

**Minutes of the Meeting of the
Air Transportation Stabilization Board
December 22, 2004**

The meeting of the Air Transportation Stabilization Board (“Board”) was held via conference call, on Wednesday, December 22, 2004.

The following people were on the call:

Board

Edward M. Gramlich, Chairman of the Board, and Governor, Federal Reserve Board
Timothy Bitsberger, Voting Member of the Board, and Assistant Secretary for Financial Markets, 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
Jaydeep Borwankar, Financial Analyst

Federal Reserve Board

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

Department of the Treasury

Brian Jackson, Chief Financial Officer, Federal Financing Bank
Lachlan Seward, Senior Advisor to the Fiscal Assistant Secretary

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

Department of Justice

Brendan Collins, Trial Attorney, Civil Division
Andrea Handel, Trial Attorney, Civil Division

Curtis, Mallet-Prevost, Colt & Mosle LLP

Dan Lenihan, Partner

GAO did not attend this meeting.

Governor Gramlich called the meeting to order at 4:10 p.m.

The Executive Director provided the Board with a brief overview of Aloha's out-of-court restructuring efforts, its request for forbearance on principal payments on the guaranteed loan, the company's near-term business prospects and revenue projections, and the ATSB's collateral position on the Aloha loan.

The Board voted unanimously to grant the forbearance subject to Aloha continuing to pay interest and guarantee fees on the ATSB Loan. The Board also delegated the authority to negotiate all relevant terms and conditions for the granting of the forbearance to the Executive Director.

The meeting was adjourned at 4:52 p.m.