

US Department
of Transportation

Air Carrier: Capital Cargo International Airlines

Operation: ALL

Period Ended: June-07

NOTES TO FORM 41 REPORT

- Note 1 Since inception, Capital Cargo International Airlines (CCIA) provides airport-to-airport transportation services. The contracts CCIA enters into generally require CCIA to supply aircraft, crew, maintenance and insurance, while its customers are responsible for substantially all other operating expenses, including fuel. As a result, CCIA incurs no fuel, oil, landing, navigation, parking or ground handling costs for operational purposes. These costs are passed through costs and remain on the balance sheet until reimbursement is obtained by the customer.
- Note 2 Schedule P1.2 account 5400 includes CCIA's expense for fuel and oil that is incurred for maintenance purposes.
- Note 3 Schedule P5.1, line 7 includes CCIA's expense for fuel and oil that is incurred for maintenance.