



For Immediate Release

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**ASTAR Air Cargo, Inc. Asks DOT Judge to Impose Sanctions on FedEx, UPS for
“Unsupported and Deceptive Claims” In Citizenship Proceeding**

WASHINGTON (November 7, 2003) – ASTAR Air Cargo, Inc., in a pleading filed with the U.S. Department of Transportation today, said rivals Federal Express and United Parcel Service made “unsupported and deceptive claims” in a recent motion filed with the DOT and asked an Administrative Law Judge (ALJ) to impose sanctions on the pair.

Today’s ASTAR pleading responds to an earlier FedEx-UPS motion to offer new documents into evidence in the ongoing DOT examination of ASTAR’s corporate citizenship. Questions raised by rivals FedEx and UPS regarding ASTAR’s citizenship are part of a coordinated FedEx-UPS campaign to protect their current stronghold in the U.S. express delivery marketplace.

“Under the guise of seeking to enter into the record recently produced evidence, FedEx and UPS are trying to have the ALJ admit documents he has already rejected, and to dump into evidence documents that they know full well they have had in their possession for months,” attorneys for ASTAR said in today’s pleading. “And that is not the only defect in their motion. FedEx and UPS have blatantly misrepresented the contents of the documents they seek to have admitted.”

In mid-October, the DOT concluded nearly two months of public hearings in the competitor-driven probe of ASTAR’s ownership and control. The administrative law judge presiding over the hearing, Burton S. Kolko, now has until January 2, 2004 to make a recommendation to the DOT. After Judge Kolko makes his recommendation, the DOT will issue a final decision later that year.

In today’s pleading, attorneys for ASTAR urged the judge to reject the documents offered by FedEx and UPS and to sanction the pair for their conduct. FedEx and UPS together have “stepped beyond the bounds of advocacy and have submitted a pleading that is demonstrably false at its core,” ASTAR attorneys added.

Sanctions are appropriate, ASTAR attorneys said, because the FedEx-UPS motion to admit additional evidence “offers a collection of documents that (1) have already been offered into evidence and rejected by the ALJ, (2) have been in their possession for months, and (3) on their face (as opposed to the misrepresentations proffered by FedEx and UPS) have no bearing on the citizenship of ASTAR.”

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“If this proceeding is to end, as it must, FedEx and UPS must be made to understand that they cannot continue to filibuster by misrepresenting the record,” ASTAR attorneys concluded. “It is time to bring this proceeding to an end.”

ASTAR’s filing discusses the contents of documents that have been produced under DOT confidentiality rules. Accordingly, under established DOT rules, the public version of the document excludes all discussion of the contents of documents that are confidential. The full version was filed with the DOT confidentially.

U.S. certificated airlines must be “citizens of the United States” as defined by federal aviation law and regulations promulgated by the DOT. An airline’s citizenship status is regularly affirmed through “continued fitness reviews.”

In July, a group of U.S. investors led by John Dasburg, ASTAR’s Chairman and Chief Executive Officer, completed an acquisition of what was then DHL Airways. The privately held company was then renamed ASTAR Air Cargo, Inc.

ASTAR Air Cargo maintains a cargo hub at Cincinnati/Northern Kentucky International Airport and operates 40 aircraft in the United States. The company is headquartered in Miami, Florida. ASTAR Air Cargo and its employees were actively engaged in providing service to the U.S. Department of Defense during the recent Iraqi conflict. The airline currently serves the U.S. military with missions to Guantanamo Bay, Cuba, Roosevelt Roads, Puerto Rico, and other military bases around the world. Additional information can be found at <http://www.astaraircargo.us>.

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