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2<sup>nd</sup> July 2020

To the Heads of Government of:  
The Hon, Mia Mottley - Barbados  
The Hon. Roosevelt Skerrit - Dominica  
The Hon Ralph Gonsalves - St Vincent and the Grenadines

Dear Colleague Heads of Government:

I write to you as the Heads of the three governments, which, along with the Government of Antigua and Barbuda, own the majority shares in LIAT 1974 Ltd.

First, I express my deep regret that, at a recent meeting of Shareholders, we were unable to agree on the importance to our regional integration project of maintaining the operations of LIAT 1974 Ltd, and to its further value as a feeder airline to transport tourists between the countries of the Caribbean. A majority decision was made to liquidate the airline with no further discussion, an occurrence to which I objected.

Second, as you are well aware, Antigua and Barbuda was a founding member of CARIFTA in 1965 which led to our present day Caribbean Community and Common Market (CARICOM); Antigua and Barbuda was also an initiator and founding member of the Organization of Eastern Caribbean States (OECS) in 1981. In all cases, it was the Antigua and Barbuda Labour Party, that I now have the privilege to lead, that formed the Government when these momentous decisions were taken to strengthen our nations by collaboration within a framework of interdependence. My Government and my Party have never resiled from their commitment to regional integration even though Antigua and Barbuda is one of the least recipients of its economic benefits in trade, industrial allocation or location for regional institutions.

Indeed, despite being one of the least beneficiaries of the economic benefits of regional integration, Antigua and Barbuda opened its doors to nationals of other CARICOM countries when circumstances in their nations proved difficult for them to remain. Further, we have used our vote and our voice in the international community to stand-up for the interests of every other CARICOM country and to support strongly their desire to occupy key offices in the international community and at the United Nations, including the Security Council.

The absolute necessity of collaboration and cooperation with the member nations of our CARICOM family is, for Antigua and Barbuda, an article of faith. We know that it is no cliché to assert that we are stronger together and weaker apart. Therefore, even though we are disappointed that other shareholder governments have considered it necessary to liquidate LIAT 1974 Ltd without sympathetic consideration of the impact of this decision on Antigua and Barbuda; or, of the fact that aviation services, through LIAT's operations, represent the only tangible benefit to Antigua and Barbuda of its participation in CARICOM, our national commitment to the ideal of a strong and vibrant Caribbean Community remains.

My Government recalls that LIAT was started in 1956 as a modest operation between Antigua and Montserrat. Its moral domicile is in Antigua as are its nurturing and resilient 64-year span when it met many short-lived rivals and outlasted them, all the time providing an essential bridge between the people of our Caribbean nations that gave meaning and substance to integration for business, commerce, socialization and a Caribbean identity. Indeed, it is true to say that LIAT's challenges, including its operating losses, derived from its continuous battles to maintain aviation stability and sustainability for the Caribbean people against opportunistic rivals who abandoned the area when their ambitions to profit from it failed to materialize. We, in Antigua and Barbuda, cannot abandon LIAT. LIAT did not abandon the Caribbean people. LIAT did not fail the region, it transported the region's people safely for over 6 decades. It is those who undermined it, by encouraging transient profit-seekers in competition, that failed it.

It is also troubling to my Government that shareholder governments in LIAT 1974 Ltd would decide by majority vote, to liquidate the airline without putting in place a reorganisational plan or any arrangements for meeting obligations to creditors and employees. Creditors extended credit to LIAT because it was an airline owned by Caribbean governments; their expectation was that Governments would not renege on LIAT's debt which is constructively sovereign debt. Those creditors are now disadvantaged by the failure of shareholder governments to seek to negotiate with them reasonable terms for affordable repayment. A similar circumstance applies to the employees of LIAT who are all CARICOM nationals. Surely, it is the obligation of governments, particularly as shareholders of LIAT, and, therefore, the employers of LIAT staff, to work-out some form of negotiated compensation for them.

My Government remains convinced that LIAT 1974 Ltd could be reorganised for the benefit of the Caribbean's people; to continue to provide the essential bridge between our nations; to satisfy obligations, at least partially, to creditors and employees through negotiations; and to turn the airline into a leaner, more efficient service that could be profitable. After all, in as much as LIAT 1974 Ltd, has been saddled with many challenges, its loss was \$12 million last year. A reorganised operation, efficiently managed, could turn around to produce modest profits.

It is against this background that the Government of Antigua and Barbuda once again calls on the main shareholder Governments of LIAT 1974 Ltd to reconsider the decision to liquidate the airline and, instead, to give meaningful consideration to reorganising it. We emphasise that a technical report already exists that could be the blueprint for deliberation of reorganisation.

My Government looks forward to receiving an early response from you on the proposal for reorganisation which would not only maintain LIAT 1974's essential service to all our countries, but would also keep faith with LIAT's creditors and employees, and put in place management policies and plans to make the airline return sufficient profits not to require subsidies by governments.

As a contingency arrangement, should you decide not to consider the reorganisation of LIAT 1974 Ltd, the Government of Antigua and Barbuda intends to launch LIAT 2020 Ltd as early as possible.

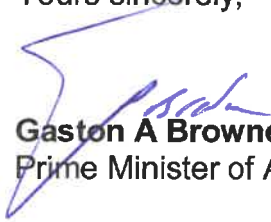
To this end, we have applied to register the name, and we hereby seek your release of the trademark to allow LIAT 2020 Ltd to be registered.

In the meantime, we advise, in full transparency, that the Government of Antigua and Barbuda has: (a) set aside \$20 million to capitalize the company; (b) secured the serious commitment of other governments and private sector partners to take equity stakes, producing, so far, another \$20 million; (c) put an expert team in place to produce a plan for a lean and efficient operation that would be profitable. Further, we extend an open invitation to all CARICOM governments, particularly the main shareholders of LIAT 1974 Ltd to participate in the ownership of LIAT 2020 Ltd.

We remain convinced that a sustainable air bridge between the countries of CARICOM is essential to the success of regional integration in all its aspects, as it is crucial to act as a feeder airline for the transportation of tourists. LIAT is a Caribbean institution that has defeated competitive airlines that crumbled, when their goal of quick money did not materialize. We in the Caribbean should enhance our institutions for our individual and collective good over the long-term, and not succumb to tearing them down to satisfy passing, short-term pressures.

I look forward to receiving a written reply from you on the propositions set forth in this letter at the earliest opportunity. Meanwhile, my Government will move ahead with its plan to build another regional airline on the foundations of LIAT, and to hold open an invitation for you to join, should my proposal of reorganizing LIAT 1974 Ltd not meet your approval.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Gaston A Browne', is written over a large, stylized blue scribble that resembles a signature or a mark.

**Gaston A Browne MP**  
Prime Minister of Antigua and Barbuda