

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

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Notice of )  
 )  
BIG SKY TRANSPORTATION CO. )  
d/b/a BIG SKY AIRLINES ) Docket DOT-OST-2000-7857  
d/b/a DELTA CONNECTION )  
 )  
\_\_\_\_\_  
of termination of service (Jackson, Tennessee) )

NOTICE OF BIG SKY TRANSPORTATION CO.  
OF TERMINATION OF SERVICE

Communications with respect to this document should be addressed to:

Fred L. deLeeuw  
President  
BIG SKY TRANSPORTATION CO.  
175 North 27th Street  
Suite 1003  
Billings, MO 59101

Robert E. Cohn  
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555 Thirteenth Street, N.W.  
Washington, D.C. 20004  
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Counsel for  
BIG SKY TRANSPORTATION CO.

December 19, 2007

Note: Big Sky requests that the Department establish December 26, 2007 as the date for answers to this Notice.

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NOTICE OF BIG SKY TRANSPORTATION CO.  
OF TERMINATION OF SERVICE

Big Sky Transportation Co. d/b/a Big Sky Airlines d/b/a Delta Connection  
("Big Sky") hereby gives notice of the termination of its scheduled services at Jackson,  
Tennessee (Jackson) effective on January 7, 2008.

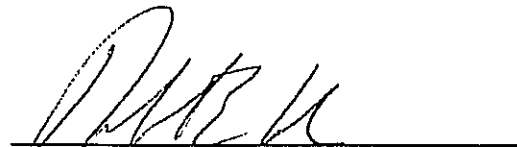
Termination of service on January 7, 2008 is both regrettable and unavoidable and  
is the result of enormous unsustainable financial losses Big Sky has incurred, and which  
Big Sky is unable to continue to endure, on its Eastern U.S. route system (those routes  
serving Boston and Cincinnati). The Company does not have the financial resources to  
continue to absorb these mounting and unacceptable losses and has determined that it has  
no alternative but to terminate service.<sup>1</sup>

In support of this notice, Big Sky states as follows:

<sup>1</sup> Big Sky is concurrently filing notices of termination of service covering the other EAS  
points it serves, including its western essential air service points. However, Big Sky is  
currently in discussions with another carrier to take over Big Sky's Montana EAS  
services within about 60 days, and Big Sky intends to work with the Department and the  
replacement airline to effect a seamless transfer of those services.

1. Big Sky is a certificated air carrier that provides "Delta Connection" essential air service to Jackson.
2. Big Sky will terminate all of its scheduled services at Jackson on January 7, 2008.
3. Big Sky currently operates one daily roundtrip flight between Jackson and Cincinnati using 19-seat Beech 1900D aircraft.
4. No other carrier currently provides service at Jackson.
5. Big Sky is under severe financial distress due to continuing, extensive and unsustainable losses. The Company has determined that it does not have the financial resources to enable it to continue to serve Jackson after January 7, 2008.
6. Big Sky has a codeshare arrangement with Delta Air Lines, Inc. ("Delta"). Big Sky has advised Delta of the service termination and Delta has informed Big Sky that Delta will contact passengers holding reservations on the discontinued flights to notify them of the schedule changes and to provide refunds or assist them in arranging alternative transportation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. E. Cohn", is written over a solid horizontal line.

Robert E. Cohn  
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555 Thirteenth Street, N.W.  
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(202) 637-4999  
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Counsel for BIG SKY TRANSPORTATION CO.

# Big Sky Airlines

FOR IMMEDIATE RELEASE

December 19, 2007

## Big Sky Airlines to Cease East Coast Operations

Billings – (Dec. 19) – Big Sky Airlines, a wholly-owned subsidiary of MAIR Holdings, Inc., today announced that its east coast operations will cease service at Midnight on January 7, 2008. Big Sky will continue to operate in Montana while it works to transition its services to another carrier.

"Our eastern operations were dramatically affected by a combination of unusually bad weather, disappointing revenue and record high fuel prices," said Fred deLeeuw, Big Sky's president. "We have great people who have worked extraordinarily hard, but that factor could not overcome the challenges we faced, and we no longer believe that we can reach sustained profitability."

Big Sky began its eastern operations in April 2007 as a Delta Connection codeshare partner, primarily operating out of Boston's Logan Airport. The decision to cease operations was mutually agreed to by Big Sky and Delta. Customers holding reservations on flights scheduled after the cessation of operations will be contacted regarding accommodation options.

The jobs of approximately 140 Big Sky employees – primarily located in Boston, Watertown, NY and Covington, KY – will be eliminated. The company has engaged a broker to assist in the sale of the aircraft used in the eastern operations.

### ABOUT THE COMPANY

Big Sky Transportation Co. is a wholly-owned subsidiary of MAIR Holdings, Inc. (NASDAQ: MAIR). Following the discontinuance of its eastern operations, Big Sky will serve 15 communities in 5 states with a fleet of 19-passenger Beechcraft 1900D aircraft. Big Sky is based in Billings, Montana and has codeshare agreements with Northwest Airlines, Alaska Airlines, Horizon Air and US Air which allows customers the convenience of traveling with one ticket, through baggage checking and economical through fares, to destinations throughout the world. Big Sky is a provider of air service under the Essential Air Service program administered by the Department of Transportation. Big Sky maintains a web site at [www.bigskyair.com](http://www.bigskyair.com).

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Media Contact: Jon Austin – 612-839-5172  
Investor Contact: Paul Foley - 612-333-0021

**Big Sky Transportation Co.  
175 North 27<sup>th</sup> Street  
Suite 1003  
Billings, Montana 59101  
406-247-3931 FAX 406-247-3972**

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the foregoing Notice of Termination of Service to be served this 19th day of December, 2007, upon each of the following persons.

Assistant General Counsel  
Transportation  
U.S. Postal Service  
475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1136  
(by first class mail)


Phil Bredesen  
Governor of Tennessee  
Tennessee State Capitol  
Nashville, TN 37243-0001  
(by registered mail)

Jerry Gist  
Mayor  
City of Jackson  
121 East Main Street, Suite 301  
Jackson, TN 38301  
(by overnight delivery and registered mail)

Rodney Hendrix  
Executive Director  
McKellar-Sipes Regional Airport  
Jackson-Madison County Airport  
Authority  
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Helena Richardson