

**Minutes of the Meeting of the  
Air Transportation Stabilization Board  
October 19, 2004**

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 20<sup>th</sup> Street and Constitution Avenue, Washington, D.C., on Tuesday, October 19, 2004.

The following people were present at the meeting:

**Board**

Edward M. Gramlich, Chairman of the Board, and Governor, Federal Reserve Board  
Brian C. Roseboro, Voting Member of the Board, and Under Secretary for Domestic Finance, Department of the Treasury  
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  
Michael D. Scott, Senior Advisor to the 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  
Bernard Diederich, Attorney, Office of General Counsel  
E. Michael O’Malley, Counselor to the Under Secretary

**Department of Justice**

Chris Kohn, Director of Commercial Litigation Branch  
Brendan Collins, Attorney for Civil Division  
Andrea Handel, Attorney for Civil Division

**Curtis, Mallet-Prevost, Colt & Mosle LLP**  
Dan Lenihan, Partner

**Lazard Freres & Co., LLC**  
Barry Ridings, Managing Director

GAO did not attend this meeting.

Governor Gramlich called the meeting to order at 2:40 p.m.

The Executive Director presented an update on US Airways' bankruptcy filing. The Executive Director stated that US Airways had received interim Section 1113 (e) relief and discussed the nature of the relief. The Executive Director stated that the Final Cash Collateral Order had been finalized and that it was due to expire on January 14, 2005. He stated that Staff and the Board's consultants would analyze US Airways' proposed transformation plan.

The Executive Director provided the Board with an update on a potential bankruptcy filing by ATA stating that there was still a possibility that ATA would be able to arrange some form of Debtor-in-Possession (DIP) financing. He identified and discussed the various alternatives that ATA could pursue in bankruptcy and the impact of each alternative on the Board's credit position. The Executive Director provided the Board with an overview of the ATSB's collateral position and reviewed ATA's 13-week cash projections.

The Board discussed a draft Board press release in the event of a decision by ATA to file for protection under Chapter 11 of the Bankruptcy Code.

The Executive Director provided the Board with an update on Aloha Airlines' business and liquidity position.

The meeting was adjourned at 3:50 p.m.