UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

In re:	:	
	:	Chapter 11
ATA HOLDINGS CORP.,	:	
a/k/a Amtran, Inc.,	:	Case No.
et al.,	:	04-19866-BHL-11
	:	
Debtor.	:	Jointly Administered

OBJECTION OF THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL TO THE DEBTORS' MOTION FOR ORDER UNDER 11 U.S.C. §§105(a), 363(b)(1) AND 503(b)(1) AUTHORIZING AND APPROVING TERMS OF A SEVERANCE AGREEMENT BETWEEN DEBTORS AND J. GEORGE MIKELSONS

The Air Line Pilots Association, International ("ALPA"), a creditor and party in interest, by and through its undersigned counsel, hereby submits this Objection to the Debtors' Motion for Order under 11 U.S.C. §§105(a), 363(b)(1) and 503(b)(1) authorizing and approving terms of a severance agreement between Debtors and J. George Mikelsons ("the Motion"). In support of its Objection, ALPA respectfully states as follows:

1. ALPA is the exclusive collective bargaining representative for approximately 800 active pilot crew members of the Debtors. The terms and condition of employment for these employees are governed by a collective bargaining agreement between ALPA and the Debtors.

2. In the Motion, the Debtors seek approval for implementation of a severance package under which Mikelsons will receive in excess of $1 million in exchange for his retiring as Chief Executive Officer of ATA Holdings Corp. no later than August 31, 2005 and for his entering separate Confidentiality and Non-Compete agreements ("the Severance Agreement).

3. ALPA strongly agrees that Mikelsons' swift retirement is a necessary component of a successful reorganization. *See* Motion at ¶ 7 ("the time is opportune for Mr. Mikelsons to retire").

4. In light of the current position of this case, however, the Severance Agreement would be counter-productive to a consensual resolution of this case. Specifically, the Motion should be denied because: (1) implementation of the Severance Agreement would be detrimental to the morale of the hourly employees and (2) the Debtors have failed to demonstrate that the Severance Agreement is necessary.

5. The Severance Agreement would jeopardize the Debtors' reorganization efforts. Two days prior to filing the instant Motion, the Debtors filed a motion seeking to reject the collective bargaining agreement between ALPA and the Debtors pursuant to Section 1113. Both motions are scheduled for the same day. It is thus impossible for any crew member or other employee to not be demoralized by the incongruity between reducing crew members' compensation in 2006 by $43.2 million while at the same time awarding Mikelsons over $1 million.

6. The Severance Agreement should not be approved in any form. The Motion is based on generalities of "business judgment" which are inconsistent with the Debtors' emphasized assurances in the Section 1113 motion that the Company has undertaken to "reduce costs **in every area it can**." Memorandum in Support of Debtor's Motion to Reject Collective Bargaining Agreement Pursuant to 11 U.S.C. § 1113 ("Mem.") at 24 (emphasis in original). *Cf. In re Channel Master Holdings, Inc.*, 309 BR. 855, 862 (Bankr. D. Del. 2004) (severance "plans often propose excessive bonuses for senior management").

Dated: August 18, 2005

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served electronically upon the Core Group and the 2002 list on August 18, 2005.

Frederick W. Dennerline III