

**Minutes of the Meeting of the
Air Transportation Stabilization Board
September 5, 2003**

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 Friday September 5, 2003.

The following people were present at the meeting:

Board

Edward M. Gramlich, Chairman of the Board, and Governor, Federal Reserve ~~Board~~
Peter R. Fisher, 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

Brian Roseboro, acting Executive Director, and Assistant ~~Secretary~~ for Financial Markets,
Department of the Treasury
Bill Abrams
Michael Kestenbaum
James Levine Legal Counsel
Jaydeep Borwankar
Christy Cameron

Federal Reserve Board

Christopher W. Clubb, ~~Senior~~ Counsel
Daniel E. Sichel, ~~Senior~~ Economist

Department of the Treasury

Roger 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~~

Department of Transportation

Terence W. Carlson, Attorney, ~~Office~~ of General Counsel
Regis Milan, Associate Director, ~~Office~~ of Aviation Analysis
Bernard Fishman, Office of Inspector General
~~Mark~~ Dayton, Office of Inspector General
Nancy Kessler, Attorney, Office of General Counsel

GAO did not attend this meeting.

Gov. Gramlich called the meeting to order at 9:10 a.m.

The meeting commenced with the acting Executive Director and the Board discussing administrative matters. Among the matters ~~discussed~~ were the status of policies and procedures for managing the Board's portfolio of warrants, managing requests for amendments and waivers and the development of a staff calendar to track upcoming activities.

The acting Executive Director discussed Frontier's request for a lock-up agreement in connection with its proposed \$75 million secondary equity offering and certain changes to its loan agreement. Mr. Kestenbaum recommended granting the lock-up request and denying the other changes. The Board discussed the merits of each request, including the order in which prepayments were to be applied and the company's cash covenant. The Board voted unanimously to grant the company's request for a lock-up, provided that the company's other guarantors also granted the company's request for a lock-up, and deny its other requests.

The acting Executive Director next described a waiver request submitted by ATA in connection with a proposed exchange offer. The Board ~~and staff~~ discussed the terms and merits of the waiver and exchange offer.

The meeting adjourned at 9:41 a.m.