State of Wisconsin • **DEPARTMENT OF REVENUE**
2135 RIMROCK ROAD MADISON, WI 53713 • P.O. BOX 8901 • MADISON, WISCONSIN 53708-8901
FAX (608) 267-1037 • http://www.dor.state.wi.us

FEB 11 P 3:03

February 6, 2003

CLERK US BANKRUPTCY COURT
MARINE MIDLAND PLAZA 5TH FLOOR
824 MARKET ST
WILMINGTON DE 19801

Re: TWA INC. Post Confirmation Estate — Chapter 11 Proceeding
Case No. 01-00056 (PJW)
Hearing: March 07, 2003 at 11:00 a.m. — **Judge: The Honorable Peter J. Walsh**

This letter is in response to the TWA Inc. Post-Confirmation Estate's Seventh Substantive Omnibus Objection to Claims, dated January 27, 2003.

In support of our Request for Payment of Administrative Expenses, in the amount of $300,076.38, the following information is provided:

1. Our claim is referred to in the Objection as claim number 972800.
2. We are willing to eliminate all fees, penalties, and interest, on this claim, thereby reducing the claim from $300,076.38 to an amount of $267,699.07, which represents only the unpaid Ad Valorem Tax for the year of 2001. Attached is a copy of our notice of amount due, and letter of explanation dated November 21, 2001. We disagree with the debtor's requested relief, that this claim be reduced to an amount of $143,275.49. The debtor has not provided an explanation as to how their $143,275.49 figure was determined.
3. The debtor filed their petition under Chapter 11 of the Bankruptcy Code on January 10, 2001.
4. The debtor failed to pay the $267,699.07 tax by the final payment due date of November 13, 2001.
5. This liability is an Administrative expense per Section 503(b)(1)(B) of the Bankruptcy Code, because the tax arose after the filing of the petition on January 10, 2001. This Section 503(b)(1)(B) liability is entitled to priority treatment per Section 507(a)(1) of the Bankruptcy Code. As such, we disagree with the debtor's requested relief, that this claim be reclassified to that of a Section 507(a)(8) priority tax claim, as though the liability arose before January 10, 2001.

We respectfully request that the above information be accepted in lieu of our attendance at said Hearing. By copy of this letter to debtor's counsel, please contact me to resolve this matter. This could involve a settlement offer.

Sincerely,

Jim Polkowski, Revenue Agent
(608) 266-7879 ext. 63770, jpolkows@dor.state.wi.us
Enclosures
Cc: Attorneys Alexis N. Gabay, Bruce Grohsgal

WISCONSIN DEPARTMENT OF REVENUE
BUREAU OF UTILITY & SPECIAL TAXES
2135 Rimrock Road MS 6-97
P.O. Box 8971
Madison, Wisconsin 53708-8971

Make check payable to:
Treasurer – State of Wisconsin

MAIL TO:
State of Wisconsin – Utility Tax
Drawer Number 115
Milwaukee, WI 53293-0115

AD VALOREM ASSESSMENT FINAL TAX NOTICE

File Code: 1018

Barbara Piazza, Staff Analyst
Trans World Airlines, Inc.
11500 Ambassador Dr. – Tax Dept.
Kansas City, MO 64153

1. 2001 Tax Assessment Notice (s. 76.07(3))	**$267,699.07**
2. Less: May 2001 Installment Payment	**$0.00**
3. Net 2001 Final Payment Due or (Credit)	**$267,699.07**
4. Penalties and Interest Due (computation attached)	**$5,893.57**
5. Annual Report Late Filing Fee Due (s. 76.04)	**$0.00**
6. Total Payment Due for November 13, 2001 (add lines 3, 4, and 5)	**$273,592.64**

Note: Failure to remit your November payment will result in assessed interest at the rate of 1.5% per month (18% per annum) from the due date to the date of final payment.

APPROVING SIGNATURE

SIGNATURE	TITLE	DATE

Complete below if address correction is needed:

Company _____

Attn: _____

Street _____

City _____ State _____ Zip _____

State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF UTILITY AND SPECIAL TAXES •2135 Rimrock Road •
P.O. Box 8971 • Madison, WI 53708-8971

November 21, 2001

Barbara Piazza, Staff Analyst
Trans World Airlines, Inc.
11500 Ambassador Drive -- Tax Dept.
Kansas City, MO 64153

Dear Ms. Piazza:

Our records indicate that you failed to pay the balance due for ad valorem tax of $273,592.64 as explained in our assessment notice, a copy of which is enclosed. This amount was due on November 13, 2001, and is now delinquent, subject to interest at the rate of 1.5% per month until paid.

Section 76.14 of the Wisconsin Statutes provides that delinquent taxes, penalties, and interest constitute a lien upon all your company's property.

Assessments which are not paid by the due date are subject to a DELINQUENT TAX COLLECTION FEE to recover the cost incurred in the collection of delinquent taxes. The purpose of this fee is to have taxpayers who are subject to delinquent tax collection action pay for the costs of those actions rather than placing that burden on other taxpayers.

The fee is the greater of $35 or 6.5% of the unpaid balance of tax, interest, fees and penalty that become subject to delinquent tax collection action. The fee is imposed at the time each assessment or notice of amount due is referred for delinquent tax collection.

The DELINQUENT TAX COLLECTION FEE will note apply to amounts that are paid in full by the due dates and will not apply to tax refunds.

Unless we receive payment of $273,592.64 before December 10, 2001, we will instruct the Delinquent Tax Control Section to begin collection proceedings. In addition, the Attorney General shall proceed by action to have forfeiture of your company's rights, privileges, and franchises in this state under authority of sec. 76.14, Wisconsin Statutes.

Please make check payable to: Treasurer – State of Wisconsin.

Mail to: Wisconsin Department of Revenue – Bureau of Utility & Special Taxes
P. O. Box 8971
Madison, WI 53708-8971

Sincerely,

Jerry V. Smith, CAE
Chief, Utility Taxes Section
Division of State & Local Finance
TEL: (608) 266-8660 FAX: (608) 264-6887
jsmith11@dor.state.wi.us

JVS:bwf
Enclosures
CERTIFIED MAIL, Return Receipt Requested
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