

**Minutes of the Meeting of the
Air Transportation Stabilization Board
April 20, 2005**

The meeting of the Air Transportation Stabilization Board (“Board”) was held in the offices of the Board of Governors of the Federal Reserve System at 20th Street and Constitution Avenue, Washington, D.C., on Wednesday, April 20, 2005.

The following people were present at the meeting:

Board

Edward M. Gramlich, Chairman of the Board, and Governor, Federal Reserve Board
Jeffrey N. Shane, Voting Member of the Board, and Under Secretary for Policy, Department of Transportation

Board Staff

Mark R. Dayton, Executive Director
Marguerite Owen, Legal Counsel
Jaydeep Borwankar, Financial Analyst

Federal Reserve Board

Dan Sichel, Assistant Director
Christopher W. Clubb, Senior Counsel

Department of the Treasury

Roger E. Kodat, Deputy Assistant Secretary for Government Financial Policy
Brad S. Lerner, Attorney
Brian Jackson, Chief Financial Officer, Federal Financing Bank
Lachlan Seward, Senior Advisor to the Fiscal Assistant Secretary
Brookly McLaughlin, Public Affairs

Department of Transportation

Terence W. Carlson, Attorney, Office of General Counsel
Regis Milan, Associate Director, Office of Aviation Analysis
Nancy Kessler, Attorney, Office of General Counsel

Curtis, Mallet-Prevost, Colt & Mosle LLP

Dan Lenihan, Partner

GAO did not attend this meeting.

Governor Gramlich called the meeting to order at 11:15 a.m.

Mr. Lenihan from Curtis Mallet, the Board’s outside counsel, reported on a waiver request from World Airways’ (World). Mr. Lenihan reported that World was planning to acquire North American Airlines, and that such a transaction would violate certain provisions of the ATSB loan

agreement. World was requesting a Board waiver to proceed with the proposed transaction. Mr. Lenihan provided the Board with an overview of key terms of the proposed transaction, its benefits to World, and the changes to the terms of the ATSB loan that were being recommended by the Board staff in return for granting the waiver.

The Board voted 2-0 (Treasury's voting member did not attend this meeting) in favor of the proposal, subject to World agreeing to the loan term changes recommended by the Board staff and the satisfactory resolution of an international route authority question raised by Mr. Shane.

The meeting was adjourned at 12:09 p.m.