

ITEM 5

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, August 10, 2005 2:36 PM
To: Verne, B. Michael
Cc: Peay, Sandra M.
Subject: US revenue Question

For purposes of Section of the Form, and in connection with the following fact pattern, what would be considered US revenue?

The company in question derives revenue primarily from the air shipping business.

1. Are shipments that originate in the US and are delivered outside of the US considered US operations?
2. Are shipments that originate outside the US and are delivered inside the US considered US operations?
3. Does it make a difference whether the order is placed in a US office or an overseas office?
4. If leases for airplanes take place outside the United States, if the lessee chooses to bring the plane into the US (it is totally up to the lessee where he flies the plane), would those lease payments be considered revenues from operations in the US?

If you could let me know it would be appreciated. If you'd like to call me by phone, I can be reached at [REDACTED]. Thank you.

ANY SHIPMENTS THAT ORIGINATE FROM A
 U.S. ESTABLISHMENT OR ARE BOOKED THROUGH
 A US ESTABLISHMENT WOULD BE CONSIDERED
 U.S. OPERATIONS. # 4 - THE LEASE PAYMENT
 WOULD NOT BE U.S. OPERATIONS.
 B. Michael
 8/30/05

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