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ORIGINAL

DEPT. OF TRANSPORTATION
DOCKETS

William A. Kutzke
Executive Vice President & General Counsel

2004 JUL -7 A 9:41

July 6, 2004

Ms. Patricia Thomas
Chief, Air Carrier Fitness Division
Office of the Secretary
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Ms. Vanessa Wilkins
Office of the Secretary
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Re: SkyLink Airways Update; DOT Dockets OST-04-17171; OST-04-17172-⁷6

Dear Ms. Thomas and Ms. Wilkins:

The purpose of this letter is to bring you up to date on the application of SkyLink Airways, Inc. (the "Company") for a Certificate of Public Convenience and Necessity. The application was filed on February 20, 2004. The application has been updated by letters filed April 19, 2004 and May 26, 2004.

For your information, the Company is on pace with the schedule outlined in its original filing dated February 20, 2004. The Company is also in the process of complying with the request in your letter dated March 18, 2004. The letter indicated that DOT requires the Company demonstrate a specified amount of funding on-hand prior to the commencement of operations. The enclosed Company exhibits provide an update on that matter. Finally, the Company has enclosed certain other updated exhibits with explanations thereof.

The following is additional general information:

1. All of the key management employees are in place as outlined in prior filings, including the President, the Chief Executive Officer, the Vice President--Operations (the Part 119 Director of Operations), the Chief Pilot (the Part 119 Chief Pilot), the Vice President--Maintenance (the Part 119 Director of Maintenance), the Director of Quality Assurance (the Part 119 Chief Inspector) and the Vice President Safety and Security (the Part 119 Director of Safety). Resumes have been previously provided for each of these individuals. All are U.S. citizens.
2. The Company has elected three additional members to the Board of Directors. The Board of Directors is now comprised of the following individuals:

Mr. Kenneth T. Carlson—Chief Executive Officer
Mr. Joshua B. Marks—President



Mr. William D. Stockbridge—Independent Director and Chairman of the Board
Mr. Kenneth M. Woolley—Independent Director
Mr. Joseph C. Farrell—Independent Director

As noted, Mr. Stockbridge, Mr. Woolley and Mr. Farrell are independent directors. Mr. Stockbridge's resume has previously been provided to the Fitness Division. He currently heads Centurion Air Cargo, an all-cargo airline based in Miami. His resume was recently filed with the Fitness Division on a matter related to Centurion Air Cargo. His position as an independent director of SkyLink Airways, Inc. does not present any conflicts or other issues with his position at Centurion. This Company has no relationship whatsoever with Centurion and does not plan to have one. The two entities are in unrelated lines of business. He is also a Director of Trans-Meridian Airlines. SkyLink Airlines and Trans-Meridian are not in the same line of business.

For your information, Mr. Stockbridge's entire career has been in the airline industry. He has held responsible positions at Pan American World Airways, Seaboard World Airlines, Peoples Express, and Presidential Airways in his earlier career. He served as President of Potomac Capital, an aircraft leasing Company. Finally, he was the founder of Gemini Air Cargo, Inc. and served as its President and Chief Executive Officer. Mr. Stockbridge is a U.S. citizen.

Other than Centurion and Trans-Meridian, he does not hold any officerships, directorships, or shares of stock greater than 10% of the total voting stock outstanding, or any other interest in any air carrier, foreign air carrier, common carrier, or person substantially engaged in the business or aeronautics or person whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier, foreign air carrier or person substantially engaged in the business of aeronautics, except as disclosed above.

The backgrounds of the two other Directors are set forth below. Both are U.S. citizens.

1. Mr. Joe C. Farrell

Mr. Farrell retired as Chairman, President and Chief Executive Officer of The Pittston Company, now known as The Brinks Company (mineral products, transportation and security services), on March 1, 1998. He is a director of ASA Limited. Mr. Farrell is also a Director of Universal Corporation and a member of its Executive Committee, Executive Compensation and Nominating Committee and Pension Investment Committee. He is Vice Rector of James Madison University.

He does not hold any officerships, directorships, or shares of stock greater than 10% of the total voting stock outstanding, or any other interest in any air carrier, foreign air carrier, common carrier, or person substantially engaged in the business or aeronautics or person whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier, foreign air carrier or person substantially engaged in the business of aeronautics, except as disclosed above.

2. Mr. Kenneth Woolley

Mr. Woolley is a founder of Extra Space Storage, Inc. Extra Space Storage Inc. is currently in registration at the Securities and Exchange Commission in connection with a public offering. He has served as Chairman and Chief Executive Officer since the inception of Extra Space



Storage and was formerly Chief Executive Officer of its predecessor company. He directs all strategic planning and oversees the development and acquisition activities of Extra Space.

Mr. Woolley has been involved in all aspects of the self-storage industry since 1977. He has been directly responsible for developing over 100 properties and acquiring over 50 self-storage properties throughout the United States. From 1982 to 1983 he worked as an in-house acquisition broker at Public Storage, Inc. From 1983 to 1989 he acted as a preferred developer for Public Storage, Inc. and developed 22 storage properties which were acquired by Public Storage. From 1994 to 2002, he was an active participant on Storage USA's Advisory Board. Early in his career he was a management consultant with the Boston Consulting Group. From 1979 to 1998 he was an Associate Professor, and later an Adjunct Associate Professor, of Business Administration at Brigham Young University where he taught undergraduate and MBA classes in Corporate Strategy and Real Estate.

Mr. Woolley has also developed more than 7,000 apartment units, and been the founder of several companies in the retail, electronics, food manufacturing and natural resources industries. Mr. Woolley holds a BA in physics from Brigham Young University and an MBA and PhD in business administration from Stanford University Graduate School of Business.

He does not hold any officerships, directorships, or shares of stock greater than 10% of the total voting stock outstanding, or any other interest in any air carrier, foreign air carrier, common carrier, or person substantially engaged in the business or aeronautics or person whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier, foreign air carrier or person substantially engaged in the business of aeronautics, except that he owns more than 10% of the common shares. It is expected that his shares will be diluted upon the closing of future financing.

3. Financial Resources

a. Start-up costs

SkyLink Airways Exhibit SKY—402 forecasts start-up costs. These are costs related to certification expenses at DOT and the FAA, legal and regulatory matters associated with the development of the legal structure of the Company, salaries, proving runs, training, travel, technology build out, rentals of office and airport space, advertising and public relations. The original exhibit was developed in February immediately before the DOT filing. The exhibit is now updated to include actual expenses through June 30, 2004 and an update of anticipated expenses through the date of certification.

b. Additional Investment

As described in the earlier letter filed on May 26, 2004, the Company has engaged an investment banker to raise financing for the Company in connection with its start-up as a passenger airline.

4. Business Plan

The overall business plan for SkyLink remains the same as set forth in the Company's original exhibits. SkyLink will be the first low cost international airline operating international services. Low Cost Carriers have developed into a major force in the US domestic market and in the intra-



European market. These carriers are beginning to emerge in local and regional markets in Asia. SkyLink will be the first US international low cost airline.

5. Fleet Plan

SKY-201 sets forth the Fleet Chart for SkyLink Airways. Based on the developments discussed in the Company's previously submitted letters, a revised fleet plan is enclosed. The new plan is based on the use of 767 aircraft in 2005 and 2006. The delivery dates into SkyLink service are shown.

The Company believes it has provided sufficient information to permit the Department to prepare a Show Cause Order. At the completion of the Show Cause Order comment period, the Company should have sufficient funds on-hand to meet the requirements for the issuance of a Certificate. The Company has sufficient funds at present for start-up costs and related expenses and expects to have the remaining funds necessary for Certification shortly.

Information contained in certain of the revised exhibits is Confidential and a Motion for Confidential Treatment with respect to these exhibits is enclosed with those Exhibits.

If you have any questions, please give Amy Rogers at 571 246-5862 or me at 571-246-5564 a call. I may also be contacted at bkutzke@skylinkairways.com. Ms. Rogers is at arogers@skylinkairways.com.

Sincerely,

William A. Kutzke

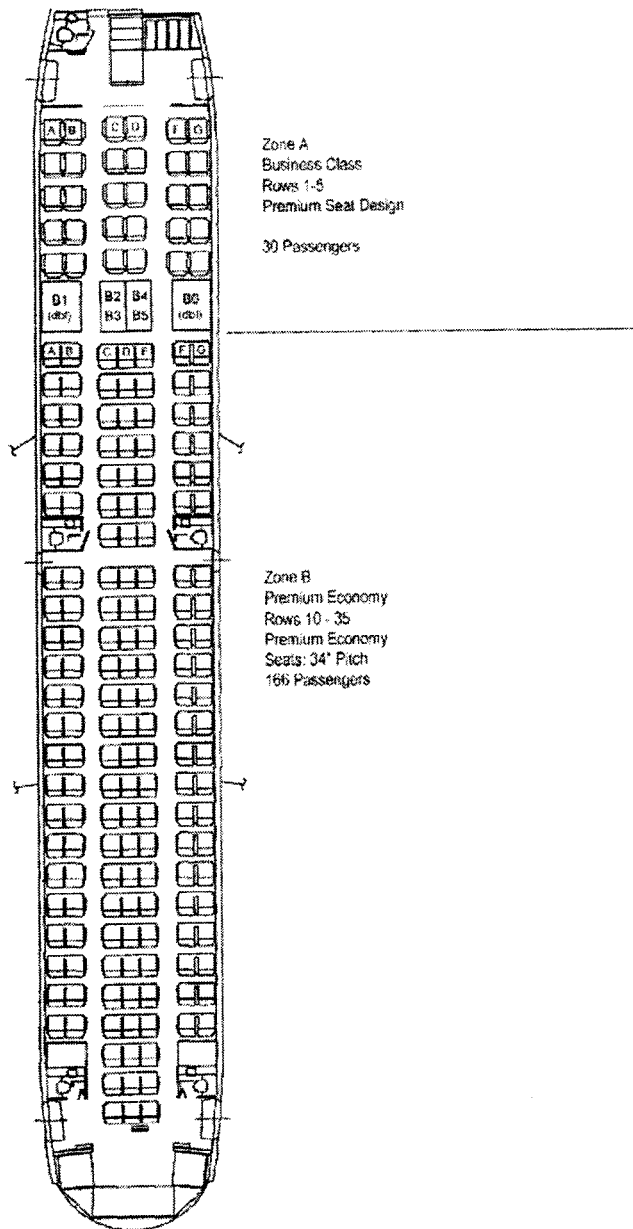
William A. Kutzke

(AER)

Enclosures

Set forth below is the expected SkyLink Seating Chart for the 767-200ER.

SkyLink Airways (762A)
Boeing 767-200ER
(196) 30 A / 166 B

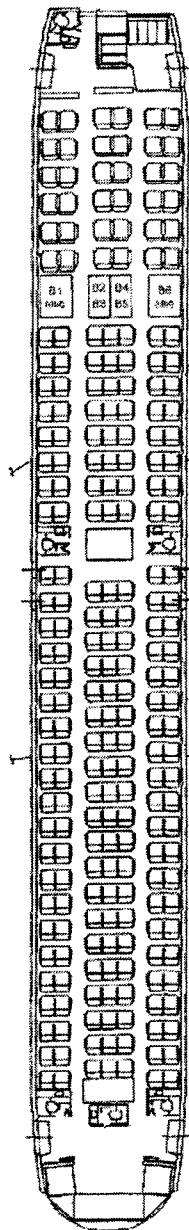


Set forth below is the expected SkyLink Seating Chart for the 767-200ER.

SkyLink Airways
Boeing 767-300ER

(763E)

(236) 36A / 200B



Zone A
Business Class
Rows 1 - 6
Premium Seat Design
Seats: 40" Pitch
36 Passengers

Zone B
Premium Economy
Rows 10 - 39
Seats: 34" Pitch
200 Passengers