

March 7, 1967

HR70-14

MINUTES OF MEETINGS
OF
EXECUTIVE COMMITTEES
OF
AIR ASIA COMPANY LIMITED AND AIR AMERICA, INC.

14 February, 1967

Meetings of the Executive Committees of Air Asia Company Limited and Air America, Inc. were held on February 14, 1967 and the following matters were considered:

1 - Approval of Minutes: The Minutes of the Meetings of the Air Asia Company Limited and Air America, Inc. Executive Committees of January 24, 1967 were approved.

2 - Reports:

(a) Operating Statistics - December, 1966: Flying activity for December totalled 20,708 hours or 668 hours per day as compared with a total of 20,166 hours or 672 hours per day reported for November. Total revenue load factor for scheduled operations was 43% for December as compared with 41% for December of 1965. Customer aircraft maintenance was up 2% with 259,000 skilled man-hours reported for December, 1966, as compared with 255,000 for November, 1966. The total skilled man-hours expended in December at the main maintenance base was

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607,000, an all time high. Skilled labor overtime was 27% of regular hours worked in December as compared with 28% for November, 1966.

(b) Personnel Statistics - December, 1966: Personnel increased by 234 during December to a total of 9,657 on board. American personnel totalled 1,073 up three over November. Flight personnel were up 8 for the month to a total of 604. Technical Services personnel totalled 5,999 up 123 from November. Approximately 4,000 of the Technical Services personnel were in Tainan.

(c) Financial - December, 1966: Financial results for December, 1966 show transport and other operating revenue of \$5,219,000 and customer maintenance revenue of \$932,000. Total gross revenue for December was \$6,151,000. December was the third month in succession that revenue exceeded \$6,000,000. For the first nine months of the Companies' year, total revenues were \$48,334,000 which is 51% above the revenues of \$32,107,000 for the same period during the previous year. Air Asia Company Limited showed a net income before income taxes for December of \$549,000 and for the past nine months of \$2,889,000. Air America's results were approximately the same.

3 - Fleet Planning: The Executive Committee discussed and reviewed a number of matters concerning fleet planning.

The possible availability of a C-46 for acquisition by the Company was explored by the Executive Committee.

It was reported that Cathay Pacific Airways purchased two Convair 880's from a Venezuela carrier and as a result is not considered as a good

prospect for early purchase of the Company's Convair 880. It was pointed out that the future market and the price which the Company can obtain for its Convair 880 will undoubtedly diminish as more fan jet aircraft become available and if the Company is to dispose of its Convair 880 it should do so at the earliest opportunity.

The Executive Committee then took up the possible acquisition of additional Porter aircraft. It was reported that utilization of Porter aircraft has been averaging slightly in excess of four hours per day. Helio Courier utilization has also picked up and has recently been averaging 3.5 hours per day. Further it was reported that the USAF is seeking the return of the three Helio Couriers which are .

With the recent loss of one Porter, the relatively high utilization of the Porter and Helio Courier aircraft, and the possible return of three Helio Courier aircraft to the USAF the Executive Committee was of the opinion that the Company should open negotiations with Fairchild-Hiller looking toward the purchase of one or more additional Porter aircraft. Fairchild-Hiller has indicated that it could deliver one Porter aircraft in March, 1967, and two per month thereafter. It was observed that the Company feels that Fairchild-Hiller should incorporate several improvements in its Porter aircraft before committing to any purchase and it was suggested that conversations with Fairchild-Hiller be conducted along those lines with a determination at a later date of the actual number of additional aircraft to be purchased. The Executive Committee approved the foregoing approach.

4 - Major Damage to Aircraft: Since the last Executive Committee meeting on January 24, 1967, the following reports of major aircraft damage have been received:

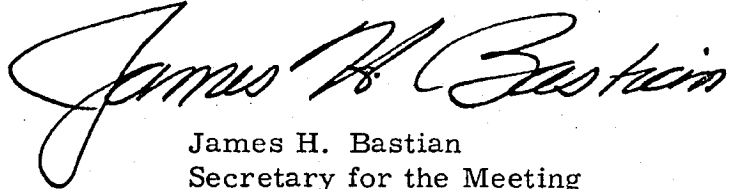
<u>Date</u>	<u>Aircraft</u>	<u>Cause</u>	<u>Damage</u>	<u>Injured</u>	<u>Aircraft again available to customer</u>
Feb. 2	H-34 Helicopter HF	Mortar fire while parked	Destroyed	None	_____
Feb. 2	H-34 Helicopter H-31	Mortar fire while parked	Destroyed	None	_____
Feb. 4	Porter N-392R	Landed Short	Substantial damage to landing gear and belly	None	Est. Feb. 26

5 - Capital Appropriation Request: The Executive Committee considered and approved the following capital appropriation request:

PLNG-AR-222 Repair Porter Aircraft N-392R \$25,100

There being no further business to come before the meeting, on motion duly made and seconded, it was adjourned.

Respectfully submitted,



James H. Bastian
Secretary for the Meeting