

OLC 73-1459

Yard Ops

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14 December 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Authority to Dispose of SAT and Air America

1. I met this afternoon for approximately one and a half hours with William M. Jones, Staff Director, Subcommittee on Government Activities, House Committee on Government Operations, and William H. Copenhaver of the Committee staff at their request to discuss the question of the legal authority of the Agency to dispose of Southern Air Transport and Air America. I showed them a copy of the attached classified legal opinion which concludes that we do have such authority. They did not wish to accept a classified document and requested that we furnish them a sanitized version.

2. In addition to the above, they want the following items of information:

✓ a. a list of the assets;

✓ b. the specific financial arrangements in connection with the purchase; i. e., the loan and how much is [redacted] himself putting up;

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✓ c. what type of authority from CAB does [redacted] intend to operate on in the future when his supplemental certificate is no longer operative;

d. under this new authority can [redacted] get MAC contracts or other types of government contracts;

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e. how the sale price was arrived at, was there an appraisal, and if not how was the value set; and

✓ f. a copy of the sale contract.

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3. Copenhaver seemed a little disturbed that the Agency had not responded to the letter from GSA to the Committee, a copy of which was sent to us. He felt that if we were wrong on our view of authority to sell and if the sale had been consummated, this could have caused a cloud on the title of the purchaser. I pointed out that [] had been in oral contact with Bill Jones and we were not ignoring the GSA letter nor the Chairman's letter, but a problem is posed in terms of responding since SAT and Air America are referred to and this would require a classification problem in our response.

4. I advised them I thought we could get all the additional information by about next Tuesday. This Office will pull it together.

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JOHN S. WARNER
Acting General Counsel

Attachment

✓ cc: OLC 25X1A
Mr. [] OGC

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