

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE: ATA HOLDINGS CORP., et al
DEBTORS.

Case No. 04-19866
Chapter 11

LIMITED OBJECTION OF THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
TO DEBTORS' PROPOSED SALE TO AIRTRAN AIRLINES, INC.

COMES NOW, The Port Authority of New York and New Jersey, a creditor of ATA Airlines, Inc., by counsel, and files this limited objection to the motion by Debtors for court approval of a sale to AirTran, Airlines, Inc.

1. The Port Authority is a government unit of the States of New York and New Jersey, created by concurrent legislation of the two States, and approved as a Compact by Congress. 42 U.S. Stat. 174 (1921), consenting to Laws of New York, Ch. 154 (1921) and Laws of New Jersey, Ch. 151 (1921). The Port Authority operates, among other facilities, LaGuardia Airport ("LGA") and John F. Kennedy International Airport ("JFK") in New York State and Newark Liberty International Airport ("EWR") in New Jersey, where ATA Airlines, Inc. conducts business.

2. The proposed sale to AirTran contemplates that AirTran will take over the ATA flights from Midway Airport to LGA, among other airports. The Port Authority objects to this proposed sale for a number of reasons.

3. As a threshold matter, the Port Authority objects to the proposed sale on the ground that AirTran is in arrears with respect to obligations due and owing to the Port Authority in the amount of \$436,760.64. A schedule and copy of the main unpaid invoices evidencing these obligations are attached hereto as Exhibit A. Although the Port Authority specifically brought to AirTran's attention this failure to honor its obligations, AirTran has failed to pay its outstanding obligations and continues to be in noncompliance with its obligations to the Port Authority.

4. This proposed sale, as it affects LGA, also appears to ignore many potential issues.

5. First, the gate and associated terminal facilities (including but not limited to ticketing and baggage facilities) at LGA which ATA uses are provided to ATA on a month-to-month basis. The agreement for these facilities is not transferable. The Port Authority reserves the right not to make this agreement available to AirTran. Additionally, the Port Authority reserves the right to terminate this agreement at any time, pursuant to applicable New York law.

6. Second, virtually all of the time slots which ATA has received from the Federal Government for landings and take offs at LGA are not transferable by ATA. Those slots are subject to reallocation by the Federal Government, perhaps to airlines other than AirTran. Also, ATA holds three overnight aircraft parking spaces at LGA, for a term expiring on

February 28, 2005. These spaces are not transferable. The Port Authority reserves the right not to make these spaces available to AirTran.

7. Third, ATA also has vehicular parking privilege permits for four spaces at LGA, which also may be terminated by the Port Authority. To the extent that AirTran may want some of these permits or other privileges that ATA currently enjoys at LGA, AirTran would have to seek such privileges directly from the Port Authority. Similarly, for any activity that AirTran may acquire from ATA affecting operations at EWR or JFK, the rights or privileges now enjoyed by ATA at those airports are not transferable, and AirTran would be required to seek and obtain Port Authority approval.

WHEREFORE, the Port Authority submits this limited objection to Debtors' proposed sale to AirTran and requests that the court determine that any approval of the sale should be conditioned on AirTran's payment of all amounts owing to the Port Authority as set forth in paragraph 3, above, and specifically recognize the rights of the Port Authority at its airports as set forth in paragraphs 5, 6 and 7, above, and for all other relief just and appropriate in the premises.

Dated: December 9, 2004

Respectfully Submitted,
BLEECKER BRODEY & ANDREWS

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CERTIFICATE OF SERVICE

The undersigned hereby certified that a copy of the foregoing was sent via electronic filing or otherwise by first-class United States mail, postage prepaid, to the United States Trustee, 101 W. Ohio St., Suite 1000, Indianapolis, IN 46204; C. R. Bowles, Jr, Counsel for the Unsecured Creditors Committee, 101 S. 5th St., Louisville KY 40202; and Terry Hall, Baker & Daniels, 300 N. Meridian St, Ste 2500, Indianapolis IN 46204, on December 9, 2004.

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