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STATEMENT BY ASTAR AIR CARGO, INC. CHAIRMAN, CEO AND PRESIDENT JOHN DASBURG ON DOT ADMINISTRATIVE LAW JUDGE'S RECOMMENDED DECISION IN ASTAR CITIZENSHIP REVIEW

BACKGROUND: U.S. Department of Transportation administrative law judge Burton S. Kolko issued a recommended decision today in the citizenship review of ASTAR Air Cargo Inc., concluding that the carrier is owned and controlled by U.S. citizens and continues to be qualified under U.S. aviation laws to operate in U.S. domestic and foreign commerce.

U.S. certificated airlines must be "citizens of the United States" as defined by federal aviation law and regulations promulgated by the DOT. Now that Judge Kolko has made his recommendation, the DOT must issue a final decision, which will most likely come sometime in 2004.

The following statement can be attributed to ASTAR Air Cargo Chairman, CEO and President John Dasburg:

"We are extremely pleased that Judge Kolko, after careful review of the record in this citizenship proceeding, has found what we have maintained all along: that ASTAR Air Cargo irrefutably is owned and controlled by United States citizens.

Judge Kolko's decision comes after an exhaustive review of ASTAR's ownership and control that included nearly two months of public hearings in which thirteen witnesses were called, resulting in a record that includes more than 3,000 pages of hearing transcripts.

During this proceeding, rivals FedEx Corp. and United Parcel Service Inc. persisted in their claims that ASTAR is under the actual control of foreign interests. Judge Kolko's opinion squarely rejected these allegations, holding that ASTAR is "its own person; it is functionally independent of [DHL Worldwide Express, Inc.]. Neither [DHL Worldwide Express] nor the DHL network can be said to be in actual control of ASTAR in any relevant or meaningful sense."

Kolko added, "The salient question is who has the power to direct or dominate ASTAR. And the answer is ASTAR."



We have said throughout the review that questions raised regarding ASTAR's citizenship, and the resulting DOT investigation, were all part of a coordinated FedEx-UPS campaign to protect their current stronghold in the U.S. express delivery marketplace. Now that FedEx and UPS have had the hearing they sought, we call upon them to accept Judge Kolko's decision and redirect their efforts to competing with ASTAR in the marketplace.

We are confident that the U.S. Department of Transportation, upon review of the administrative law judge's decision, will reaffirm ASTAR's U.S. citizenship.

Finally, this is wonderful holiday news for the 1,000 hardworking men and women of ASTAR Air Cargo."

About ASTAR Air Cargo

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>.