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A P P R O V E D  
August 8, 1967

MINUTES OF MEETINGS

OF

EXECUTIVE COMMITTEES

OF

AIR ASIA COMPANY LIMITED AND AIR AMERICA, INC.

25 July, 1967

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Meetings of the Executive Committees of Air Asia Company Limited and Air America, Inc. were held on July 25, 1967 and the following matters were considered:

1 - Approval of Minutes:

(a) Meetings of the Air Asia Company Limited and Air America, Inc. Executive Committees of July 11, 1967: The minutes of the meetings of the Air Asia Company Limited and Air America, Inc. Executive Committees of July 11, 1967 were approved.

(b) Meeting of Air America, Inc. Board of Directors of July 18, 1967: The draft minutes of the meeting of Air America, Inc. Board of Directors of July 18, 1967 were approved for submission to the Board.

(c) Meeting of Air Asia Company Limited Board of Directors of July 18, 1967: The draft minutes of the meeting of Air Asia Company Limited Board of Directors of July 18, 1967 were approved for submission to the Board.

APPROVED FOR  
RELEASE  DATE:  
13-Oct-2009

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2 - Carriage of Passengers on Non-Transport Category Aircraft Between

SEA and Hong Kong: At the January 10, 1967 Executive Committee meeting it was reported that the Federal Aviation Agency (FAA) had determined that the carriage of customer personnel between Southeast Asia and such points as Hong Kong on the Company's Tainan maintenance flights with U.S. registered aircraft involved "air commerce", as that term is defined in the Federal Aviation Act, and therefore to the extent such operations serve revenue passengers they would have to comply with the applicable provisions of Parts 121 and 135 of the Federal Aviation Regulations (FAR) or be exempted therefrom. Air America applied to the FAA for an exemption from the provisions of the FAR's for such operations. However, it now appears that the customers, who were being accommodated on the Tainan maintenance flights, have decided not to utilize Tainan maintenance flights which do not meet the requirements of Parts 121 and 135 and consequently the FAA exemption will not be required.

FAA  
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3 - Flight Surgeon Project: It was reported that the Company is in the process of recruiting two doctors to serve as flight surgeons at Saigon and in the Vientiane and Udorn area. Initially the project will be commenced with one flight surgeon at each of those locations and will be expanded if and as required.

4 - Investigation of "Inverting Flap" for Twin Beech Aircraft: The Company has for some two years been discussing informally the potential of an inverting flap for the Twin Beech aircraft with the inventor of such flap, Mr. A. Alvarez-Calderon. The installation of an inverting flap on a

Grumman Goose has been made by McKinnon Enterprises, assisted by STRATO Engineering, and FAA certification of such installation has been obtained. McKinnon Enterprises has indicated that they feel an inverting flap can be successfully applied to the Twin Beech aircraft and a Supplemental Type Certificate for such installation obtained from the FAA at reasonable cost. Such a flap could result in a substantial improvement in the short field capability of the aircraft and could therefore be of great value to the Company's customers. The Executive Committee endorsed further investigation and development.

5 - CIC Helicopter Maintenance Project: At June 30, 1967 the CIC owed the Company \$328,319 for maintenance work performed on CIC's helicopters. The Company in turn owes \$310,000 to Contract AF62-(531)-1841 which amount was incurred in connection with the maintenance of CIC's helicopters. It was reported that an early payment from CIC of \$100,000 is anticipated and that \$16,000 of such amount has already been received. It was further reported that CIC has offered to sell its helicopters to the Company, with the proceeds from such sale to be used to pay CIC's indebtedness to the Company.

6 - Facility Development: The Executive Committee reviewed the Field's forecast of proposed capital expenditures for ground property and equipment additions during the period April 1, 1967 through March 31, 1968. Included in the forecast was \$546,000 for the Saigon Base, \$294,000 for the Vientiane Base, \$116,000 for the Udorn Base and \$1,017,000 for

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Tainan. In addition to the foregoing the Company will probably be requested to develop for its customers, at their expense, about \$2,000,000 worth of facilities in Southeast Asia. The Executive Committee noted that in total the forecast of proposed capital expenditures for facility development involves substantial investments which may exceed the Company's desire and need to expand its capability. It was pointed out that the forecast was prepared for planning purposes and major capital expenditures involved in the forecast will come before the Executive Committee for approval or disapproval at such time as capital appropriations are proposed.

7 - Banking Facilities: The Executive Committee approved the following banking actions:

(a) Change of Signatories:

AACL Los Angeles Procurement Fund Account  
No. 149-904740 at the United California Bank

(b) Change of Bank Branch:

CATCL Hong Kong Depository Account No.  
M803-66 9(HK\$) at the FNCB

(c) Change of Bank Branch and Signatories:

- (1) AAM Hong Kong Payroll Account No.  
M803-69 3 (HK\$) at the FNCB
- (2) CATCL Hong Kong Working Fund Account  
No. M803-67 7(HK\$150,000) at the FNCB
- (3) CATCL Hong Kong Payroll Account  
No. M803-68 5(HK\$) at FNCB

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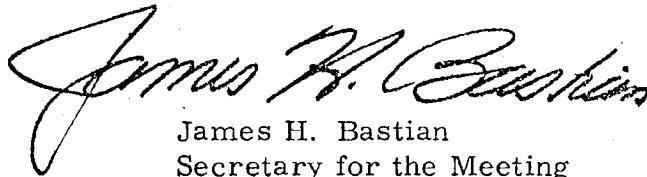
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8 - Major Damage to Aircraft: Since the last Executive Committee meeting on July 11, 1967 one report of major aircraft damage was received. On July 18, 1967 a vehicle ran into the left engine of Twin Beech TenTwo aircraft N5454V which was parked at Bangkok. Both main landing gears were displaced laterally by the impact. It is estimated that the aircraft will again be available to the customer on July 30, 1967.

There being no further business to come before the meeting, on motion duly made and seconded, it was adjourned.

Respectfully submitted,



James H. Bastian  
Secretary for the Meeting

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