IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
TWA INC. POST CONFIRMATION ESTATE,	)	Case No. 01-00056 (PJW)
Debtors.	)	
	)	**Hearing Date: November 1, 2002 at 9:30 a.m.**
	)	**Responses Due: September 23, 2002 at 4:00 p.m.**

RESPONSE AND OBJECTION OF THE CITY OF PHILADELPHIA TO TWA INC. POST-CONFIRMATION ESTATE'S THIRD OMNIBUS OBJECTION TO CLAIMS

The City of Philadelphia (the "City"), by its undersigned attorneys, Klehr, Harrison, Harvey, Branzburg & Ellers LLP, hereby submits this Response and Objection (the "Response") of the City of Philadelphia to TWA Inc. Post-Confirmation Estate's Third Omnibus Objection (the "Omnibus Objection") to Claims. In support thereof, the City respectfully represents as follows:

BACKGROUND

1. On January 10, 2000 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. On or about June 14, 2002, this Court entered an order confirming the Third Amended Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Code (the "Plan"), and the Plan became effective on June 25, 2002.

3. The general bar date for the filing of prepetition proofs of claim was August 1, 2001.

4. The City has timely filed the following proofs of claim (the "Proofs of Claim") in the Debtors' cases:

(a) Claim filed June 14, 2001 ("Claim 635400") for

(i) use & occupancy tenant taxes (the "U&O Taxes") for the last two months of 1994 owed in the amount of $1035.20, and

(ii) wage taxes (the "Wage Taxes") owed in the amount of $2.56 for the period of May 2000;

(b) Claim filed June 14, 2001 ("Claim 635300") for an unliquidated amount with respect to the Debtors' failure to file wage tax returns for the years 1998 and 1999; and

(c) Claim filed April 23, 2002, amending Claim 635400, for

(i) U&O Taxes in the amount of $733.69 for the last two months of 1994, and

(ii) Wage Taxes in the amount of $8327.20 for the years 1999 and 2000 (the three filed claims, collectively, the "Claims").

5. On August 23, 2002, the TWA Inc. Post-Confirmation Estate (the "Estate") filed the Omnibus Objection.

6. Pursuant to the Omnibus Objection, the Estate seeks to disallow and expunge Claims 635400 and 635300 on grounds that they constitute executory contract claims that have been paid and cured.

7. As is noted in the Proofs of Claim and as has been described above, neither of the Claims constitutes an executory contract claim. Rather, the Claims include claims for taxes owed.

8. Pursuant to this Response, the City objects to the Omnibus Objection on grounds that Claims 635400 and 635300 are not executory contract claims, nor have they been paid or cured.

OBJECTION

9. The City hereby objects to the Omnibus Objection in that the Estate has incorrectly classified the Claims (635300 and 635400) as executory contract claims and has further incorrectly reported that such Claims have been cured or paid.

10. The Claims remain valid and outstanding and are owed to the City as unsecured priority tax claims of the Debtors' estates under section 507(a)(8) of the Bankruptcy Code and the Plan.

11. Further, the City respectfully requests that, pursuant to section 507(a)(8) of the Bankruptcy Code and the Plan, this Court allow the Claims and require both the filing of the missing returns and the payment of the Claims in full in cash immediately, together with penalties and interest accrued through the petition date.

CONCLUSION

WHEREFORE, the City respectfully requests the entry of an order:

(a) Denying the Omnibus Objection to the extent that it relates to the Claims;

(b) Pursuant to section 507(a)(8) of the Bankruptcy Code, allowing the Claims, together with interest and penalties owed through the petition date, as priority tax claims

of the Debtors' estates, and directing the Estate to immediately pay to the City in full in cash the amount of the Claims, including the amounts owed with respect to the unfiled tax returns together with the interest and penalties owed through the petition date;

(c) Pursuant to sections 507(a)(8) of the Bankruptcy Code and 28 U.S.C. § 960, directing the Estate to file the missing tax returns listed in Claim 635300; and

(d) Granting such other and further relief as is just and proper.

Dated: September 19, 2002

KLEHR, HARRISON, HARVEY,
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CERTIFICATE OF SERVICE

I, James E. Huggett, hereby certify that on this 19th day of September, 2002, I served a true and correct copy of the **Response and Objection of the City of Philadelphia to TWA Inc. Post-Confirmation Estate's Third Omnibus Objection to Claims** upon the following parties, in each case via first class, postage pre-paid United States mail.

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/s/ *James E. Huggett*
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