



**U.S. Department of  
Transportation**  
Office of the Secretary  
Of Transportation

1200 New Jersey Ave., S.E.  
Washington, DC 20590

August 17, 2007

Mr. David Heffernan  
Wilmer Hale  
1875 Pennsylvania Avenue, NW  
Washington, DC 20006

Dear Mr. Heffernan

This letter conveys the preliminary conclusions of the U.S. Department of Transportation regarding the citizenship of Piedmont Hawthorne Aviation LLC and Corporate Jets, Inc ("the air carriers") following a substantial change in their ownership. Specifically, you have advised us that the air carriers will be acquired by Dubai Aerospace Enterprise, Ltd. ("DAE"), a non-U.S. entity, in a \$1.8 billion transaction that also includes numerous maintenance repair organizations and fixed base operators. You also advised us that DAE intends to divest the air carrier businesses shortly after the acquisition, and that the air carriers will be controlled by U.S. citizens in accordance with an irrevocable voting trust until they are sold.

Based on the information provided, we conclude that the air carriers will remain under the control of U.S. citizens during this temporary situation. However, we remind the air carriers that Statute requires that all U.S. air carriers be owned and controlled by U.S. citizens. Therefore, we urge the parties to bring the air carriers into compliance with the Statute as expeditiously as possible. Further, we direct the air carriers to submit a progress report discussing their divestiture activities no later than September 30, 2007.

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, appearing to read "W. M. Bertram", written over a circular stamp.

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