

*MBAR*  
*Meals*

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# AIR AMERICA INC.

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Field Executive Office  
824th Hq. Sq. Box 20010  
APO 96239

REC'D WAS MAY 14 1971

P-71-30

May 10, 1971

Captain Jesse B. Walton  
President  
Far East Pilots Assoc.  
c/o Air America, Inc.  
APO 96352

Dear Captain Walton:

The Company has carefully reviewed the matter of project pay in South Vietnam in the light of our several discussions with FEPA, our conversations with the USAID-Vietnam Customer, the Seventh Air Force and MAC-V and our review of a large volume of data, some of which FEPA was good enough to supply. While in the light of all the facts we do not believe that the Company can fairly be said to have been arbitrary in effecting the November 1, 1970 reductions, we recognize that scientific accuracy in this area is not wholly attainable. We also are mindful that the same degree of reduction in hazards has not occurred in all programs.

Consequently the Company is prepared to increase as of May 1, 1971 the project pay percentages in Vietnam for Bell 204B and Porter aircraft by five points each for the balance of the Government fiscal year. This action is being taken despite the fact that the Company has no contractual vehicle to recover the resultant costs but must meet them out of its own resources.

For the year beginning July 1, 1971, the Company will shortly (beginning on or about May 24, 1971) be reviewing the project pay percentages with the USAID-Vietnam Customer. You will be consulted and kept advised of the progress of that review. Any written presentation that FEPA desires to submit will be in turn presented before the USAID negotiating team.

Sincerely,

4 - 5/14/71

APPROVED FOR  
RELEASE  DATE:  
24-Sep-2009

Hugh L. Grundy  
President

*Handwritten initials*

cc: Chapter Presidents-FEPA VTE  
SCN  
UTH  
OKO

bcc: MGDR; VPFO; VPFCA; VP-L; VPA;  
Controller; DP; BMVTE; BMUTH;  
BMSGN; GM/J; OXOKO; Pres File(2)