

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re)	
)	Chapter 11
)	
ATA Holdings Corp., <i>et al.</i> , ¹)	Case No. 04-19866
)	
Debtors.)	(Jointly Administered)
)	
)	

**LIMITED RESPONSE OF US AIRWAYS, INC. TO
REORGANIZED DEBTORS' OBJECTION TO THE CLAIMS OF
US AIRWAYS, INC. AND NOTICE OF RESPONSE DEADLINE AND HEARING**

US Airways, Inc. ("US Airways") respectfully submits this limited response (the "Response") to Reorganized Debtors'² Objection to the Claims of US Airways, Inc. and Notice of Response Deadline and Hearing (the "Objection").

The Claims at Issue

1. This Response relates to Claim No. 2211.

Background

2. On October 26, 2004, each of the Debtors filed a voluntary petition in this Court commencing a case under chapter 11 of the Bankruptcy Code.

¹ The Debtors are the following eight entities (the case number for each debtor follows in parentheses): ATA Holdings Corp. (04-19866); ATA Airlines, Inc. (04-19868); Ambassadors Travel Club, Inc. (04-19869); ATA Leisure Corp. (04-19870); Amber Travel, Inc. (04-19871); American Trans Air Execujet, Inc. (04-19872); ATA Cargo, Inc. (04-19873); and C8 Airlines, Inc. (04-19874).

² ATA Holdings Corp. (04-19866); ATA Airlines, Inc. (04-19868); ATA Leisure Corp. (04-19870); American Trans Air Execujet, Inc. (04-19872); and ATA Cargo, Inc. (04-19873).

3. On January 27, 2006, the Debtors submitted their Amended Exhibits G And H to the First Amended Joint Plan of Reorganization For Reorganizing Debtors. In its Amended Exhibit G, the Reorganizing Debtors rejected an agreement described as a “Baggage Handling Contract at Boston Logan International Airport (BOS) (BOS Gates B10 or B21)” (the “Contract”).³

4. US Airways timely filed Claim No. 2211 (the “Claim”) on February 27, 2006 in which it sought damages relating to the rejection of the Contract. At the time of filing, US Airways’ damages were unliquidated, however, US Airways reserved the right to supplement and/or amend its Claim.

5. On July 19, 2006, the Reorganized Debtors filed their Objection in which the Reorganized Debtors state they are not liable on the Claim, and that the Claim is “not enforceable against the Reorganized Debtors or their property under any agreement or applicable law.”

Response Regarding Claim No. 2211

6. On or about April 1, 2004, US Airways and Debtor ATA Airlines, Inc. (“ATA”) entered into the Contract, a copy of which is attached as Attachment A.

7. Under the Contract, US Airways provided valuable and essential services to ATA, and received compensation for those services in accordance with the terms contained in the Contract’s Exhibit B.

8. Under the terms of the Contract, and at the level of operations contemplated by ATA therein, US Airways would have received over one-million dollars (\$1,000,000) in revenue annually.

³ The Contract is properly titled, “Contract for the Sale of Baggage Makeup Room Handling, Baggage Claim Handling & FIDS Posting Services.”

9. The Reorganized Debtors' rejection of the Contract caused US Airways to lose significant revenue it otherwise would have received had both parties continued performing under the Contract.

10. Furthermore, the Reorganized Debtors have offered no evidence in support of their assertions that they are not liable on the Claim and that there is no agreement against which the Claim is enforceable.

Attachment of a More Precise Dollar Amount to Claim No. 2211

11. In filing its Claim, US Airways reserved its rights to amend the Claim as it was able to determine more precisely the dollar amount of its damages.

12. US Airways has more precisely determined its damages from the Reorganized Debtors rejection of the Contract to be two-million, two hundred twenty-four thousand, six hundred sixty dollars (\$2,244,660.00).

13. An amended Proof of Claim will be filed with the claims agent on Monday, August 14, 2006. A copy of the amended Proof of Claim that will be filed is attached hereto as Attachment B.

WHEREFORE, US Airways, Inc. respectfully requests that the court enter an order denying the Objection as it relates to Claim No. 2211, allow the Unsecured Claim for Rejection Damages in the amended amount of \$2,244,660.00, described above, and grant such further relief as is just and proper.

Dated : August 14, 2006

Respectfully submitted,

/s/ Dustin D. Stohler

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CERTIFICATE OF SERVICE

The undersigned certifies that on August 14, 2006, the foregoing Limited Response of US Airways, Inc. to Reorganized Debtors' Objection to the Claim of US Airways, Inc. was served via first-class, United States mail, to the following counsel of record.

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