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Flights to the Islands: It's a Buyer's Market

By LISA KALIS

DESPITE the higher costs of fuel and the financial troubles of the airline industry, many travelers flying to the Caribbean this winter will pay less for their tickets than they did a few years ago. On some flights, like a recent round trip between [Newark](#) and Aruba, they can save nearly 40 percent over 2004 prices.

They'll also have a lot more options. Many airlines are adding routes and expanding service this winter. For instance, Continental will begin nonstop service between Newark and Ponce, P.R., next month. And the airline plans four new routes in December: between [Houston](#) and Punta Cana in the [Dominican Republic](#); Houston and Bonaire; New York (La Guardia) and Aruba; and Newark and Curaçao. (Some of the routes are awaiting government approval.)

Also in December, United is adding service to four destinations from Dulles International Airport near Washington: to Nassau, the [Bahamas](#); Montego Bay, [Jamaica](#); Punta Cana; and St. Martin. In all, United will offer 65 round trips a week to the Caribbean this winter, up from 39 last year.

On Delta, travelers can fly direct to Punta Cana starting Nov. 19; flights to Santo Domingo, the Dominican Republic; Barbados; and Antigua will begin in December. From [Boston](#), the airline will offer Saturday direct service to Nassau. In all, Delta has added nine Caribbean routes since the fall of 2004, for a total of 28 markets served from the [United States](#).

Although fares continue to be pricey during the holidays, the competition is adding up to savings during most of the rest of the fall-winter high season. On Continental, for example, the lowest cost of a one-way fare from Newark to Santiago, Dominican Republic, was recently \$79. A year ago, that fare was \$104. From Newark to Aruba, Continental's lowest round-trip fare was recently \$250, compared with \$399 a year ago. A check of other routes came up with lower fares from August through October 2005 compared with the same period in 2004, according to [Bob Harrell of Harrell Associates, an airline consultancy in New York](#). For example, the lowest fare from New York's Kennedy Airport to San Juan, P.R., was \$20 less than in 2004, at \$79 this year on American.

The Caribbean is clearly a hot market, even for bankrupt airlines. James Sarvis, a director of Caribbean and Latin America for Delta, said that Delta's Chapter 11 filing in September would not disrupt its

Caribbean expansion plans. The routes "are very important to us," he said. "The growth right now that we're experiencing is in Latin America and the Caribbean."

The Caribbean, he said, is a key component of the airline's quest for more profitable routes - which, these days, means more international service. The second part of the strategy is eliminating less profitable domestic routes, which Delta plans on shrinking by 15 to 20 percent over the next two years.

All of the major airlines have faced tougher times on domestic routes, said Doug Abbey, a partner with the Velocity Group, an aviation consulting firm in Washington. This is largely because of the proliferation of low-cost carriers. "As the domestic market becomes increasingly low-yield due to competition, expanding internationally is a way to offset that," he said.

"There has been a lot of expansion to the Caribbean," said Mr. Abbey, noting that fares are trending downward. Frank Galan, a regional director for Continental, concurs. The average fare to the Caribbean on Continental, he said, has dropped 12 percent in the last four years.

The Caribbean is also a natural fit for budget airlines. Given its proximity to the United States, the airlines can use their existing (mostly smaller) planes, without having to invest in larger jets, said Daniel M. Kasper, a transportation expert with the consulting firm LECG in Cambridge, Mass.

Spirit Airlines, for instance, is making a big push into the region, adding routes through Fort Lauderdale over the next few months. It will start service to Kingston and Montego Bay, Jamaica, in November; to St. Thomas in December; and to Grand Cayman, and Providenciales and Grand Turk in the Turks and Caicos in February. "We looked at where people want to go and where there's a lot of demand," said Barry L. Biffle, Spirit's chief marketing officer.

But not all routes are based on popularity. One of Spirit's new destinations, Grand Turk, currently doesn't have any direct flights from the United States. "It has some of the best diving," Mr. Biffle said, "so we're betting on it."

How do Spirit's prices compare with fares from the majors? For the 12 months ending in the first quarter of 2005, the average one-way fare from [Miami](#) to Montego Bay, without taxes, was \$151, Mr. Biffle said. For March, one-way fares on Spirit from Fort Lauderdale to Montego Bay start at \$69. By the end of the winter, about 25 percent of Spirit's schedule will involve the Caribbean and Latin America - 17 nonstop routes from the United States.

Spirit isn't the only low-fare carrier heading south. Delta's Song began weekly nonstop service between Kennedy Airport and Aruba in July, adding to existing routes to Nassau and San Juan, and JetBlue will begin service from Boston to Nassau in February. JetBlue already flies from New York and Newark to San Juan and Aguadilla, P.R.; Santiago, the Dominican Republic; and Nassau.

New Caribbean routes, however, don't always work out. JetBlue, for example, canceled a route to Santo

Domingo, in March, because the market was already "well-served from New York," said Jenny Dervin, a JetBlue spokeswoman.

Tony Poe, director of marketing at Poe Travel in Little Rock, Ark., noted that the legacy carriers have been matching budget fares. A recent Internet search found similar fares on four airlines for a February flight between [Chicago](#) and Grand Cayman, all making one connection. Spirit recently charged \$425.40, while Orbitz came up with \$432 to \$440 on United, Delta and American.

There's some regional competition, too. Caribbean Sun, a Ft. Lauderdale-based airline which began service in January 2003 and has a code-sharing agreement with USAirways, has daily nonstop flights between San Juan and Antigua, St. Croix, St. Kitts, St. Martin, St. Thomas and Tortola, among others. Five-year-old Caribbean Star, its sister airline, serves 13 destinations, including routes between Antigua and Dominica, and St. Lucia and Barbados.

For the most part, the intra-Caribbean airlines attract more local travelers than American tourists, according to Hugh Riley, director of marketing for the Americas at the Caribbean Tourism Organization. Still, he noted that "there are more and more island collectors," he said, adding, "People seem to like this idea of doing an island-hopping vacation."

There's no guarantee, however, that greater capacity will bring more travelers. Last year, 7 percent more Americans visited the Caribbean than in 2003. Mr. Riley said that United States tourism to the region is up about 3 percent so far this year over 2004, and that tourist authorities are "cautiously optimistic" about the winter.

And Mr. Kasper of LECG said he believed that the increased competition would add to demand, adding that the impact from the rising fuel prices should be minimal. "Passengers haven't had to pay the full cost of higher fuel prices," he said.

This summer, many carriers initiated a \$10 fuel surcharge on each one-way fare. Delta's fuel costs have gone up 50 percent over the last year, for one, but the amount passed on to the customer has been "minimal compared to the rise in cost of jet fuel," said a Delta spokeswoman Chris Kelly.

The costs have been high enough that one regional airline had to shut down completely. Air Jamaica Express, with routes between three airports in Jamaica and five other islands, suspended its flights on Oct. 14, partly due to the cost of fuel.

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