

28 NOV 1967

MINUTES OF MEETINGS

OF

EXECUTIVE COMMITTEES

OF

AIR ASIA COMPANY LIMITED AND AIR AMERICA, INC.

October 24, 1967

Meetings of the Executive Committees of Air Asia Company Limited and Air America, Inc. were held on October 24, 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 October 10, 1967: The minutes of the meetings of the Air Asia Company Limited and Air America, Inc. Executive Committees of October 10, 1967 were approved.

(b) Meeting of Air America, Inc. Board of Directors of October 17, 1967: The draft minutes of the meeting of Air America, Inc. Board of Directors of October 17, 1967 were approved for submission to the Board.

(c) Meeting of Air Asia Company Limited Board of Directors of October 17, 1967: The draft minutes of the meeting of Air Asia Company Limited Board of Directors of October 17, 1967 were approved for submission to the Board.

APPROVED FOR
RELEASE DATE:
13-Oct-2009

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2 - SEA Contract Flying: Preliminary reports show October flying at August levels, up slightly over September. With respect to aircraft and engine availability it was reported that the Company is currently in the best position that it has been for sometime.

AIRCRAFT
AVAILABILITY

Contract negotiations with AID on Contract AID-430-2178 are reported to be progressing in a satisfactory manner. Contract AF62 (531)-1841 (Madriver) is being operated on a short extension with contract negotiations for Government Fiscal Year 1968 yet to commence.

With regard to aircraft assignments, it was reported that AID has called for an additional Lao registered C-46 to be assigned to Contract AID-439-342. Contract AF49(604)-4395 has released a Caribou aircraft while Contract AID-439-342 reportedly desires additional aircraft. The Company has available DC-4 aircraft which could provide substantial additional lift in areas in which such aircraft are capable of operations.

The Executive Committee then discussed Air America's status in Thailand. It was pointed out that Air America is present in Thailand only as a contractor to the United States Government and that it neither has nor exercises Thai flying rights on its own behalf, nor has it sought such rights. In this regard Air America's activities should not be confused with the operations of CATCL. The United States Government conducts certain activities in Thailand with the permission of

THAILAND

the Thailand Government and Air America acts merely as the agent of the United States Government in carrying out some of these activities. If a question develops as to the nature of the authority granted the United States Government by the Thailand Government or whether certain activities are within such authority, then the matter must be resolved between the two governments involved, and Air America, as contractor to the United States Government, will be bound thereby. It was noted that all of Air America's activities in Thailand are in support of United States Government programs and to the extent that any specific activity is discontinued an alternative method of performing that same function will have to be found if the program is to continue.

3 - Major Damage to Aircraft: No reports of major damage to aircraft have been received since the report of the last Executive Committee meeting on October 10, 1967.

4 - Gold Flow - Offshore Procurement: The Executive Committee discussed and reviewed the Companies offshore procurement practices as they may affect the balances of payment deficit. It was pointed out that the Company has procurement offices on Japan, Taiwan and Hong Kong and expenditures for capital items at those locations could run one million dollars per year. It was agreed that the

gold flow problem should be a factor for consideration in any procurement of capital items, and where the available equipment on the U.S. and foreign markets are technically equivalent, price alone should not dictate a purchase from a foreign market. It was suggested that the Executive Committee establish a standard premium that may be paid for purchases of capital items from the U.S. market when technically equivalent equipment is available at a lower price from foreign markets. In this regard it was pointed out that although no fixed policy has been established the gold flow problem has always been considered in any major purchase of such items as aircraft, engines and initial spare parts and such consideration has been an important factor in a number of acquisitions. It was also pointed out that in the past the Company, at the request of the U.S. Government, accepted barter as payment on a number of contracts to alleviate the gold flow problem. On the whole, the Company has a good record of supporting U.S. Government programs designed to improve the balance of payment deficit.

5 - Jones v. AACL: The Executive Committee received a report on the status of the Jones law suit against AACL.

6 - Requests for Capital Appropriations: The Executive Committee considered and approved the following capital appropriation requests:

- | | | |
|-----|-----------------------------------------------------------------|----------|
| (a) | PLNG-AR-321, Repair Wheel and MLG
Damage to CV880 Aircraft | \$15,200 |
| (b) | PLNG-AR-345, Repair Accident Damage
to Porter Aircraft N197X | 26,000 |

- (c) Preproduction Cost for GFY1968 USAF Maintenance Contracts \$97,250
- (i) VPTS-AR-202, Erection of Five TALCO Aircraft Shelters at Tainan (cost chargeable to USAF maintenance contract over life of lease expiring December 31, 1968), \$38,250
 - (ii) VPTS-AR-203, East Emergency Exit and New Vehicle Gate at Tainan (cost to be reimbursed by USAF immediately), \$12,000
 - (iii) VPTS-AR-204, Construction of Eight Inch Thick Concrete Ramp Inside Main Departure Gate at Tainan (one-half the cost to be reimbursed by USAF immediately, remainder to be charged to all operations over the years), \$36,000
 - (iv) VPTS-AR-205, Erection of Five Sets of Work Stands For Use on F-4C Type Aircraft (cost to be reimbursed by USAF immediately), \$11,000

7 - Banking Facilities: The Executive Committee approved changes

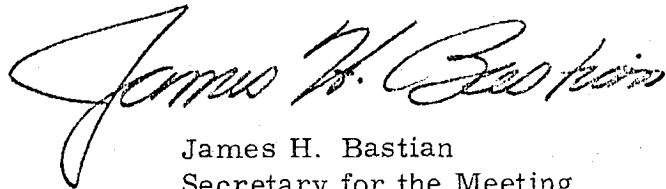
in signatories for the following bank accounts:

- (a) AAM Udorn Working Fund Account Baht 750,000 (US\$33,407.77 at 20.60) at the Krung Thai Bank Limited
- (b) AAM Vientiane Working Fund Account No. 75-\$15,000 at The Bank of Tokyo, Ltd.
- (c) AAM Vientiane Payroll Account (Baht) at the Banque de l'Indochine

- (d) AAM Tachikawa MPC Working Fund
Account at The Chase Manhattan Bank
- (e) AAM Tokyo Yen Working Fund Account
at The Chase Manhattan Bank

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

Respectfully submitted,

A handwritten signature in cursive script, reading "James H. Bastian". The signature is written in dark ink and is positioned above the printed name and title.

James H. Bastian
Secretary for the Meeting