IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	§	**CASE NO. 001-00056 (PJW.)**
	§	
TWA INC. POST CONFIRMATION ESTATE,	§	
	§	
	§	
	§	**Chapter 11**
Debtors.	§	
	§	

DECLARATION OF GREG CONNON IN SUPPORT OF MOTION OF INTERNATIONAL AIR TRANSPORT ASSOCIATION FOR AN ORDER IN RESPECT OF THE TWENTIETH SUBSTANTIVE OMNIBUS OBJECTION TO CLAIMS (CLAIM OF ROYAL JORDANIAN AIRLINES)

GREG CONNON, pursuant to 28 U.S.C. Section 1746, declares as follows:

1. My name is Greg Connon. I am over the age of 18 and am duly authorized to make this Declaration.

2. I was employed by IATA as the Manager of the IATA Clearing House, an unincorporated division of IATA during the time certain of the events described herein occurred. During that time period and until my retirement from IATA in 2004, I had custody and control of the books and records of the IATA Clearing House.

3. Following its acquisition of assets from TWA Inc., TWA Airlines, LLC ("LLC"), took over TWA Inc.'s membership in the IATA Clearing House and operated a business quite similar TWA Inc.'s former operations using the IATA Clearing House alpha-numeric code "TW-015."

4. As part of its operations, LLC for several months performed under the various IATA agreements, including reporting claims and funding IATA Clearing House obligations

under the IATA Clearing House alpha-numeric code "TW-015" in respect of Royal Jordanian and other participants. However, after the initial period in which LLC had operated under the assigned IATA Agreements, LLC asserted that it had been improperly billed by the IATA Clearing House for obligations which had been incurred by TWA Inc. prior to the Closing. LLC took the position that it had improperly paid (or the TW-015 account had been improperly debited) for such obligations and began an effort to recover such payments.

5. LLC attempted to invoke IATA Clearing House procedures by rejecting or charging back claims against LLC in the TW-015 account. LLC ultimately refused to pay or honor approximately $58 million in billings in the TW-015 account, claiming LLC had either incorrectly paid or was not liable for such charges.

6. Other IATA Clearing House participants, including Royal Jordanian, invoked similar re-billing and rejection procedures, including protest procedures, to recover such amounts from LLC and to assert claims for cure costs stemming from the assumption and assignment of the IATA Agreements. After invoking the various IATA Clearing House regulations and procedures, LLC was able to retain approximately $25.6 million in funds which the other participants claimed, and the IATA Clearing House was in possession of approximately $4.4 million of protested funds (the "IATA Escrow"). Included in the IATA Escrow was approximately $266,594 which Royal Jordanian had provisionally paid to IATA in respect of TW-015, subject to a protest that it should not be remitted to LLC (the "RJ Escrow").

7. On July 20, 2001, LLC commenced Adversary Proceeding 01-4785 (the "Adversary Proceeding") in this Court against IATA, seeking payment of the IATA Escrow and other funds allegedly payable to the TW-015 account, as well as the right to retain funds which LLC had refused to pay in respect of the account.

8. On August 1, 2001, after commencement of the Adversary Proceeding, Royal Jordanian filed a Proof of Claim in the bankruptcy estate of TWA, Inc., asserting that TWA, Inc. owed Royal Jordanian $994,169.88 for "money owed and services rendered" (the "Royal Jordanian Claim").

9. In order to resolve the Adversary Proceeding, including the risks of litigation, and the plan objections, including the potential disruption to the Debtors' plan, LLC, American Airlines, IATA, the Debtors, and other parties to the Adversary Proceeding entered into a comprehensive settlement (the "Settlement").

10. The Settlement included a compromise of the parties' respective claims and a mechanism for payment, including full satisfaction of the claims of the IATA Clearing House. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit "A" and incorporated herein for all purposes.

11. The Settlement was based on a comprehensive calculation of the parties' respective claims, analyzing the billings, re-billings and protest procedures for each of the IATA Clearing House participants, including Royal Jordanian Airlines. A true and correct copy of the worksheet analysis (as it relates to Royal Jordanian only) used by the parties to the Settlement is attached hereto as Exhibit "B" and incorporated herein for all purposes (the "Analysis Excerpt"). Under the Analysis Excerpt, Royal Jordanian would have been obligated to return $75,411.19 to the IATA Clearing House.

12. Under the Settlement, IATA elected so-called Option 2, which provided payment in full of certain agreed-upon calculations of its claims, as more particularly set forth in the analysis of IATA-related claims. Under Option 2, the Debtors (and later, the TWA Inc. Post-Confirmation Estate) were obligated to pay IATA approximately $5.857 million and IATA was

entitled to retain the IATA Escrow, all of such funds to be used by IATA for satisfaction of the agreed-upon calculation of the IATA-related claims under the spreadsheet.

13. Following the Settlement, IATA and TWA Inc. (and later the TWA Inc. Post-Confirmation Estate) worked to resolve the Unresolved Claims, including the Royal Jordanian Claim. On January 7, 2004, the TWA Inc. Post-Confirmation Estate and IATA entered into an Agreement in Aid of Settlement. A true and correct copy of the Agreement in Aid of Settlement is attached hereto as Exhibit "C" and incorporated herein for all purposes.

14. The Royal Jordanian Claim consists of items under IATA Agreements relating to (a) cargo billing for January through April 2001, (b) passenger billing for January through April 2001, (c) rebilling of amounts rejected by LLC, (d) a claim for alleged "undercutting" of Royal Jordanian online fares while Royal Jordanian and TWA Inc. were parties to a code share agreement; and (e) a so-called "normal" interline dispute. It is unclear whether category (d) represents a claim recoverable through the IATA Clearing House or under the IATA Agreements.

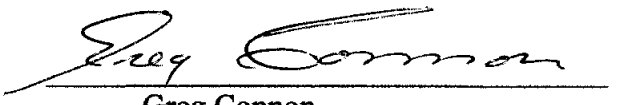
15. The attachment in support of the Royal Jordanian Claim clearly reflects cargo and passenger billings ***in favor of Royal Jordanian against TWA Inc.*** (totaling $261,892.29), as well as cargo and passenger billings ***in favor of TWA Inc. against Royal Jordanian*** (totaling $356,166.28), however instead of offsetting the respective billings, the Royal Jordanian Claim ***adds the two amounts.*** Thus instead of a correctly calculated net credit in favor of TWA Inc. in the amount of $94,273.99 (i.e, $356,166.28 minus $261,892.29) for cargo and passenger billings, the Royal Jordanian Claim incorrectly seeks a recovery from TWA, Inc. of $618,058.57 ($356,166.28 ***plus*** $261,892.29). ***The Royal Jordanian Claim is thus overstated by $712,332.56.*** The corrected amount is $281,837.32. Of such amount, Royal Jordanian already

has been paid under the terms of the Settlement, the sum of $266,594 (less certain costs), leaving $15,242.32 in controversy.

16. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on April 26, 2005.

Respectfully submitted,



Greg Connon