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NewsRelease

PJIAE briefs IATA, airlines on amendments to Passenger Accommodation Fees

SIMPSON BAY, St. Maarten (September 26, 2012)—A top-level delegation of the Princess Juliana International Airport operating company (PJIAE) met with representatives of airlines and the International Air Transport Association (IATA) at the trade association's regional office in Miami, Florida on September 13.

The delegation, led by PJIAE Managing Director Regina LaBega, updated the airline and aviation officials about the proposed amendments to the Passenger Accommodation Fees and other important developments at the airport, particularly the Runway Extension Project.

Present at the meeting were representatives of Delta, JetBlue, and American Airlines. US Airways and KLM apologized for not being able to attend. Insel Air, which had initially indicated it would attend the meeting, could not make it either.

Following a Power Point presentation that highlighted some of the attractions of the destination and offered detailed updates of the ongoing or soon-to-be-started projects at the airport, the proposed amendments to the passenger fees were explained in detail.

PJIAE levies aeronautical rates and charges to cover the operational and capital costs incurred in the provision of airport services, it was disclosed.

Passenger and airline fees at the airport have not increased since 2005, this despite the fact that cost of living in the period 2005 - 2011 went up considerably by 18.2%.

The proposed amendment to the passenger fees will see the Airport Departure Fee (ADF) for international passengers move from its current ANG 54 (US\$30) to ANG 59.40 (US\$33), with effect from November 1, 2012. As from that date, domestic passengers will pay an ADF of ANG 36 (US\$20) while transfer passengers will pay ANG 9.90 (US\$5.50). The passenger screening fee will become ANG 18 (US\$10).

The new rates are on par with what obtains in the region, according to a study conducted by InterVISTAS, the consultancy group retained by PJIAE.

It was agreed that these fees will apply to all tickets sold on or after November 1, 2012. However, a "grace period" will be established, with the assistance of IATA, which will assign a project manager, for tickets that do not have the new rates incorporated. Historical data from the last amendments will be used for this purpose.

IATA's Cyriel Kronenburg further recommended that SXM [ed. Note: SXM is the designator code for PJIA] should hold an Airline Consultation Conference on a bi-annual basis and offered to coordinate such meetings on behalf of IATA. This would contribute to an improvement of communications between the airport and the corporate offices of the airlines.

LaBega stressed that PJIAE is considering various alternatives to increase its non-aeronautical revenues, which would help in off-setting some of the operational costs, since aeronautical revenues alone account for over 80% of the airport's current income.

Regarding the fuel farm, the IATA and airline representatives were told that the project for the expansion of the capacity hold of SOL is progressing according to plan. SOL is finalizing construction of its new tank, increasing its storage capacity at its fuel farm to 40,000 barrels.

This should be completed in time for this winter season, the airline and aviation officials were told. In addition, GB/Chevron plans to increase its storage capacity to 25,000 barrels. All of this should significantly minimize the aviation fuel storage challenges faced in the past.

Photo caption:

Regina LaBega, Managing Director, Princess Juliana International Airport. (PJIAE photo)