

**Minutes of the Meeting of the
Air Transportation Stabilization Board
May 24, 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 20th Street and Constitution Avenue, Washington, D.C., on Monday, May 24, 2004.

The following people were present at the meeting:

Board

Edward M. Gramlich, Chairman of the Board, and Governor, Federal Reserve Board
Brian 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

Michael Kestenbaum, Executive Director
Jaydeep Borwankar, Financial Analyst
Marguerite Owen, Legal Counsel

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
Bernard Dietrich, Office of General Counsel
E. Michael O’Malley, Counselor to the Under Secretary

Curtis, Mallet-Prevost, Colt & Mosle LLP

Dan Lenihan, Partner

GAO did not attend this meeting.

Governor Gramlich called the meeting to order at 4:11 p.m.

The meeting commenced with Chairman Gramlich welcoming Ms. Owen to the ATSB Staff.

The Executive Director informed the Board that the US Airways amendment had been executed on Friday, May 21st. The Board agreed that whenever practical, the Board should determine the value given up as a result of granting a waiver or amendment request, and an amount should be charged to the requestors as a fee for granting the waiver or amendment. The Executive Director provided an update on US Airways' progress in pursuing its transformation plan.

The Executive Director updated the Board on the status of the proposed amendment to ATSB regulations regarding waiver fees.

The Board voted to approve the minutes of the December 16, 2003, February 5, 2004, February 18, 2004, and February 26, 2004, Board meeting minutes.

Finally, the Executive Director discussed United Airlines' loan guarantee application. The discussion focused on United's revenue and cost projections and sensitivities to alternative assumptions, the collateral offered by United to secure the ATSB loan, the statutory criteria outlined in the Act and the Regulations, and a possible timeline for a Board action on this application.

The meeting adjourned at 6:04 p.m.