

Departures

Opinions On Current Issues In Aviation

DHL Rivals Use 'Blood' Test To Thwart Competition

By John Dasburg, Chairman, DHL Airways

Our competitors have been complaining lately about DHL Airways. Not to challenge our service or safety record — both of which are first rate. No, at the urging of our rival cargo airlines, DHL Airways has been asked to roll up its corporate sleeve so federal officials can test our blood. Is it red, white and blue enough to make DHL Airways a True Blue American company?

The labs won't be back for a few months, while DOT continues its review, but I'm confident DHL Airways will pass with flying colors. There's more red, white and blue in our blood than you'll see at a 4th of July parade. It's time for our rivals to stop playing games and start competing.

That's what this smokescreen is really about: competition. We're smaller, scrappier and hungrier than FedEx or UPS. Questioning our bloodlines is their only hope for keeping us on the sideline. So they've pressured Congress and regulators to do this review instead of going head-to-head with us in the marketplace.

So what are the bloodlines of DHL Airways? Here's the simple answer: 100% American. Yes, our largest customer is DHL Worldwide, which is owned by Germany's Deutsche Post. But while we are proud to serve an international list of customers, the company itself has been under the operating control of a red-blooded American named Bill Robinson, who will, until June 30, own 75% of DHL Airways stock. No matter what business you're in, the guy with three-quarters of the stock is the one in charge.

Last month, I led a group of investors in buying Mr. Robinson's and all other outstanding shares in DHL Airways. We're an all-American team that will assume ownership at the end of June. Having been an American company under Bill Robinson, we remain an American company today — in ownership, management and competitive spirit.

Air cargo is a growing and highly competitive field. It's my goal to create and operate a world-class cargo charter airline that will compete vigorously for new business. We plan to expand, acquire, broaden

our customer base, win more work from the Pentagon and the Postal Service, and grow our charter operations. We're going to give our customers first-class service and help play a role in our nation's economic recovery.

I'm not suggesting that citizenship isn't important in the airline industry. America's airlines — both cargo and passenger — are vital to the nation's economic and security infrastructure, and are regularly asked to help the U.S. military move troops and cargo. DHL Airways has done that during the war in Iraq and frequently serves the Pentagon with missions to Guantanamo Bay, Cuba, Puerto Rico, Germany and bases around the world.

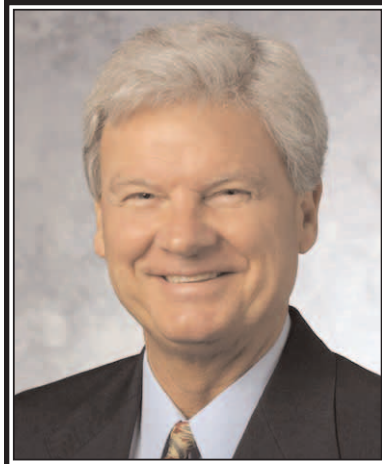
But it's not unpatriotic to note that changing political, economic and business circumstances often call for taking a fresh look at ways of advancing our national goals. Today, Congress is being asked to re-examine the airline citizenship issue and balance legitimate national security concerns with the realities of a global economy. DOT Secretary Norman Mineta has proposed raising the limits on foreign ownership of U.S. carriers from the current 25% to 49%, reasoning that

this would give airlines access to a larger pool of investment capital without compromising national security.

This approach balances the need of airlines — like all businesses — to access capital from the broadest range of sources with the legitimate national security aspects unique to aviation. But that's a different issue from the one DHL Airways faces. We're under investigation because our rivals are trying to use citizenship as a way to stifle competition.

We anticipate a favorable conclusion to the DOT review and hope it puts the matter to rest. DHL Airways is a U.S. company run by U.S. citizens. We're ready to compete on service, price, ingenuity and plain old hard work. Isn't that the American way?

Dasburg, chairman and CEO of DHL Airways, is a former president and CEO of the Burger King Corp. and of Northwest Airlines.



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