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U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF HEARINGS
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS
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IN THE MATTER OF)
)
DHL AIRWAYS, INC.)
(Citizenship Proceeding))
_____)

Docket No. OST-2002-13089 - 52

STATEMENT OF LYNDEN AIR CARGO, LLC.

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Attorney for Lynden Air Cargo, LLC

April 24, 2003

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF HEARINGS
WASHINGTON, D.C.

IN THE MATTER OF)

DHL AIRWAYS, INC.)
(Citizenship Proceeding))

Docket No. OST-2002-13089

STATEMENT OF LYNDEN AIR CARGO, LLC.

Pursuant to the April 21, 2003 Order of the Chief Administrative Judge (“April 21 Order”), Lynden Air Cargo, LLC (“Lynden”) respectfully submits this Statement together with consecutively numbered, tabbed and indexed copies of the small number of documents previously submitted by Lynden in this or any related proceeding.

Your Honor’s April 21 Order requires, inter alia, a statement as to proposed grouping of parties, and Lynden submits that its position herein is aligned with those of FedEx and UPS.¹

As the Department’s Instituting Order 2003-4-14 correctly noted, the issue of DHL Airways’ citizenship has been pending in various forms for a considerable period of time and a substantial amount of information has been filed in the docket during that time by UPS, FedEx as well as DHL Airways who are all direct competitors. Lynden does not have such information.

¹ Common names are used herein for United Parcel Service Co., Federal Express Corporation and DHL Airways, Inc.

STATEMENT OF LYNDEN AIR CARGO, LLC.

Lynden's involvement in this case when it was a regulatory compliance proceeding (i.e. during the 3rd Party Complaint Stage) was very limited and Lynden filed only three (3) documents² in this docket, together with only one (1)³ other document in a related proceeding.

Lynden submits that pursuant to 49 U.S.C. §41102, DHL Airways has the burden of establishing that it is a citizen. As a result of the Instituting Order instituting formal de novo review of the "current" citizenship of DHL Airways only, Lynden respectfully submits that in the absence of Public or other Department counsel who usually take the lead role in such cases assigned for full oral evidentiary hearing, other parties effectively have to shoulder that adversarial burden.

Unlike UPS, FedEx and DHL Airways, Lynden is very small,⁴ Alaska-based U.S. air carrier specializing in the movement of cargo to remote locations throughout the world. In view of Lynden's very small size and consequently very limited resources, Lynden respectfully submits that it is unable to separately and independently participate in this proceeding in the manner contemplated by your Honor's April 21 Order. Nevertheless, Lynden's interests are aligned with, and can more than adequately be represented by FedEx and UPS which do have the

² (1) Motions of Lynden Air Cargo for Leave to File an Otherwise Unauthorized Document and to Join Complaint, March 8, 2002 (copy attached at Tab 1 hereto); (2) Reply of Lynden to DHL Airways and Statement in Support of the Motions Filed by UPS and FedEx (copy attached at Tab 2 hereto); and (3) Comments of Lynden Air Cargo (in response to Department's request for comments on the Inspector General's findings), March 19, 2003.

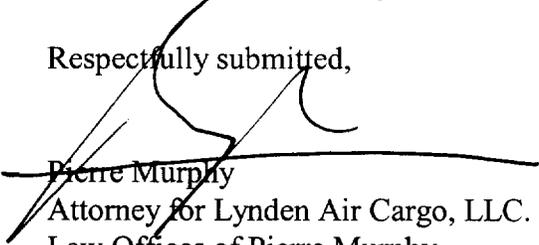
³ Motion of Lynden Air Cargo to Join Complaint, March 5, 2002 (Docket OST-2002-13590).

⁴ Lynden's fleet consists of five (5) Lockheed L-100 "Hercules" freighter aircraft.

STATEMENT OF LYNDEN AIR CARGO, LLC.

required resources. Lynden respectfully submits that it will be unable to separately and independently participate as a party in this proceeding in the manner contemplated by your Honor's April 21 Order. Lynden will explore with other parties a vehicle whereby it may be feasible to participate as a party in this proceeding jointly with one or more of those parties. Lynden will be prepared to address this issue at the April 29, 2003 Pre-Hearing Conference.

Respectfully submitted,



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Certificate of Service

I hereby certify that I have this 24th day of April 2003 caused this Statement of Lynden Air Cargo to be served on each party listed below as noted.

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U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF HEARINGS
WASHINGTON, D.C.

IN THE MATTER OF)
)
)

DHL AIRWAYS, INC.)
(Citizenship Proceeding))
_____)

Docket No. OST-2002-13089

**DOCUMENTS PREVIOUSLY SUBMITTED BY
LYNDEN AIR CARGO, LLC. IN
THIS OR ANY RELATED PROCEEDING**

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Attorney for Lynden Air Cargo, LLC

INDEX

1. Motions of Lynden Air Cargo for Leave to File an Otherwise Unauthorized Document and to Join Complaint; November 8, 2002 (Docket OST-2002-13089),
2. Reply to DHL Airways and Statement in Support of the Motions Filed by United Parcel Service Co. and Federal Express Corporation; December 12, 2002 (Dockets OST-2002-13089 & 13590).
3. Comments of Lynden Air Cargo; March 19, 2003 (Dockets OST-2002-13089 & 13590).
4. Motion of Lynden Air Cargo to Join Complaint; November 5, 2002 (Docket OST-2002-13590)

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS
02 NOV -3 PM 4:16

Petition of United Parcel Service Co.
To Institute a Public Inquiry into
the Citizenship and Foreign Control
of DHL Airways, Inc.

Docket OST-2002-13089

**MOTIONS OF LYNDEN AIR CARGO FOR LEAVE TO FILE AN OTHERWISE
UNAUTHORIZED DOCUMENT AND TO JOIN COMPLAINT**

Communications with respect to this document should be sent to:

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Attorney for Lynden Air Cargo, LLC

November 8, 2002

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Petition of United Parcel Service Co.
To Institute a Public Inquiry into
the Citizenship and Foreign Control
of DHL Airways, Inc.

Docket OST-2002-13089

**MOTIONS OF LYNDEN AIR CARGO FOR LEAVE TO FILE AN OTHERWISE
UNAUTHORIZED DOCUMENT AND TO JOIN COMPLAINT**

Lynden Air Cargo, LLC is a U.S. air carrier that specializes in moving cargo to remote locations throughout the world. Lynden wishes to join the complaint filed by United Parcel Service Co. (“UPS”) in this docket because it believes that the ownership and control arrangements of DHL Airways, Inc. give it an unfair competitive advantage over Lynden.¹ Since Lynden’s complaint is against the same party as UPS ‘s complaint and involves the same subject and state of facts, the Department’s rules provide for complainants to join in a single complaint.²

¹ Lynden respectfully requests that this Motion to Join the Complaint herein be received as an otherwise unauthorized document. See: 14 C.F.R. §302.6(c). Lynden submits that the Department should have all relevant materials before it in deciding this case. The material presented herein is relevant to the Department’s consideration of this proceeding and these facts arose subsequent to the closing of the response period in this proceeding. Receipt and consideration of this Motion to Join Complaint would not unduly burden or delay the proceeding.

² 14 C.F.R. §302.404 provides that “[t]wo or more complainants may join in one complaint if their respective causes of complaint are against the same party or parties and involve substantially the same purposes, subject or state of fact.”

MOTIONS OF LYNDEN AIR CARGO, LLC

Background

Lynden offers charter services to transport oversized cargo worldwide using L-382 Hercules equipment. The Hercules can carry payloads of up to 48,000 pounds of palletized or break-bulk freight.

Lynden also provides regularly scheduled service transporting everything from groceries to automobiles to points within Alaska such as Anchorage, Bethel, Dillingham, Fairbanks, Kotzebue, and Nome. The Hercules is ideally suited for service to remote locations such as Alaska because it can land on packed earth, gravel, ice or short runways.

Lynden has had a long-standing contract with the U.S. Air Force to transport military cargoes to remote places like Kosovo. The Air Force awards these contracts through its Air Mobility Command (AMC). Lynden recently lost an AMC contract that it has had for the past three years to DHL Airways that was valued at over \$21 million.

Lynden's Complaint

Lynden is a small, successful air carrier, and we believe we offer an unequalled quality of service. However, like any U.S. company, we are subject to the U.S. taxes, labor rules, and other regulations that make it more expensive to operate as a U.S. air carrier than foreign carriers established in tax havens or those having less stringent labor rules.

MOTIONS OF LYNDEN AIR CARGO, LLC

We have reason to believe that DHL Airways intends to use an aircraft currently operating within Europe under the control and authority of DHL International on the above contract under some arrangement that may appear to meet the conditions of the AMC contract (which requires this work be done by a U.S. air carrier). For example, DHL airways may use an array of wet-leased foreign aircraft through convoluted arrangements with DHL International (a 100% foreign owned company). We also point to DHL Airways's current wet leasing arrangements with DHL Holdings (USA), (100% owned by DHL International), whereby all aircraft operations are leased to DHL Holdings (USA). This means that DHL Airways is giving its control to a foreign company while effectively evading U.S. taxes. DHL Airways assumes the risk while DHL Holdings takes the profits.

We do not believe that the arrangement will meet AMC conditions for two reasons. First, Lynden has reviewed the numerous complaints and other information and concurs that the arrangements between DHL Airways and other DHL entities are not transparent. If Lynden had ties to a foreign company as strong as DHL Airways's ties are, it would certainly be under that company's control. Second, the wet leased aircraft are inconsistent with the AMC requirements.

Lynden has raised these concerns with AMC which has them under review. However, in discussing its concerns with AMC, Lynden learned that it is the general practice of AMC to rely on the Department for its determination that carriers hold valid operating

MOTIONS OF LYNDEN AIR CARGO, LLC

licenses and meet all applicable U.S. citizenship requirements.

The Department's disposition of this matter is of critical importance to the many U.S.-tax paying air carriers that depend on it to maintain a level playing field for all U.S. air carriers. Lynden hereby requests that the Department conduct a careful inquiry to determine whether DHL Airways satisfies all applicable requirements for U.S. air carriers. We also request that the operating practices of DHL Airways as it interfaces with the other DHL network entities be fully examined.

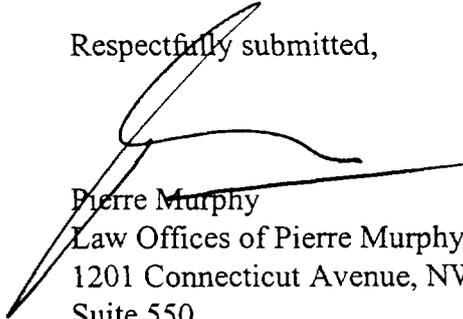
The loss of this contract is significant to Lynden and will have serious financial consequences for our company. Lynden is prepared to compete with any U.S. air carrier, but it cannot compete with an off-shore operator with cost advantages unavailable to Lynden. It is especially disturbing when a U.S.-owned, Alaska-based carrier like Lynden, which pays its fair share of taxes, sees business that is funded by U.S. taxpayers go to foreign carriers.

MOTIONS OF LYNDEN AIR CARGO, LLC

Conclusion

Lynden thus fully supports the UPS Third-Party Complaint and seeks permission to join in that complaint.

Respectfully submitted,



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November 8, 2002

Attorney for Lynden Air Cargo, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this 8th day of November 2002, served upon the following persons the foregoing Motion of Lynden Air Cargo, LLC via first class mail, postage prepaid.

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Kristin K. Leake

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS

02 DEC 12 PM 4:33

Petition of United Parcel Service Co.
To Institute a Public Inquiry into
the Citizenship and Foreign Control
of DHL Airways, Inc.

Docket OST-2002-13089

In re Compliance with U.S. Citizenship
Requirements of DHL Airways, Inc.

Third-Party Complaint

Docket OST-2002-13590

**REPLY TO DHL AIRWAYS AND STATEMENT IN SUPPORT OF THE MOTIONS
FILED BY UNITED PARCEL SERVICE CO. AND FEDERAL EXPRESS CORPORATION**

Communication with respect to this document should be sent to:

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Attorney for
Lynden Air Cargo, LLC

December 12, 2002

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Petition of United Parcel Service Co.
To Institute a Public Inquiry into
the Citizenship and Foreign Control
of DHL Airways, Inc.

Docket OST-2002-13089

In re Compliance with U.S. Citizenship
Requirements of DHL Airways, Inc.

Third-Party Complaint

Docket OST-2002-13590

**REPLY TO DHL AIRWAYS AND STATEMENT IN SUPPORT OF THE MOTIONS
FILED BY UNITED PARCEL SERVICE CO. AND FEDERAL EXPRESS CORPORATION**

Lynden Air Cargo, LLC ("Lynden") joined the above captioned dockets, which request a public inquiry into the citizenship and foreign control of DHL Airways, because the ownership and control arrangements of DHL Airways give it an unfair competitive advantage over Lynden. It hereby replies to the Answer filed by DHL Airways. Lynden further supports the Motion to Defer filed by Federal Express Corporation ("FedEx") and the Motion to Amend filed by United Parcel Service Company ("UPS").¹

¹ See Motion for Leave to File an Otherwise Unauthorized Document and Amendment No. 2 to Petition of United Parcel Service Co., Docket OST-2002-13089, and Reply and Motion to Defer Action Pending Third-Party Complaint Proceeding, Docket OST-2002-13089, Docket OST-2002-13590, Docket OST-2002-13256, and Docket OST-2001-10052.

REPLY OF LYNDEN AIR CARGO, LLC

Lynden sought to join the above-captioned dockets, not to challenge the contract awarded by the Air Mobility Command ("AMC"), but to ferret out the impropriety of DHL Airways' undertaking to enter this market. DHL Airways has admitted that it acquired an aircraft specifically for the purpose of challenging the renewal of Lynden's contract to provide cargo lift for the U.S. military operating from Europe over routings within Europe and to the Middle East.² We are concerned that DHL Airways entered this market solely in an effort to create the appearance of independence from the DHL Network in order to address concerns about its citizenship.

The Department has disclosed in Congressional correspondence that it made recommendations to DHL Airways during the course of its informal review of that carriers' citizenship.³ It has not, however, disclosed what those recommendations were.

Lynden is very concerned about the Department's handling of this case. A carrier, like DHL Airways, that obtains over 90 percent of

² See Answer of DHL Airways to Motions of Lynden Air Cargo, at p.3-4 (Dec. 4, 2002).

³ See Letter of Assistant Secretary for Aviation and International Affairs to Honorable Jon D. Rockefeller IV dated May 7, 2002 (states that the reorganization plan was changed in response to DHL Airways' corporate needs and to the Department's recommendations), available at Docket OST-2002-13089-8.

REPLY OF LYNDEN AIR CARGO, LLC

its business from a so-called minority shareholder of that carrier, cannot in any realistic sense be considered "independent" of that shareholder. To conclude otherwise simply would defy commercial reality.

DHL Airways has offered no explanation as to either: (i) why it would acquire an aircraft specifically for the purpose of competing for Lynden's military contract in Germany; and (ii) the curious timing of it's decision to acquire an aircraft, which comes well after Lynden raised of it's concerns as to how DHL Airways planned to operate this military contract. DHL Airways' principal business is to provide lift to DHL Worldwide Express in the United States. In fact, third-party traffic cannot interfere with this business.⁴ The only logical explanation for DHL Airways' new interest in military contracts is its effort to create the appearance of independence from the DHL Network.

If DHL Airways has entered this market in response to any recommendation made by the Department, that alone would raise serious questions regarding the propriety of the Department's role in this case. Lynden therefore requests that this question be assigned specifically to an Administrative Law Judge for investigation and

⁴Letter from Senator John D. Rockefeller IV to Read Van de Water of 11/18/02 at 2.

REPLY OF LYNDEN AIR CARGO, LLC

resolution.

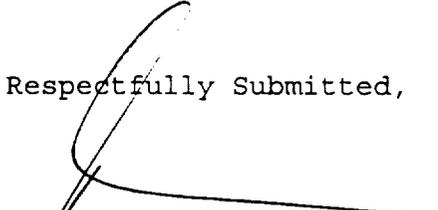
Lynden fully supports the Motion to Amend filed by UPS and the Motion filed by FedEx to defer action in Docket OST-2002-13089 pending resolution of DHL Airways' citizenship in Docket OST-2002-13590. As more clearly provided in both motions, serious questions regarding DHL Airways' credibility have become apparent. This evidence is not available to the Department in any other docket. Lynden believes it imperative the Department examine all of the available evidence to determine whether DHL Airways can satisfy its burden of proof that it is free from the foreign influence and control of the DHL network and its majority owner Deutsche Post. This evidence overwhelmingly supports the need for an ALJ to engage in a formal and public fact-finding analysis to resolve factual issues relevant to a determination of who owns and controls DHL Airways, and the nature of its relationship with the DHL network.

In conclusion, Lynden fully supports the Motions filed by United Parcel Service Co. and Federal Express Corporation. It respectfully requests the Department submit the issue of DHL Airways' citizenship to an Administrative Law Judge. It further requests that the Administrative Law Judge examine the question of whether DHL sought the AMC contract in response to recommendations

REPLY OF LYNDEN AIR CARGO, LLC

made, or concerns raised, by the Department or its staff in its review of DHL Airways' citizenship.

Respectfully Submitted,



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December 12, 2002

Attorney for
Lynden Air Cargo, LLC

Certificate of Service

I hereby certify that I have this 12th day of December, 2002 caused this Lynden Air Cargo Reply to DHL Airways and Statement in Support of the Motions filed by United Parcel Service Co. and Federal Express Corporation to be mailed to each party listed below by first-class mail, postage prepaid.

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Kristin K. Leake

BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Petition of United Parcel Service Co.
To Institute a Public Inquiry Into
the Citizenship and Foreign Control
of DHL Airways, Inc.

Docket OST-2002-13089

In re Compliance with U.S. Citizenship
Requirements of DHL Airways, Inc.
Third-Party Complaint

Docket OST-2002-13590

COMMENTS OF LYNDEN AIR CARGO

Communications with respect to this document should be sent to:

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Attorney for Lynden Air Cargo, LLC

March 19, 2003

2003 MAR 19 P 4: 21

DEPT. OF TRANSPORTATION
DOCKETS

COMMENTS OF LYNDEN AIR CARGO

its business on an arm's length basis. Its access to capital is determined solely by its own financial performance, and it pays the salaries of its own personnel - not to mention its own taxes and other government charges. It is a U.S. taxpayer.

According to the IG's Findings, it would appear that DHL Airways operates quite differently. Unlike Lynden, DHL Airways' entire fleet is leased to a subsidiary of its foreign-owned holding company. A parent of that holding company, which is organized in a tax-haven country and is owned by a foreign postal monopoly, effectively guarantees the credit-worthiness of DHL Airways. Finally, the foreign-owned holding company pays much of the operating costs of DHL Airways, including compensations for its officers and employees and the fines, taxes and other government charges it incurs.

Under these circumstances, the Department's recommendation to DHL Airways that it hire a marketing executive to increase its third party revenue raises profound questions of propriety. The Department effectively encouraged DHL Airways to compete unfairly and unlawfully with law-abiding U.S. taxpayers, like Lynden, that do not have the benefit of comparable foreign subsidies. Lynden has lost a contract for military carriage to DHL Airways under circumstances that defy any rational explanation other than as a response to the Department's recommendation. In the case of Lynden, therefore, the Department's recommendation to DHL Airways has had an effect in the market place. It is not, under any circumstances, a legitimate function of the Department to make recommendations to a carrier, particularly one receiving foreign financial benefits, on how it can compete more

COMMENTS OF LYNDEN AIR CARGO

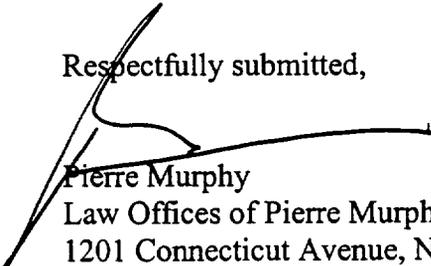
effectively with established air carriers like Lynden. The Department's conduct in this respect - which was not publicly disclosed until the IG's Findings were released - should be very carefully considered and independently reviewed.

As Lynden has previously commented herein to the Department:

If DHL Airways has entered this market [for military cargoes in competition with Lynden] in response to any recommendation made by the Department, that alone would raise serious questions regarding the propriety of the Department's role in this case. Lynden therefore requests that this question be assigned specifically to an Administrative Law Judge for investigation and resolution.¹

In light of these developments, the Department should grant the pending request for an oral evidentiary hearing before an Administrative Law Judge to examine all aspects of the Department's conduct in the citizenship review, including the propriety of its recommendations.

Respectfully submitted,



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Email: pmurphy@lopmurphy.com

March 19, 2003

¹ See: Lynden Air Cargo's *Reply to DHL Airways and Statement in Support of the Motions Filed by United Parcel Service Co. and Federal Express Corporation*, at p.3, 4 (December 12, 2002).

Certificate of Service

I hereby certify that I have this 19th day of March 2003 caused this Lynden Air Cargo Reply to DHL Airways and Statement in Support of the Motions filed by United Parcel Service Co. and Federal Express Corporation to be served on each party listed below by telecopier.

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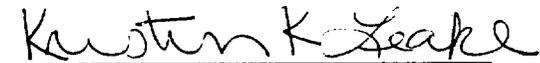
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BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
DOCKETS

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In Re

Compliance with U.S. Citizenship
Requirements of DHL Airways, Inc.

Docket OST-2002-13590

Third Party Complaint pursuant to
14 C.F.R. § 302.404

MOTION OF LYNDEN AIR CARGO TO JOIN COMPLAINT

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Attorney for Lynden Air Cargo, LLC

November 5, 2002

BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

In Re

Compliance with U.S. Citizenship
Requirements of DHL Airways, Inc.

Docket OST-2002-13590

Third Party Complaint pursuant to
14 C.F.R. § 302.404

MOTION OF LYNDEN AIR CARGO TO JOIN COMPLAINT

Lynden Air Cargo, LLC, is a U.S. air carrier that specializes in moving cargo to remote locations throughout the world. Lynden wishes to join the complaint filed by Federal Express Corporation in this docket because it believes that the ownership and control arrangements of DHL Airways, Inc. give it an unfair competitive advantage over Lynden. Since Lynden's complaint is against the same party as FedEx Express' complaint and involves the same subject and state of facts, the Department's rules provide for complainants to join in a single complaint.¹

¹ 14 C.F.R. § 302.404 provides that "[t]wo or more complainants may join in one complaint if their respective causes of complaint are against the same party or parties and involve substantially the same purposes, subject or state of facts."

Background

Lynden offers charter services to transport oversized cargo worldwide, using L-382 Hercules equipment. The Hercules can carry payloads of up to 48,000 pounds of palletized or break-bulk freight.

Lynden also provides regularly scheduled service, transporting everything from groceries to automobiles to points within Alaska such as Anchorage, Bethel, Dillingham, Fairbanks, Kotzebue, and Nome. The Hercules is ideally suited for service to remote locations such as Alaska because it can land on packed earth, gravel, ice, or short runways.

Lynden has had a long-standing contract with the U.S. Air Force to transport military cargoes to remote places like Kosovo. The Air Force awards these contracts through its Air Mobility Command (AMC). Lynden recently lost an AMC contract that it has had for the past three years to DHL Airways that was valued at over \$21 million.

Lynden's Complaint

Lynden is a small, successful air carrier, and we believe we offer an unequalled quality of service. However, like any U.S. company, we are subject to the U.S. taxes, labor rules, and other regulations that make it more expensive to operate as a U.S. air carrier than foreign carriers established in tax havens or those having less stringent labor rules.

We have reason to believe that DHL Airways intends to use an aircraft currently operating within Europe under the control and authority of DHL International, on the above contract under some arrangement that may appear to meet the conditions of the AMC contract (which requires this work be done by a U.S. air carrier). For example, DHL Airways may use an array of wet-leased foreign aircraft through convoluted arrangements with DHL International (a 100% foreign owned company). We also point to DHL Airways' current wet-leasing arrangements with DHL Holdings (USA), (100 % owned by DHL International) whereby all aircraft operations are leased to DHL Holdings (USA). This means that DHL Airways is giving its control to a foreign company, while effectively evading U.S. taxes. DHL Airways assumes the risk while DHL Holdings takes the profits.

We do not believe that the arrangement will meet AMC conditions for two reasons. First, Lynden has reviewed the numerous complaints and other information and concurs that the arrangements between DHL Airways and other DHL entities are not transparent. If Lynden had ties to a foreign company as strong as DHL Airways' ties are, it would certainly be under that company's control. Second, the wet-leased aircraft are inconsistent with the AMC requirements.

Lynden has raised these concerns with AMC, which has them under review. However, in discussing its concerns with AMC, Lynden learned that it is the general practice of AMC to rely on

the Department for its determination that carriers hold valid operating licenses and meet all applicable U.S. citizenship requirements.

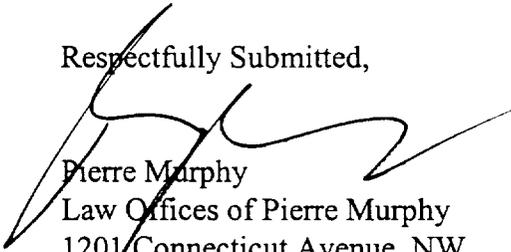
The Department's disposition of this matter is of critical importance to the many U.S.-tax paying air carriers that depend on it to maintain a level playing field for all U.S. air carriers. Lynden hereby requests that the Department conduct a careful inquiry to determine whether DHL Airways satisfies all applicable requirements for U.S. air carriers. We also request that the operating practices of DHL Airways as it interfaces with the other DHL network entities be fully examined.

The loss of this contract is significant to Lynden and will have serious financial consequences for our company. Lynden is prepared to compete with any U.S. air carrier, but it cannot compete with an off-shore operator with cost advantages unavailable to Lynden. It is especially disturbing when a U.S.-owned, Alaska-based carrier like Lynden, which pays its fair share of taxes sees business that is funded by U.S. taxpayers go to foreign carriers.

Conclusion

Lynden thus fully supports the Federal Express Third-Party Complaint and seeks permission to join in that complaint.

Respectfully Submitted,



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November 5, 2002

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CERTIFICATE OF SERVICE

I hereby certify that I have this 5th day of November 2002, served upon the following persons the foregoing Motion of Lynden Air Cargo, LLC via first class mail, postage prepaid.

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