IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
	Case Nos. 01-00056 (PJW)
TRANSWORLD AIRLINES, INC., et al.,	Jointly Administered
Debtors	Re: Docket No. 4706

OBJECTION OF AMERICAN AIRLINES, INC. AND ITS AFFILIATES TO MOTION OF ELIZABETH A.M. ROBINSON SEEKING TO COMPEL AMERICAN AIRLINES TO CONTINUE PAYING HER CERTAIN TWA WORKERS' COMPENSATION BENEFITS [Re: Docket No. 4706]

American Airlines, Inc. and its affiliates (collectively, "American") hereby file this objection (the "Objection") to the Motion to Compel American Airlines to Continue Paying Elizabeth A.M. Robinson Her TWA Workers' Compensation Benefits (the "Motion") filed by Elizabeth A. M. Robinson ("Ms. Robinson"). In support of the Objection, American states as follows:

Background to the APA

1. On January 10, 2001, the above-captioned debtors (collectively, the "Debtors" or "TWA") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101-1330 (the "Bankruptcy Code").

2. In early 2001, TWA - which had been unable to enter into a strategic transaction or obtain desperately needed financing -- was on the brink of a piecemeal liquidation that would have been disastrous for TWA and its constituents, including its nearly 20,000 employees. To avoid that calamity, on January 9, 2001, after extensive negotiations, TWA and American entered into that certain Asset Purchase

Agreement, as amended (the "APA"), whereby American agreed to purchase substantially all of TWA's assets subject to an auction and sale pursuant to section 363 of the Bankruptcy Code.

3. On February 7, 2001, the Court entered an order approving certain bidding procedures (the "Bidding Procedures") with respect to the sale of TWA's assets. The Bidding Procedures provided, among other things, that (i) competing bids, in final, written form with details, commitments and without due diligence "outs," had to be submitted to TWA by February 28, 2001, along with a $50 million good faith deposit; (ii) an auction would take place on March 5, 2001, at which time only qualified competing bids received by February 28, 2001 would be considered; and (iii) the highest and best offer as selected by TWA, in consultation with the Official Committee of Unsecured Creditors (the "Committee"), after due diligence would be presented to the Court for approval on March 9, 2001.

4. Pursuant to the Bidding Procedures, an auction was held on March 5, 2001, at which American's bid was selected as the highest and best conforming bid for TWA's assets. After three days of extensive hearings, on March 12, 2001, the Court entered an order (the "Sale Order") approving the sale of substantially all of TWA's assets to American in accordance with the terms and conditions of the APA. A copy of the Sale Order is attached hereto as Exhibit A. A copy of the APA is attached as Exhibit B to the Sale Order.

The Robinson Motion

5. Ms. Robinson was a flight attendant for TWA. On January 31, 1984, she sustained a work-related injury and began receiving benefits soon after that

date. See Declaration of Lauren Larson, attached hereto as Exhibit C (the "Larson Affidavit"). Under the collective bargaining agreement between TWA and Ms. Robinson's union, Ms. Robinson was entitled to benefits under either the worker's compensation laws of New York or the Federal Longshoremen and Harbor Worker's Act (the "Longshoremen's Act"), whichever provided the higher benefits.

6. Because the Longshoremen's Act provided higher benefits, TWA gave those benefits to Ms. Robinson. At the time, TWA's insurance carrier provided worker's compensation benefits to Ms. Robinson, and TWA made up the difference between what the insurance paid and the benefits provided under the Longshoremen's Act.

7. On March 24, 2003, Ms. Robinson filed her Motion seeking to compel American to pay Longshoremen's Act benefits to her.

American's Objection to the Motion

8. American respectfully requests that the Court deny the Motion. American assumed only specific liabilities in connection with the acquisition of substantially all of the assets of TWA. The liabilities assumed include no amounts owed under the Longshoremen's Act by TWA to Ms. Robinson.

9. Under Article III, section 3.1 of the APA, American assumed certain liabilities of TWA "and no other liabilities or obligations." In Schedule 3.1(c) of the APA, American agreed to assume "all worker's compensation obligations for all employees of TWA and the other Sellers as of the Closing Date calculated in accordance with the methods, principles, practices and policies employed in the preparation and presentation of the September Balance Sheet and with generally accepted accounting

principles consistently applied." Ms. Robinson continues to receive worker's compensation benefits from American's insurance carrier. See Larson Affidavit.

10. American has no obligation to pay Longshoremen's Act benefits to Ms. Robinson. The APA clearly defines the liabilities American did assume, and the Longshoremen's Act benefits are not among them. The only benefit arguably assumed by American is the worker's compensation benefits, which Ms. Robinson continues to receive. See Larson Affidavit.

WHEREFORE, for the foregoing reasons, American respectfully asks the Court to deny the relief requested by Ms. Robinson in the Motion.

Dated: May 5, 2003
Wilmington, Delaware

Respectfully submitted,

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