



For Immediate Release

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**DOT Proceeding Proves ASTAR Air Cargo's U.S. "Citizenship," Attorney Says**  
*Regulatory Probe Driven by Rivals Seeking to Avoid Competition*

WASHINGTON (October 15, 2003) – An attorney for ASTAR Air Cargo dismissed as baseless rivals' suggestions that the Miami-based cargo carrier is controlled by foreign interests and said that nearly two months of hearings into the matter have proven conclusively that ASTAR is American-owned, controlled and operated.

“The evidence could not be clearer when you strip away all of the shrubbery and get down to the facts,” Sanford Litvack, the lead attorney representing ASTAR Air Cargo, said in closing arguments in a proceeding before a U.S. Department of Transportation administrative law judge. “ASTAR is owned and controlled lock, stock and barrel by U.S. citizens.”

Thirteen witnesses called during the hearing, more than 3,000 pages of testimony and hundreds of pages of documents submitted into the record failed to prove otherwise, Litvack said.

The ownership and control of ASTAR Air Cargo (formerly DHL Airways) is currently the subject of a competitor-driven investigation at the U.S. Department of Transportation. The judge presiding over the hearing into the matter, Burton S. Kolko, currently faces a December 1 deadline to make a recommendation to the DOT, although some parties to the proceeding have asked that the deadline be extended. After Judge Kolko makes his recommendation, the DOT's assistant secretary for aviation and international affairs will issue a final decision, most likely sometime in early 2004.

Litvack branded the investigation into the matter a ploy by the two dominant players in the industry – FedEx Corp. and United Parcel Service Inc. – to avoid competition with ASTAR's largest customer, DHL Worldwide.

“Two companies with 80 percent of the business want to make sure that this third company, who is a large player on the international scene and therefore scares the heck out of them, is excluded

from this market,” Litvack argued. “They know that a bullet that goes through ASTAR goes straight through to DHL.”

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 subsequently renamed ASTAR Air Cargo. Dasburg and other members of the investor group and the ASTAR executive management team testified in the proceeding.

Litvack brushed off rivals’ assertions that Dasburg and the investor group got a ‘sweetheart deal,’ pointing out that in at least one instance, Dasburg and the investors walked away from the table.

“The facts say that this was an arm’s length sale,” Litvack said. “This was not a ‘love fest’ at all; this was a hard-fought negotiation.”

Throughout the proceeding, hired expert witnesses for ASTAR’s rivals attempted to suggest that because DHL Worldwide, which is owned by Germany’s Deutsche Post, currently accounts for approximately 90 percent of ASTAR’s revenue stream, it exerts undue control over the cargo carrier. ASTAR’s rivals failed to produce one non-hired expert, however, to proffer facts – as opposed to opinion – contradicting the hard facts proving ASTAR’s citizenship offered by ASTAR’s owners and senior management team. Members of ASTAR’s executive team and a number of ASTAR’s own expert witnesses testified that in fact, the strength of the DHL business gives ASTAR the financial wherewithal both to grow its air cargo business and to potentially expand into other business areas.

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.astaircargo.us>.