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July 9, 2010

CO Cargo Announces August Security Plans

Dear Continental Airlines Cargo Customers:

Effective Sunday, August 1, 2010, U.S. laws mandate 100 percent screening of cargo transported on passenger aircraft, originating from the United States and its territories. Continental has worked closely with the TSA, invested in advanced screening technologies and is prepared to efficiently implement the new rules.

The most significant change in policy is that, effective 12:01 AM, August 1, 2010, Continental Airlines Cargo will **no longer accept unscreened (non-CCSF), shipper-loaded units (SLUs)**.

Cargo tendered to Continental by a Certified Cargo Screening Facility (CCSF) may continue to be tendered consolidated on a pallet, on a skid or in container configurations. Continental will continue to waive security surcharges for CCSF screened shipments.

Supplementing our current Explosive Trace Detection screening technology in our larger U.S. stations, Continental Cargo is installing large aperture Advance Technology (AT) X-Ray units capable of screening large single pieces* and multiple piece skids** of cargo without the need to break them down. These units are being strategically placed in our Newark Liberty International and Houston Bush Intercontinental gateways, facilitating efficient screening of road feeder network and origin cargo shipments.

Our cargo team, one of the best-trained in the industry, is poised to work closely with you to ensure that air freight remains the best value-for-money for our mutual customers.

We encourage you to access www.cocargo.com for the latest developments relating to our operations and products.

I've attached an easy reference listing below, of CO acceptance policies.

Thank you for your loyalty and we appreciate the opportunity to serve you now and in the future.

Sincerely,

A handwritten signature in black ink that reads "Jim McKeon".

Jim McKeon
Senior Director Sales

* Maximum individual piece size is 125" long x 68" wide x 64" high and consisting of a density capable of being cleared by x-ray.

** Banded and/or shrink-wrapped skids comprised of homogenous cargo.

Continental Policies Effective August 1, 2010

1. Continental (CO) will no longer accept unscreened (non-CCSF), shipper-loaded units (SLUs). All shipper-loaded units must be tendered by a CCSF.
2. Continental (CO) will no longer accept unscreened (non-CCSF) temperature-controlled unit-load-devices (e.g. Envirotainer or C-Safe ULDs). These must be tendered by a CCSF.
3. Continental (CO) will only accept banded and/or shrink-wrapped skids, **comprised of homogenous commodities (identical contents and packaging)** under the following circumstances:
 - o Cargo is tendered by a non-CCSF at one of the following locations:
 - Newark Liberty International airport (EWR)
 - Houston Bush Intercontinental airport (IAH)
 - Miami International airport (MIA)
 - Honolulu International airport (HNL)
 - Any other US airport when the cargo is booked to first travel by truck to the EWR or IAH gateways before their first flight.
 - o Cargo may be tendered by a Certified Cargo Screening Facility (CCSF) at any Continental (CO) cargo location.

Note: In some instances, it may be necessary to break down skids if the commodity is too dense to clear by x-ray.

4. Continental (CO) will only accept banded and/or shrink-wrapped skids of non-homogenous commodities and not meeting the requirements of item #3 above when tendered by a Certified Cargo Screening Facility (CCSF).
5. Continental (CO) will accept bulk shipments not meeting the criteria in items 1 through 4 above only when tendered as loose (individual) pieces.
6. Continental (CO) **QUICKPAK** pieces cannot be taped or banded together unless tendered by a CCSF. This is to facilitate screening of these packages on an individual piece basis. Items such as opaque courier bags which are tendered as one piece on the air waybill continue to be accepted.
7. Continental (CO) is not extending cut-off times at this time however processing times will be closely monitored during early August to fully understand the impact of the new directive. Please watch for further announcements at www.cocargo.com.
8. Tendering procedures for human remains will be unchanged by the August 1st directive.
9. Continental continues to waive security surcharges for all cargo tendered by a Certified Cargo Screening Facility (CCSF).
10. Continental (CO) will continue to accept shipments of live animals directly from the shipper when originating in U.S. and its territories. Shipments of birds or mice may continue to be tendered bundled in accordance with the appropriate IATA Live Animal Regulations requirements as they are today.