

Asia Pacific Airlines: more than another fishy story

by Ken Donohue



All three Asia Pacific Airlines 727s have been fitted with winglets: N319NE is pictured at Chuuk International Airport.

At 0400 I'm sitting in the sparse office of Asia Pacific Airlines in the old cargo building of Continental Airlines at Honolulu International Airport, Hawai'i. A load of fresh tuna from Majuro—the capital and largest city of the Republic of the Marshall Islands—is scheduled to arrive in 30 minutes. Jimmy Sy, the airline's Honolulu station manager, is busy at his computer responding to email messages and answering my questions.

The incoming aircraft is a Boeing 727-200 freighter. Having originated today's service in Guam—an unincorporated territory of the USA in the western Pacific—before stopping in Majuro, the 727 is now descending over the ocean. The crew calls on the company frequency with an estimated arrival time of 0428. "You'll be parking at stand one charlie; see you on the ground," Sy answers. And with that, we jump into his truck for the short drive to the other side of the airport to await the arrival of the 'two-seven'.

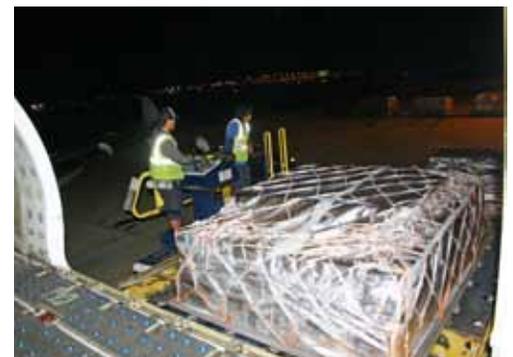


Once the ‘three-holer’ comes to a stop, it doesn’t take long for its side cargo door to swing open, exposing the inside of the freighter. Having been onboard for the past ten hours, the two pilots and flight engineer quickly deplane while a mechanic climbs aboard.

In the fuselage is more than 47,000lb (21t) of fresh tuna loaded on seven pallets, wrapped with silver insulated covers. Usually it takes half an hour to unload the aircraft, but with only tuna the job is completed in 20 minutes. The pallets of fish are taken to United Airlines Cargo, where they are separated and sent on to suppliers in Honolulu, Los Angeles, and New York. The aircraft will be on the ground for two days before making the return trip to Guam, loaded with mail from the US Postal Service.

Asia Pacific Airlines (ICAO: MGE) began operations in 1999, but Mike Quinn, the airline’s president, says the carrier was really born two years earlier during El Niño, a climatic phenomenon that occurs across the tropical Pacific Ocean whereby the surface temperature is warmer than normal. This can have a dramatic impact on weather across the entire Pacific.

So how did the weather in the Pacific Ocean give birth to an airline? Quinn had been doing some consulting work for National Fisheries, a company owned by the government of Micronesia. “When territorial fishing limits were increased to 200 miles [320km], they



PHOTOS: KEN DONOHUE



Tuna tonnage: seven pallets unloaded upon arrival in Honolulu in 20 minutes.

[Micronesia] owned a piece of ocean two-thirds the size of the USA,” says Quinn. “A great source of income for the country was selling fresh tuna for the sashimi market in Japan, but the only way to do this was to ship the fish by air.”

Quinn worked with a number of air companies to transport the tuna, but when many of them went out of business, he obtained a couple of 727s and established a more reliable service. “I did this for four years, between 1993 and 1997, and once the operation was stable, I thought my job was over,” Quinn tells *Airways*. “But in 1997 everything came unhinged, when the fishing vessels weren’t catching any fish; there was no revenue to pay for the aircraft.” This is when Tan Holdings, which owns Asia Pacific, became involved and leased one of the aircraft to uplift clothing from its Guam-based garment business.

With an uncertain fishing industry and its related impact on the air freight business, Quinn was asked to come and “fix things.” A pilot by profession, Quinn is not a marine scientist, but late in the Nineties he stumbled on a *National Geographic* cover that had an oceanic chart with a large red blotch over the area around the Micronesian island of Pohnpei [Ponape], where much of the tuna is caught. Because of El Niño, the ocean in this part of the Pacific had warmed to a point that had a severe impact on fish stocks, wreaking havoc on the fishermen and related businesses that rely on the industry. “I concluded that one couldn’t build and run an airline that was solely based on fishing,” says Quinn.

Quinn knew that Tan Holdings had more than 3,000 employees in Saipan—in the United States Commonwealth of the Northern Mariana Islands—



The Rohr/Goodrich Super 27 conversion of the 727 features Pratt & Whitney JT8D-217Cs in the outboard pods, with new hydraulic reversers, and the JT8D-17 (without reverser) retained in the center position. The changes result in reduced fuel burn, improved takeoff performance, and increased range and payload. This airplane was delivered new to American Airlines in 1978.

making shirts and other garments, most of which were being shipped to the USA, primarily on Continental Airlines. He devised a business plan for the company that would still service the tuna market, but would diversify its operations and also support the garment industry when the fishing slumped. While the airline would be based in Guam, Honolulu would eventually become a key hub in the Pacific, as it offered greater cargo lift with large aircraft flying to Japan and the US mainland.

On March 26, 1999, Aero Micronesia received a supplemental (cargo only) air carrier certificate from the Federal Aviation Administration and began service using the name Asia Pacific Airlines with one 727-200. The fleet now stands at three 727-200s with payload capacities of 45,000 to 55,000lb (20.4-25t). While he is happy with the performance of the aircraft, Quinn is interested in acquiring a larger type, such as a Boeing 757 or even a wide-body Airbus A310-300. Although the 727s that Asia Pacific operates are high-end, long-range aircraft with winglets, dual GPS (global positioning system), and extra fuel tanks, they lack the range to expand the business. "It's difficult for us to fly to the US West Coast, and we don't have the range to serve China from Guam," admits Quinn. "And while the aircraft are well maintained, they are ageing and use a lot of fuel. In 2008, when the price of oil spiked at \$140 per barrel, more than 70 percent of revenues went to pay for fuel. It almost killed us, but we survived."

A longer-range type would mean eliminating an expensive fuel stop in Majuro, currently performed several times a week when a 727 flies between Honolulu and Guam. While conceding that the 757 is very efficient, Quinn is more interested in the A310, which would burn the same amount of fuel as the 727 but allow the airline to expand its business by carrying twice as much cargo and flying twice as far. It's likely that when Asia Pacific does upgrade, it would keep at least two 727s and either lease out the other or use it for spare parts. Quinn estimates that converting an aircraft for freighter use will take about eight months, and require a more robust operations and maintenance program because of ETOPS (extended-range operations) issues.

The US government is contractually obligated to deliver mail to Guam and other Pacific island territories, so 80% of Asia Pacific's loads from Honolulu comprises that cargo. "We often move 35,000lb [16t] of mail at a time, but because we are range-restricted on the westbound flights to Guam, we aren't able to carry much cargo other than the mail," says Quinn. "With the A310, we would be able to increase our capacity."

Asia Pacific provides a vital public service to the many small and isolated islands throughout the

Pacific. Not only are letters and packages shipped in the mail, but also medicine, money, and consumer goods, including clothes, computers, and everyday products found at the supermarket. Some of the more interesting items carried by the airline have included helicopter blades, rockets for use by the US military on the island of Kwajalein in the Marshall Islands, live dolphins, and all the equipment needed for the popular TV series *Survivor*, when it was shot in the island nation of Palau.

While Asia Pacific is based in Guam, its headquarters is in Danville, in the Bay Area of northern California, primarily because that's where Quinn resides. He travels to Guam every few months, and as captain-qualified on the 727, flies when he is in the field visiting the various stations.

"Air cargo is vitally important," says Quinn. "The question is how quickly do they need to get it." Given that ships may visit these Pacific islands only once a month, and the very global nature of the world today, there appears to be an ongoing source of cargo for Asia Pacific Airlines to chase. →

Fast Facts—Asia Pacific Airlines (Aero Micronesia dba)

ICAO: MGE

Radio: *Magellan*

156 Diablo Road, Suite 203
Danville CA 94526-3312
USA

Tel: +1 925 362 4430
Fax: +1 925 362 4432

PO Box 24858 GMF
Barrigada GU 96921

Tel: +671 647 0050
Fax: +671 647 8440

Website: www.flyapa.com

Cities served: Chuuk [Truk], Guam, Hong Kong, Honolulu, Koror, Kosrae [Kusaie], Majuro, Manado, Manila, Pohnpei [Ponape], Saipan, Yap [Wa'ab]

Founded: 1998 (as Aero Micronesia)

Start date: March 1999

CEO: Michael R Quinn

Ownership: Tan Holdings Corporation

Fleet

Type	N°	Engines
Boeing 727-200 (F)	2	PW JT8D-17
Boeing 727-200 (F/Super 27)	1	PW JT8D-17/-217C