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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Application of

**BOSTON-MAINE AIRWAYS CORP.**

Docket OST-00-7668

for issuance of an amended certificate of public  
convenience and necessity pursuant to 49 U.S.C. § 41102  
(Interstate Large-Aircraft Operations)

**SUPPLEMENT NO. 1 TO  
APPLICATION OF  
BOSTON-MAINE AIRWAYS CORP.  
FOR AMENDED CERTIFICATE AUTHORITY**

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September 9, 2002

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FOR AMENDED CERTIFICATE AUTHORITY**

Boston-Maine Airways Corp., d/b/a Pan Am Clipper Connection (“BMAC”) hereby submits this Supplement No. 1 to the captioned application for the purpose of responding to certain questions and requests for additional documents contained in the September 5, 2002 request by the Department’s U.S. Air Carrier Fitness Division (Attachment A, infra).

In response to the request of the Fitness Division, BMAC states as follows:

1. **Line of Credit Facility.** The reference on page 7 of BMAC’s application to a line of credit facility in the amount of \$500,000 is erroneous. As indicated in Exhibit BMA-110, BMAC and its parent company have entered into a new Credit Line

Agreement dated August 1, 2002 in the amount of \$750,000. BMAC has made no drawings against that Credit Line Agreement to date.

2. **Balance Sheet.** The reference on page 9 of BMAC's application to BMAC's "most recent Balance Sheet, as of December 31, 2001" is erroneous. As shown in Exhibit BMA-104, BMAC's most recent Balance Sheet at the time of its application is as of June 30, 2002.

3. **Income Statement.** BMAC's Income Statement for the twelve months ended June 30, 2002 is contained in Exhibit BMA-S/1-1, infra.

4. **Pre-Operating Expenses.** In Exhibit BMA-103, the left-hand column reflects BMAC's projection of the total amount of pre-operating expenses which BMAC expects to incur in shifting from small-aircraft operations only to the limited interstate large-aircraft operations shown in Exhibit BMA-100. The figures in the right-hand column of Exhibit BMA-103 represent those pre-operating expenses (some of which have already been incurred and some not yet incurred) which have not yet been paid as of July 31, 2002. BMAC has incurred and paid a total of \$537,000 in large-aircraft pre-operating expenses as of July 31, 2002.

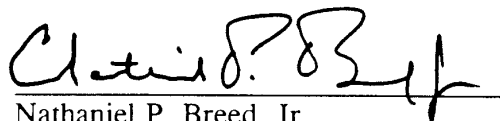
5. **PAA Financial Capability.** A current Balance Sheet for BMAC's parent company, Pan American Airlines, Inc. (PAA), as of July 31, 2002, is contained in Exhibit BMA-S/1-2 infra. A letter from PAA's Senior Vice President and Chief Financial Officer, Mr. Michael A. Holmes, confirming that PAA has substantial

resources on hand and available to it which are more than sufficient to enable PAA to support the \$750,000 Line of Credit facility established in favor of BMAC, is contained in Exhibit BMA-S/1-3, infra. If necessary, PAA will furnish third-party verification of its working capital resources under seal, accompanied by a Rule 12 motion to withhold that submission from public disclosure. PAA notes, however, that it was not required to supply such third-party verification of its financial capability, which is highly confidential, in the context of BMAC's application for initial certification, in which PAA had provided a \$500,000 Line of Credit facility to BMAC to support BMAC's financial fitness.

6. **Title 18 Certification.** A signed and notarized Title 18 Certification, executed by a senior officer of BMAC, is contained in Exhibit BMA-S/1-4, infra.

WHEREFORE, BMAC requests the Department to issue an amended Certificate of Public Convenience and Necessity authorizing BMAC to provide interstate air transportation of persons, property and mail, utilizing both small and large aircraft, as requested in this application.

Respectfully submitted,



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BOSTON-MAINE AIRWAYS CORP.