



U.S. Department of
Transportation

Office of the Secretary
of Transportation

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U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

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WB

400 Seventh St., S.W.
Washington, D.C. 20590

January 17, 2007

Mr. Robert E. Cohn
Hogan & Hartson L.L.P.
555 13th Street, N.W.
Washington D.C. 20004

Dear Mr. Cohn:

This letter conveys the preliminary conclusions of the U.S. Department of Transportation regarding the citizenship of Polar Air Cargo, Inc. ("Polar") following a substantial change in its ownership. Specifically, you have advised us that an affiliate company within the DHL Group will acquire a minority interest in Polar and that under the proposed ownership structure Polar will (i) continue to satisfy all the numerical statutory criteria related to citizenship, and (ii) demonstrate no indicia of actual control by foreign interests.

Based on the information provided, we conclude that Polar will remain a citizen of the United States as required by Title 49 of the United States Code and that the company will continue to be fit, willing, and able to conduct its operations as a U.S. certificated air carrier. As always in such cases, our determination reflects, and is predicated on the accuracy of, all the information that you have provided to the Department. Moreover, this finding depends on our satisfactory review of all final documents, including governance documents for all involved parties, which you must submit to us upon signature.

We remind Polar that it continues to remain subject to the provisions of section 204.5 of the Department's rules (14 CFR 204.5), which requires the company to advise us of any substantial change in its fitness. These changes include, but are not limited to, any alteration to the company's ownership structure; or any change in key management and technical personnel or other circumstances affecting foreign involvement in the structure or capitalization of Polar or its parent companies, including new governance provisions (such as supermajority voting rights) or changes to state law requiring that a foreign investor have voting rights, etc. Such changes may result in a different outcome of the Department's fitness determination with respect to the company's citizenship.

We appreciate your cooperation in this matter. If you have any questions, please contact Vanessa Balgobin of my staff at (202) 366-9721.

Sincerely,

A handwritten signature in black ink that reads "William M. Bertram". The signature is written in a cursive style with a long horizontal flourish at the end.

William M. Bertram
Chief, Air Carrier Fitness Division
Office of Aviation Analysis