

LETTER OF AGREEMENT No. 7
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 AGREEMENT 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 Company currently offers an EPO (self-insured HMO plan) to the pilots,

WHEREAS, ALPA and the Company wish to ensure that the employee portion of the monthly health insurance premium remains at a level designed to encourage pilots to participate in the EPO, and

WHEREAS, ALPA and the Company have agreed upon limitations on premium increases for EPOs that will be effective for Benefit Plan Year 2004,

THEREFORE, IT IS HEREBY AGREED THAT:

A. Section 27.B.1.c. is modified to provide that:

The monthly health insurance premiums paid by a pilot in an indemnity plan may be increased in accordance with the formula specified in Paragraph D. below, but in no case will the increase in the pilot’s monthly premium cost exceed ten percent (10%) from the preceding year.

B. Section 27.B.3.c. is modified to provide that:

The monthly health insurance premiums paid by a pilot in a self-insured HMO (also known as an EPO) may be increased in accordance with the formula specified in paragraph D. below, but in no case will the increase in the pilot’s monthly premium cost exceed seven percent (7%) from the preceding year. A pilot in any HMO (other than a self-insured HMO/EPO) will not have his monthly premium cost exceed five percent (5%) from the preceding year.

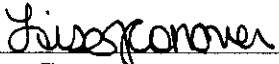
C. Commencing with communications and documents discussing EPOs for Benefit Plan Year 2004, the Company will identify each of its health care plans as either: 1) Indemnity; 2) PPO; 3) HMO; or 4) EPO/self-insured HMO in all of its employee publications relating to the health plans to assist in reducing confusion over potential employee premium contribution increases.

D. The limitations on the percentage increases in the monthly health insurance premiums paid by a pilot as set out in paragraphs A. and B. above shall be effective for Benefit Plan Year 2004.

This Letter of Agreement shall become effective on the date of execution and shall remain in full force and effect concurrent with the Pilots' Basic Agreement.

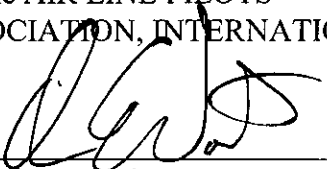
IN WITNESS WHEREOF, the parties have signed this Agreement this 31st day of January, 2003.

For AIR WISCONSIN AIRLINES
CORPORATION



Lisa Conover
Vice President-Employee and Labor Relations

For the AIR LINE PILOTS
ASSOCIATION, INTERNATIONAL



Duane E. Woerth
President



Carl A. Fleming, Chairman
Master Executive Council (ARW)