

GRUNDY PLANTATION
Since 1780
A Kentucky Historical Farm- Bicentennial

Springfield, Kentucky

14 February 2006

Mr. James D. Johnston
Executive Secretary
DoD Civilian / Military Service Review Board
SAF Personnel Council
1535 Command Drive, EE Wing, 3rd Floor
Andrews AFB, MD.20762-7002

Dear Mr. Johnston,

**I refer to the 15 December 2005 Request for
Reconsideration in the matter of CAT / Air
America submitted by Mr. Allen Cates.**

**Mr. Cates, a veteran and former Air America
pilot, has asked me to address you in support of
his reference request. I do so and am honored to
lend my support to the request now before the**

Edward R. ...

Board and to the causes and fortunes of my erstwhile colleagues who served so well during my watch. Also, I offer an explanation of my relationship to the matter at hand.

I am a veteran also, having served as an Officer in the US Army Air Corps / Air Force during World War II.

Later, I served as President of the CAT / Air America complex companies something over twenty years, from late 1954 to late 1975. Prior to that, I served the same complex entities existing then as Chief Engineer or Vice President from late 1949 until my election as President and Director in late 1954.

The Board is privy already, I understand, to a wealth of presentation papers, references, testimonials and documentary evidence reflecting CAT / Air America affairs and activities during the quarter century involved, so I limit my observations here to just a few items perhaps of interest.

From the time of its secret purchase, about 1950, from commercial profit seeking owners until its dissolution in the mid seventies when it was perceived as no longer needed after the Vietnam war ended, the CAT / Air America complex was owned by the United States Government, administered through its Central Intelligence Agency. True ownership was classified and veiled by typical corporate structures with captive shareholders. True ownership was first revealed, I believe, in Mr. Nelson Rockefeller's Report To The President and later publicly by the CIA at a joint CAT / Air America reunion in Las Vegas in 2001. The only reason for existence of the CAT / Air America complex after that secret purchase was to serve Government needs, especially its covert undertakings, not just to operate airlines as a profit seeking business venture. It was projected and managed to only produce enough profit to be self supporting in operations and buy its needed aircraft, equipment and facilities, thusly relieving any need for subsidy. From late 1955 onward that goal was achieved and, in effect, gave the American taxpayer a free ride for

services of the complex. During that period several millions of dollars of involuntary profits beyond need were voluntarily returned to Defense and upon dissolution, I understand some twenty five million was turned over to Treasury.

CAT / Air America offered Government a means of conducting vital activities that, due to political or other restraints, could not employ military forces in the usual manner and CAT / Air America sometimes substituted for a military presence and often worked hand-in-hand with the military, especially in covert operations.

When CAT / Air America won a government flying contract, the paying branch (Defense, State, other) sometimes chose to furnish all or part of the required aircraft when they could furnish them or borrow them from another branch at less cost than for airline furnished aircraft, or when only military type or quantities of aircraft were suitable. Those aircraft then were loaned (bailed) to the airline and that practice accounted for the variety of military

aircraft in the airlines fleets.

In conclusion, I think CAT / Air America is due recognition and appreciation for it's unique services for the United States Government during troubled times. What better way than award of veteran status to the individuals who performed and sacrificed ?

Sincerely, I am

A handwritten signature in cursive script that reads "Hugh Lee Grundy". The signature is written in black ink and is positioned above the printed name.

Hugh Lee Grundy

Owner