our initial discussions," said Regina M. La Bega, Director of Tourism St. Maarten and Chairperson of the Little Caribbean Alliance. "Attracting a Low Cost Carrier is an important objective in St. Maarten's Tourism Master Plan, which will allow for cheaper air fares to the island, therefore allowing a higher per visitor expenditure on the islands that will assist with eliminating seasonal and increasing year round employment."

The schedule for the nonstop service calls for flight 100 to depart Fort Lauderdale at 11 a.m. and arrive in St. Maarten at 1:50 p.m. Then, flight 777 would depart St. Maarten at 2:40 p.m. and arrive in Fort Lauderdale at 5:55 p.m. Spirit said it would begin flights to Port-au-Prince, Haiti, in March, and to Aguadilla, Puerto Rico, in April. Spirit has also filed to offer service to Caracas, Venezuela.

OLD AIRPORT TERMINAL TOTALLY DEMOLISHED



Demolition of the very last part of the original old airport terminal building that housed the former control tower. With the clearing of the last debris a part of history has been removed to create more apron space.

Demolition of the very last part of the original old airport terminal building that housed the former control tower started Monday. With the clearing of the last debris a part of history has been removed to create more apron space.

The demolition of the old building is part of the east apron extension project, which involves an amount of NAF. 11.6 million. The work consists of two phases, explained Koop's Project manager Mr. Maarten Loois. This project is separate from the new terminal building and related facilities works. The first phase entails the demolition of the last parts of the old terminal building and the construction of a new 13,000m² apron. This phase should be ready by the end of May. The second phase, to be completed by early September 2007, involves the renovation of 10,000m² of the existing apron located directly in front of the old terminal building. New, special so-called polymer asphalt will be put in place, produced by Koop on the island.

Currently being constructed on the site is a new apron control tower. This three-storey tower is a new facet for the airport, explained President of Princess Juliana International Airport Operating Company PJIAE drs. Eugene Holiday. The tower will enable the airport's operations personnel to have a clear view of the entire apron. "It will make the functioning of the air and ground traffic more effective and efficient," he said. "That is important with more traffic." The rotating beacon that was sitting on the old tower will be placed on the new apron control tower. A new airfield lighting building that will serve as the control point for the lights on the runway and taxi lanes is meanwhile being constructed.

Drs. Holiday, like so many others working at the airport for many years, has mixed feelings about the demolition of the last part of the old terminal building. He said on the one hand there was the sense of achievement to be able to realize the new facility, the new terminal building, which was very necessary for the airport to provide proper service to all users, including passengers.

But, "with that sense of achievement also comes the feeling of having lost something in which many of us have worked for years. Some of us have worked here for more than 30 years. Looking back at good old times, it is sometimes not easy to let go of something we knew so well," he said.

However, there are many benefits to the expansion and the new terminal building. "We can handle more passengers and to do that we needed to accommodate aircraft and create space to park them. This phase of the demolition and the creation of new apron space contribute to that," drs. Holiday said. The additional apron space will mainly serve to park regional commuter aircraft and to accommodate the growing corporate jet business.

For Mr. Loois, the demolition of the old facility had an additional emotional aspect, as he helped build the departure and arrival hall of that same building from around 1983 to 1986. He said the old tower had dominated the "skyline" for many years.

"An era has ended," said Mr. Loois, remarking that it was a place through which millions of people had passed. It was people's arrival place in St. Maarten and the place of their departure. But, he added, "It is unique when you tear down something that you built."



A daunting reality. The former terminal building that served PJIAE so well for over 30 years is gone.

A new apron control tower is being constructed to give Operations Department personnel a better view of aircraft movement on the ramp

CARIBBEAN STAR & LIAT TOGETHER: LIAT, STAR OF THE CARIBBEAN



The last Caribbean Star flight is showered on departure

A second new airline for the Caribbean has been born. It is to be called "LIAT, The Star of the Caribbean" and started operations at the crack of dawn on Thursday February 1, 2007 - one month after the other new carrier, Caribbean Airlines, took to the skies. The decision came after talks between the two intra-regional competitors, Caribbean Star and LIAT.

Following talks in Antigua Caribbean Star agreed to provide US\$35 million to liquidate LIAT's debts and establish the new airline. The three major shareholders of LIAT will guarantee the loan. Barbados will guarantee US\$25 million, Antigua & Barbuda will guarantee US\$8 million and St. Vincent & the Grenadines US\$2 million. The money is to be repaid once the new airline is placed on the public markets.

The new airline will subsume Caribbean Star taking its owner, Sir Allen Stanford out of the airline business. Also by the end of January, his other carrier, Caribbean Sun Airlines, is shutting down. Mark Darby, LIAT's CEO said the new airline will operate as a contractor under the LIAT code.

Staff cuts are expected. Last year LIAT postponed its voluntary retrenchment program after the two airlines agreed to talk. In St. Maarten, the airline's lone employee, Country Manager Ms. Ilonka Heisterkamp was tearful as the Caribbean Star last flight landed and took off on January 31, 2007. St. Maarten-born captains Adam Brookes and James Spronk touched down at 1.30pm, dropped off one passenger and took off to St. Kitts & Nevis about 30 minutes later, under a wet shower on departure by two airport fire trucks.

"When I saw that aircraft coming in I couldn't hold back my tears. We will not be seeing the Star again," one of the handlers said, as the Winair team that handled the flights under Ms. Heisterkamp's leadership looked on. Crewmembers hugged and said farewell to handlers that obviously over the past 6 years of Caribbean Star service had become their friends.

The airline started daily flights to St. Maarten in 2001. Its sister airline Caribbean Sun started St. Maarten-flights about two years later. Sun also ceased operations and stopped flying to St. Maarten on Thursday January 25. Ms. Heisterkamp who had become manager of both airlines two years ago said it was saddening to see the last flight. "It had been two good years with a wonderful team," she told Horizons. Her contract with the airline was terminated as of February 15th, 2007.

A communiqué issued following the talks said:

The Honourable Baldwin Spencer, Prime Minister of Antigua and Barbuda, the Rt. Honourable Owen Arthur, Prime Minister of Barbados and Dr. the Honourable Ralph Gonsalves, Prime Minister of St. Vincent and the Grenadines; the major Government Shareholders in LIAT (1974) Ltd, during meetings in St. John's, Antigua with Sir Allen Stanford, sole shareholder and Chairman of Caribbean Star Airline on 9th January 2007 and with LIAT Chairman and top management on 10th January 2007, were satisfied that Sir Allen understood the critical importance of air transportation to the region and is willing to make suitable accommodation.

Progress was achieved as follows:

1. The meeting ratified the terms of the MOU signed by Prime Minister Arthur and Sir Allen Stanford;

2. The terms of the Letter of Intent circulated on 20th December, 2006 will be further considered by LIAT's legal counsel and the legal departments of the three countries in the coming week with a view to its signature after approval by the Prime Ministers. It is due to be signed by Chairmen Sir Allen Stanford and Jean Holder;

3. Progress was reported by Dr. the Hon. Ralph Gonsalves with respect to his mission to Trinidad and Tobago. A resulting proposal by the Hon. Patrick Manning was considered and an amended proposal is being made to Trinidad and Tobago in the context of steps to work towards a long term solution to air transportation issues within CSME;

4. Prime Minister, the Hon. Baldwin Spencer updated his colleagues on his further discussions about the Venezuelan Loan and a Plan of Action has been agreed to advance the matter;

5. It was confirmed that the commercial agreement between Caribbean Star and LIAT 1974 Ltd involving a new combined schedule will enter into force from 1st February 2007 - leading to enhanced service and connectivity for the region. Additionally, this commercial alliance is expected to facilitate intra-Caribbean travel during Cricket World Cup 2007;

6. The Prime Ministers further agreed:

1. The next steps, process and time frame for the creation of a new company to be called "LIAT, The Star of the Caribbean";

2. On a financial package on excellent terms for liquidating LIAT liabilities;

3. Steps to be taken by Zwaig Consultants to negotiate with existing creditors and on the Asset Value of the two carriers;

4. Took note of other negotiations that need to be done. The Prime Ministers have established a team involving the Chairman of LIAT, Dr. Jean Holder, the CEO of Caribbean Star, Mr. Skip Barnett, the CEO of LIAT Mr. Mark Darby, Director of LIAT Mr. Isaac Solomon of St. Vincent and the Grenadines, Advisor to the Antigua and Barbuda Government Dr. Vincent Richards and legal and financial analysts from Barbados as a General Oversight Committee relating to shareholders on all other negotiations involved.

On 27th February 2007, there will be a special meeting of all LIAT shareholders to be held in Antigua and Barbuda to consider the plans for the merger of both carriers.

STEEP INCREASE IN PRIVATE JET MOVEMENTS REPORTED



Private jets on the ramp

Princess Juliana International Airport (PJIA) has recorded a steep increase in the number of private jets that landed here during the Christmas 2006 holidays. More than 830 executive flights were handled from December 23, 2006, to January 5, 2007, an increase of some 16 percent over the same period last year. Handling agents like Arrindell Aviation Services (AAS) and TLC are surpassing their numbers of the high season of 2005-2006. In fact, business has been so good that there was a shortage of jet fuel on certain days.

Some corporate jets would take off right after dropping off their passengers, but many of these private planes remained in St.

Maarten until their passengers were ready to leave again after the holidays. Many of these passengers continued their journey either on mega-yachts, or on to St. Barths and Anguilla. Some also stay here at one of the exclusive villas at the Lowlands.

PJIAE President drs. Eugene Holiday said the corporate jet business generally is a positive development for the island. For the airport it means additional revenues of landing and parking fees. It also brings with it additional fuel and catering revenues. Airport authorities are noticing a change in the market. Executive jets are becoming more affordable. This results in more new traffic and the use of bigger aircraft. "Boeing 757 or 767 private jets parked on our apron are no exception. Also we have noticed more traffic from Europe and Russia. These markets have shown an avid interest in the yachting opportunities in St. Maarten," said drs. Holiday.

Safe environment

Despite this increasing competition the market is growing, said drs. Holiday. "The jet operators prefer to station their aircrafts at PJIA, because our airport provides a safe, secure and service-friendly environment. In addition, many pilots prefer to remain on St. Maarten, which provides them and their family members with a mixture in ambiance," he said.

PJIAE GOING TO NETWORK USA

PJIAE will be represented at Network USA, organized by Airline Business to provide a high-level forum in which delegates debate international route-planning strategy. The event takes place from March 4 to 6 March 2007, at the Tradewinds Island Resort, in St Petersburg Beach, Florida.

Representing PJIAE will be staff of the Marketing and Customer Service Department, a PJIAE management executive. The annual conference plays a major role in the aviation industry. At its heart are a series of one-to-one meetings, allowing airport delegates the opportunity to discuss marketing plans with an impressive selection of senior airline route-planners.

A whole new series of routes have been launched as a direct result of contacts made at Network. For example, JetBlue made contact with Santo Domingo Airport

at Network three years ago and announced at Network 2004 that they will now be flying that route. Delta are now also supplying Santo Domingo after Network. At Network 2003 AirTran announced that it would fly to Vegas and Network 2003 also brought Aeromexico and Fort Lauderdale together. The list goes on...

The 2007 event planned will again provide access to key decision makers from among the US majors, the fast-growing low-cost players and regional operators, as well as planners from Latin America and beyond. "With our new terminal building in operation, we cannot afford not to be present at Network. This conference is where major decisions on routes are made and PJIAE is well-positioned to showcase its new product and lure more airlift to our island," said PJIAE President drs. Eugene Holiday.

...in the next edition of HORIZONS:

- Tourism Director Ms. Regina Labega is optimistic about 2007

- Curacao Tourism Commissioner is "jealous"

- DAE deploys Fokker jet