EXHIBIT A

303 East Wacker Drive
Chicago, IL 60601-5212

Telephone 312 665 1000
Fax 312 665 8000

January 12, 2005

Private

Mr. Byron F. Johnson
Chairman, Audit Committee
ATA Holdings Corp.
7337 West Washington ST.
Indianapolis, Indiana 46251-0140

Dear Mr. Johnson,

Thank you for selecting KPMG LLP ("KPMG") to provide tax advisory services to ATA Holdings Corp. and affiliated companies (the "Company" or "Client"). This letter and the attached Standard Terms and Conditions outline the terms of our employment, including our mutual understanding and agreement regarding the services to be provided and the manner in which we will bill for these services. It is understood that the Company is currently a Debtor-In-Possession in Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of Indiana. The terms of this engagement, including the Standard Terms and Conditions, are subject to the requirements of the Bankruptcy Code, Bankruptcy Rules and Local Rules for the District of Indiana (collectively "the Bankruptcy Code").

Scope of Services

1. We will serve as tax advisors to the Company and will provide:

    a. Advice and assistance to the Company regarding tax planning issues, including, but not limited to, assistance in estimating net operating loss carryforwards, cancellation of indebtedness income, attribute reduction, tax treatment of professional fees, federal taxes, and state and local taxes;
    b. Advice and assistance on the tax consequences of proposed plans of reorganization, including, but not limited to, assistance in the preparation of Internal Revenue Service ("IRS") ruling requests regarding the future tax consequences of alternative reorganization structures;
    c. Assistance regarding transaction taxes and state and local sales and use taxes;
    d. Assistance regarding tax matters related to the Company's employee retirement plans;

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e. Assistance regarding any existing or future IRS, state and/or local tax examinations; and
f. Other advisory, advice, research, review, planning or analysis regarding tax issues as may be requested from time to time.

2. While our work may include an analysis of financial data, this engagement will not include an audit, compilation or review of financial statements in accordance with generally accepted auditing standards. Accordingly, as part of this engagement, KPMG will not express an opinion on any financial statements of the Company.

3. All reports and work product generated by KPMG during this engagement are meant for the Company's use only. Unless expressly provided for herein, the Company shall not disclose any of the work or analyses performed by KPMG during this engagement to any third party without the prior written consent of KPMG. The Company is responsible for all information it provides to third parties directly, or indirectly through KPMG, and it agrees to clearly so state in writing to all such third parties.

4. As a part of this engagement, KPMG may be requested to assist the Company (and its legal or other advisors) in discussions with the Company's creditors and equity holders and with other interested parties. In the event that we participate in such discussions, the representations made and the positions advanced will be those of the Company and its management, not KPMG, its partners or employees.

Conflicts of Interest

We have performed an internal search for any potential conflicts of interest based upon the names of the parties you have provided. We have not found any conflict of interest with respect to any of these parties. As you know, we are part of a worldwide association of member firms. We cannot assure that, following our employment by you, an engagement will not be accepted by KPMG or another member firm for another party that may bear on this engagement. Should a potential conflict of interest come to our attention, the engagement team will advise you within a reasonable time.

Fee and Billing Arrangements

Our fees are based upon the hours actually expended by each assigned staff member extended by the applicable hourly billing rate. Our hourly billing rates by staff classification for this engagement are as follows:

Partner	$405 to $455
Senior Manager	$365 to $400
Manager	$280 to $330
Senior	$192 to $210

5. We will apply a 30% discount to our fees as reflected in the above rate structure except in the case of a loan staff arrangement for which we will charge a flat rate of $60 per hour.

6. These rates are adjusted periodically, in part due to the promotion of our staff members. Upon written request, we will advise you of rate adjustments that affect the fees incurred on your behalf. In addition to the fees, the Company agrees to reimburse KPMG for any out-of-pocket expenses, such as travel, vendor charges, etc. that we incur.

7. Our fee is not contingent upon the results of this engagement. We do not predict either results or final developments in this matter.

8. Invoices will be presented monthly and are due upon presentation. All fees incurred must be paid prior to our issuance of reports or rendering of deposition or trial testimony, subject to any requirements of the Bankruptcy Code and any local practice.

9. Either party may terminate this agreement upon written notice at any time

10. In the event that you disagree with or question any amount due under an invoice, you agree that you shall communicate such disagreement to us, in writing, within thirty (30) days of the invoice date. Any claim not made within that period shall be deemed waived.

Thank you for allowing us to assist you in this matter. If this letter conforms to your understanding of our agreement, please sign it and return it. If you have any questions, please call me at (312) 665-3483.

Very truly yours,

KPMG LLP

Scott E. Moresco
Partner

ACCEPTED:

ATA Holdings Corp.

Authorized Signature

Chair, Audit Committee

Title

1/18/05

Date