

BIG SKY TRANSPORTATION CO., d/b/a BIG SKY AIRLINES
 ESSENTIAL AIR SERVICE AT GLASGOW, GLENDIVE, HAVRE, LEWISTOWN,
 MILES CITY, SIDNEY AND WOLF POINT, MONTANA

EFFECTIVE PERIOD	December 1, 2000, through November 30, 2002
SERVICE	
Havre	12 nonstop or one-stop round trips to Billings each week
Lewistown	12 nonstop round trips to Billings each week
Glasgow and Wolf Point	12 nonstop or one-stop round trips to Billings each week
Glendive and Miles City	12 nonstop or one-stop round trips to Billings each week
Sidney	12 nonstop round trips to Billings and 5 nonstop round trips to Bismarck each week. At its own discretion, the carrier may revert to operating 5 round trips to Billings with no more than two intermediate stops in lieu of any service to Bismarck.
AIRCRAFT TYPE	Fairchild Metro III (19 seats)
TIMING OF FLIGHTS	Flights must be well-timed and well-spaced to ensure full compensation
SUBSIDY RATE PER ARRIVAL/DEPARTURE	\$555.49 ^{1/}
COMPENSATION CEILING EACH WEEK	\$98,877 ^{2/}

^{1/} Annual compensation of \$4,952,234 divided by 8,915 annual arrivals and departures at a 96 percent completion factor. For payout purposes, the Billings-Glasgow-Wolf Point-Billings round-robin flight each weekday is counted as one Glasgow-Wolf Point-Billings linear round trip involving four departures rather than three as shown in Appendix B, p. 4.

^{2/} Subsidy rate per arrival/departure of \$555.49 multiplied by 178 subsidy-eligible arrivals and departures each week.

NOTE

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with the order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of this rate, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to this order do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.