



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

DEPT. OF TRANSPORTATION
DOCKETS

400 Seventh St., SW
Washington, DC 20590

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March 18, 2004

Mr. Kenneth T. Carlson
Mr. William A. Kutzke
SkyLink Airways, Inc.
44965 Aviation Drive, Suite 205
Dulles, VA 20166

OST-2004-17171-3
OST-2004-17172-3

Re: Dockets OST-2004-17171 and 17172
Applications of SkyLink Airways, Inc.
for Interstate and Foreign Scheduled
Certificate Authority

Dear Messrs. Carlson and Kutzke:

On February 20, 2004, SkyLink Airways, Inc., filed applications seeking authority under 49 U.S.C. 41102 to engage in interstate and foreign scheduled passenger air transportation.

A cursory review of SkyLink's applications indicate that the company will require funding between [REDACTED] to meet the Department's financial fitness criteria. SkyLink's balance sheet as of January 20, 2004, indicates that the company has thus far raised only approximately [REDACTED]. Furthermore, other than stating that "the second round of financing...is underway," SkyLink has provided no information on its funding plans.

As you know, a primary aspect of a fitness determination is the ability of an applicant to fund its prospective air carrier services, as evidenced through a verifiable financing plan. In this connection, we expect an applicant to be able to demonstrate that it has obtained all of the funding needed to meet our financial fitness test or, at a minimum, that it has a reasonable and verifiable plan for doing so. To this end, we would typically expect an applicant proposing to conduct a private or public stock offering to provide a copy of the offering document(s) and other evidence that it has taken clear, concrete steps towards such an offering. Further, to the extent that funds have already been raised by the applicant, we require independent, third-party verification of such.

The current lack of supporting documentation for SkyLink's financing plan, and, indeed, the lack of any stated plan, leaves SkyLink's applications materially deficient in this critical fitness area. Thus, in order for us to continue our review of the applicant's

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request for certificate authority, it is important that SkyLink first satisfactorily address this issue. To this end, we ask that SkyLink provide us with not only a summary of its funding plan(s), but also with a copy of its offering document(s), the identity and qualifications of the investment bankers or underwriters handling the offering for SkyLink, verification from the investment banker or underwriter as to the status of the offering(s),¹ and independent, third-party verification of all funds currently on deposit in SkyLink's name.

The requested information should be provided within 30 days of the date of this letter. If the applicant is able to adequately demonstrate that it has a credible and verifiable financing plan, we will resume our review of its applications, in which case SkyLink should expect that we will require additional information in other areas, including its response to SkyLink Aviation's answer. In the event that SkyLink is unable to provide the material requested within 30 days of the date of this letter, we intend to dismiss its applications without further notice. Of course, any such action on our part would be without prejudice to SkyLink's filing new applications when it is prepared to provide all of the information we require.

As a final matter, please remember that SkyLink should promptly provide the Department with any information regarding changes it may undergo in areas affecting its fitness (*i.e.*, management, operating plans or financial condition, compliance disposition, or ownership) while its applications are under review.

If you have any questions regarding the above information request, please feel free to contact Aloha Ley of my staff at (202) 366-2347.

Sincerely,



Patricia L. Thomas, Chief
Air Carrier Fitness Division
Office of Aviation Analysis

cc: Docket OST-2004-17172
Mr. Glen P. Wicks (Redacted)
Counsel for SkyLink Aviation, Inc.
1101 17th Street, NW
Suite 604
Washington, DC 20036

¹ This verification should include the dates the offering(s) will commence and conclude, as well as information on actual funds raised to date and whether funds raised immediately become available to SkyLink or only after certain conditions are met.

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