

MINUTES OF MEETINGS

OF

EXECUTIVE COMMITTEES

OF

AIR AMERICA, INC. AND AIR ASIA COMPANY LIMITED

30 April 1974

Meetings of the Executive Committees of Air America, Inc. and Air Asia Company Limited were held on April 30, 1974 and the following matters were considered:

1 - Approval of Minutes:

(a) Meetings of Air America, Inc. and Air Asia Company Limited Executive Committees of April 11, 1974: The minutes of the meeting of Air America, Inc. and Air Asia Company Limited Executive Committees of April 11, 1974 were approved.

(b) Meetings of Air America, Inc. Board of Directors of April 16, 1974: The draft minutes of the meeting of Air America, Inc. Board of Directors of April 16, 1974 were approved for submission to the Board.

(c) Meetings of Air Asia Company Limited Board of Directors of April 16, 1974: The draft minutes of the meeting of Air Asia Company Limited Board of Directors of April 16, 1974 were approved for submission to the Board.

2 - Reports: It was announced that due to the problems associated with year end closing of the books of the Companies, the financial results for March and for the fiscal year ended March 31, 1974 were not yet available.

It was reported that average daily flying time in April through April 29 was 218 hours, with 213 hours being flown on April 29. Approximately two thirds of the flight time is accounted for by Vietnam.

Personnel Statistics - March 1974: The Managing Director advised that as of March 31, 1974, personnel strength had declined to 6,686, down 142 from February 28. It is projected that as of June 15, 1974, the pilot complement will number 81.

3 - Reports from Members of the Executive Committee:

(a) Southeast Asia Trip - The Managing Director advised the as of June 3, 1974 all 600 Company employees in Laos including ten Americans will have been terminated or transferred out of the country. Efforts are being made to find other employment for the local employees with such organizations as USAID and Royal Air Laos. Recovery of the extraordinary costs involved in these large-scale terminations will be sought either by inclusion in contract prices or by way of a termination claim. Some items of inventory are being disposed of locally for cash, particularly to RAL, but most high value items are being moved to Air Asia's base at Tainan.

(b) Thailand - The Managing Director reported that he had met with Ambassador Kintner and separately with the Deputy Chief, JUSMAG, on the problems associated with Air America's

phase out of its Udorn operations on June 30, 1974, including disposition of the fixed and movable U. S. Government property of approximately \$7,200,000 value. Decisions in this area must await establishment of the desired ongoing capability of the maintenance facilities at Udorn in the hands of a Thai company and while numerous estimates, ranging from \$13 million to about \$4 million annually have been made no firm requirement has as yet been fixed. Plans with respect to company aircraft now at Udorn call for staging the aircraft at Bangkok prior to moving them to Tainan for storage and sale.

It was reported that upon completion of performance of the -0002 Contract the USAF desires a complete audit of all government property furnished thereunder. It is estimated that a staff of approximately twenty Americans will be needed to staff the activity for a period of approximately six months and that this would require maintenance of the Udorn school activity at a reduced level of perhaps 8 teachers.

The problem of retaining the required number of Americans in Thailand after June 30, 1974 in light of the abolition of the "Section 51" type visa at that time has been discussed with Thai officials. (Section 51 visas historically gave quasi-diplomatic status to persons coming to Thailand to give technical help to the Thai government). Air Marshal Soothorn Sundrakul of the RTAF, who also serves as a director of Thai Am, has assured that a letter request will serve to secure those facilitations formerly conferred by Section 51 visas for the Americans required to manage an orderly transfer of activities.

The Managing Director advised that in light of the unique financial problems associated with the progressive termination of Air America's activities and the prospective disposition of Air Asia he would recommend to the Board of Directors the establishment of a Finance Committee of the Board to monitor the handling of the cash generated in this process.

(c) Termination Claims Committee - Announcement was made of the formation under the Treasurer-Controller of a Termination Claims Committee including also the Director of Cost Accounting Division, the Director of Marketing/Contract Affairs and the Assistant Legal Counsel-Operations Support Group. This Committee will prepare appropriate claims for the recovery of any termination costs payable to the Company.

(d) Surplus Property - The Managing Director also reported that a meeting had been held in Hong Kong among himself, the President of Air Asia, the Senior Vice President-Corporate Affairs, the Vice President-Purchasing, the Assistant Vice President-Technical Services Representative, the Manager-Air America Limited and the Manager-Surplus Sales, concerning the disposal of surplus property. Round figure estimates have been reached on the sales value of the aircraft totalling approximately \$6 million.

(e) S-58T Conversion Kits - Further discussions were had concerning the S-58T conversion kits, and it was reported that active negotiations were being had with the U. S. Navy toward reaching the best disposition of the aircraft kits.

(f) ICCS - It was reported that the International Commission of Control and Supervision continues in arrears in its payment for Vietnam flying services but that there is some prospect for a substantial input of cash into the Commission that would permit it to make payment at least in part.

(g) Renegotiation Board - The Committee was advised that a meeting between Company representatives and the staff of the Renegotiation Board was scheduled for May 2, 1974 to discuss procedures for handling the Board's claims.

4 - Operational Accidents and Incidents: Since the last Executive Committee meeting held on 11 April 1974, the following reports of operational accidents were received:

<u>DATE</u>	<u>AIRCRAFT</u>	<u>CAUSE</u>	<u>DAMAGE</u>	<u>INJURED</u>	<u>AIRCRAFT AGAIN AVAILABLE TO CUSTOMER</u>
Apr. 18 Laos	UH-34 H-45	Landing overshoot	Substantial	F/M-fatal PIC-F/O and 5 pax - slight injuries	Indefinite
Apr 28 Udorn	DHC-6 N389EX	Landing overshoot	Substantial	2 Pax- head injuries	Indefinite

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

Change of Signatures

- (a) Civil Air Transport Company
Limited Kowloon Working Fund
Account No. M803-677 (HK\$30,000)
at First National City Bank

- (b) Air America, Inc. Kowloon
HK\$ Account No. M815-659
(HK\$120,000.00) at
First National City Bank
- (c) Air America Limited Kowloon
Working Fund Account No.
M809-500 (US\$15,000.00)
at First National City Bank

New Account

Air America, Inc. New York
Procurement Fund Account
Number 910-1-427228 at
Chase Manhattan Bank

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

Respectfully submitted,

Henry P. Bevans
Secretary for the Meeting