

**Minutes of the Meeting of the
Air Transportation Stabilization Board
September 22, 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 Thursday, September 22, 2005.

The following people were present at the meeting:

Board

Donald L. Kohn, 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
Marguerite S. Owen, Legal Counsel
Steven Sigfusson, Intern

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
Brian Jackson, Chief Financial Officer, Federal Financing Bank
Brad S. Lerner, Attorney
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
Nancy Kessler, 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
Steve Reisman, Partner

Lazard Freres & Co., LLC

David Kurtz, Managing Director
Blake O'Dowd, Managing Director
Joe Maybank, Managing Director
Stephen Goldstein, Director
Harry Pinson, Managing Director (by phone)
Doug Fordyce, Director (by phone)

GAO did not attend this meeting.

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

Mr. Maybank and Mr. Goldstein provided the Board with an update on Lazard's efforts with regards to the remarketing of ATSB guaranteed loans issued to US Airways and America West Airlines ("AWA") and the sale of warrants held by the Board in AWA.

The Executive Director briefed the Board on the timing of the proposed merger between US Airways and AWA. The Executive Director also briefed the Board on the timing of the subsequent remarketing of the ATSB guaranteed loans issued to the surviving airline ("New US Airways") and the sale of warrants held by the Board in New US Airways.

The representatives from Lazard left the meeting.

Mr. Dayton briefed the Board on various process issues related to remarketing of the loans and the sale of the warrants.

The Board voted unanimously to delegate to the Executive Director the requisite authority to remarket the ATSB guaranteed loans issued to New US Airways. It was also resolved that the Executive Director would seek additional guidance from the Board on the pricing of the warrants in New US Airways prior to authorizing the sale of those warrants.

The meeting was adjourned at 6:13 p.m.