

LETTER OF UNDERSTANDING
between
AIR WISCONSIN AIRLINES CORPORATION
and the
AIR LINE PILOTS
in the service of
AIR WISCONSIN AIRLINES CORPORATION
as represented by the
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

THIS LETTER OF UNDERSTANDING is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Air Wisconsin Airlines Corporation and the air line pilots in the service of Air Wisconsin Airlines Corporation, as represented by the Air Line Pilots Association, International ("Association").

WHEREAS, the parties would like to clarify their intent with respect to certain recent issues that have arisen in connection with the Filling of Vacancies and Out of Position pay,

THEREFORE, BE IT RESOLVED THAT:

- A. Prior to actually filling (i.e. scheduling a pilot to perform duty) a position and status resulting from a Vacancy or Realignment Award, the Company will ensure that each position and status awarded on any previous Vacancy or Realignment Award has actually been filled (and any affected pilot is bidding a schedule in his new position and status), regardless of the language contained in Section 3. I.
- B. 1. In accordance with Section 3 I., the Company may elect to bypass a pilot who holds an award for a position and status for operational reasons. However, if the bypassed pilot does not require training for the position for which he is being bypassed, the Company will ensure that the bypassing pilot who has been awarded the same position and status on the same Vacancy/Realignment Award is not awarded a schedule for more than two (2) full bid periods while the bypassed pilot continues to occupy his previous position and status.

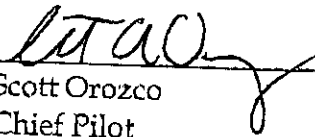
Example: Pilot A is awarded ORD CL-65 Captain reserve. On a subsequent bid award, Pilot B, who is junior to Pilot A, (and who is not an ORD CL-65 CA Reserve) is also awarded ORD CL-65 Captain lineholder. Pilot A is also awarded ORD CL-65 Captain lineholder on the same Award. Pilot B completes his check on April 9, and is eligible to bid a line for May. The Company may elect to bypass Pilot A and require him to continue to fly as a reserve, but he must be permitted to bid as a lineholder for July.

2. A pilot who is bypassed for lineholder status, and who does not need any training to assume that status as described in B.1. above, will be given the same line guarantee (credit as reflected on the final bid award) as the bypassing pilot for the bid period(s) that the bypassing pilot is eligible to bid as a lineholder while the bypassed pilot remains a reserve pilot. This pay guarantee shall apply on a one-for-one basis.

This Letter of Understanding shall become effective on the date of execution and shall remain in full force and effect concurrent with the pilot's basic agreement.

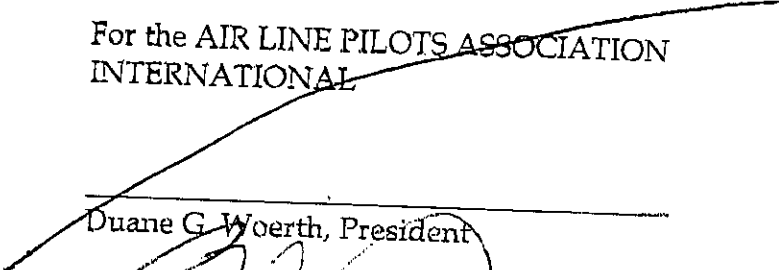
IN WITNESS WHEREOF, the parties have signed this Letter of Understanding this 9th day of April, 2003.

For AIR WISCONSIN AIRLINES
CORPORATION

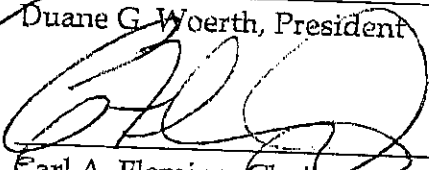


Scott Orozco
Chief Pilot

For the AIR LINE PILOTS ASSOCIATION
INTERNATIONAL



Duane G. Woerth, President



Earl A. Fleming, Chairman
Master Executive Council (ARW)
President