

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:)
)
ATA HOLDINGS CORP., et al) CASE NO. 04-19866 BHL 11
) (Jointly administered)
Debtors.)

**UNITED STATES TRUSTEE'S LIMITED OBJECTION TO APPLICATION
OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR AN ORDER AUTHORIZING THE RETENTION OF
AKIN GUMP STRAUSS HAUER AND FELD, LLP., AS CO-COUNSEL**

Nancy J. Gargula, United States Trustee, by Joseph F. McGonigal, Trial Attorney, respectfully objects on a limited basis to the Creditor Committee's application to employ Akin Gump Strauss Hauer and Feld, LLP., ("Akin Gump") as co-counsel. ("Application"). In support of such limited objection, the U.S. Trustee states:

1. ATA Holdings Corp. ("ATA") filed its chapter 11 petition on October 26, 2004.
2. On November 1, 2004, the U.S. Trustee ("UST") appointed an Unsecured Creditors' Committee ("Committee").
3. On November 16, 2004, the Committee filed the present Application. Paragraph 7 of the Application identifies Akin Gump's billing categories and hourly rates as follows:

Partners	\$475 - \$775
Special Counsel and Counsel	\$325 - \$750
Associates	\$185 - \$450
Para-professionals	\$45 - \$190

The Application revealed that the categories and hourly rates represented Akin Gump's "ordinary and customary hourly rates in effect on the date such services are rendered." The UST cannot determine from this paragraph whether Akin Gump's hourly rates are ordinary and customary within its representation of similar bankruptcy-related clients, or all corporate clients, or if discounted rates are available to large corporate clients. In this regard, the UST requests an affidavit from Akin Gump detailing the range of hourly rates charged to all corporate clients within the past year, as well as the range of any discounts given to their corporate clients.

4. Paragraph 8 identifies Akin Gump personnel expected to have primary responsibility for providing services to the Committee. Included in this list is an Associate who is not yet admitted to a State Bar, and Akin Gump anticipates billing this "Associate" at \$275 an hour. The UST is uncomfortable with such a fee when other Associates, who already are members of a state bar, have hourly rates beginning at \$185 an hour.

5. The UST recognizes that present Application requests employment authorization only, and that all hourly rates remain subject to the reasonableness requirement of 11 U.S.C. §330(a).

6. The UST expects Akin Gump, as well as all professionals retained in this case, to comply with provisions of Southern District of Indiana Local Bankruptcy Rule B-2016-1, which recognizes United States Trustee National Fee Guidelines, as well as Region 10 Fee Guidelines, including any supplements thereto.

WHEREFORE, the United States Trustee objects on a limited basis to the Application filed by the Committee, until its concerns are resolved.

Respectfully submitted,

NANCY J. GARGULA
UNITED STATES TRUSTEE

By /s/ JOSEPH F. McGONIGAL
Trial Attorney

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent via the Clerk's Electronic Case Filing System (ECF) and/or by First Class Mail.

/s/ JOSEPH F. McGONIGAL
Trial Attorney

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