



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

Office of the Chief Counsel

VIA FAX: 212-668-2255

Office of the United States Trustee
for the Southern District of New York
ATTN: Brian S. Masumoto, Esq.
33 Whitehall Street, 21st Floor
New York, NY 10004

Re: *AMR Corporation, et. al.* Case No. 11-15463 (SHL)
Chapter 11 (Jointly Administered)

Dear Mr. Masumoto:

We request the appointment of the Pension Benefit Guaranty Corporation (“PBGC”) to the official committee of unsecured creditors (“Creditors Committee”) in the above-referenced jointly administered proceedings. Enclosed is a completed Creditors’ Committee Application Form.

PBGC is a United States government agency that administers the nation’s pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974, *as amended*, 29 U.S.C. §§ 1301-1461. When an underfunded pension plan is terminated, PBGC typically becomes trustee of the plan and, subject to certain statutory limitations, pays the plan participants and their beneficiaries guaranteed benefits from its insurance funds. Upon termination, the employer that sponsors the pension plan and each member of its “controlled group” become liable to PBGC for the plan’s unfunded benefit liabilities — the amount by which the plan’s liabilities exceed its assets. Controlled group includes certain parent-subsidary and brother-sister businesses.

American Airlines, Inc., a direct subsidiary of AMR Corporation (“AMR”) and a Debtor in the jointly administered cases, sponsors four (4) qualified pension plans covered by PBGC’s insurance program (individually the “Plan” and collectively the “Plans”). Approximately 128,000 employees and former employees of the Debtors participate in the Plans. PBGC’s most recent estimate is that the total underfunding on a termination basis of these four Plans exceeds \$10 billion. Although PBGC was omitted from AMR Corporation’s list of its 50 largest creditors, based on that list and PBGC’s current estimate, it appears that PBGC’s underfunding claim is the largest single unsecured claim in these proceedings. Section 1102(b)(1) of the

Bankruptcy Code specifically states that the committee of creditors “ordinarily” consists of the holders of the seven largest claims against the debtor.

In a bankruptcy proceeding, PBGC has certain claims against an employer that maintains an underfunded pension plan and all other businesses under “common control” with that employer. PBGC will therefore file contingent claims for the underfunding of the Plans. In addition, PBGC may have additional claims to the extent minimum funding contributions and Title IV premiums are not paid during the bankruptcy.

American Airlines, Inc, and all of its controlled group members, including AMR, are jointly and severally liable for these liabilities under ERISA and the Internal Revenue Code. *See* 29 U.S.C. §§ 1307, 1362; 26 U.S.C. § 430. Because of these liabilities, PBGC has a strong interest in the fiscal integrity of the Debtors.

Given these facts, it would be appropriate for PBGC to serve on the Creditors’ Committee and do its part to assist the Debtors in successfully reorganizing. The Bankruptcy Code specifically allows PBGC to be a member of a creditors’ committee. *See* 11 U.S.C. §§ 101(41)(B), 1102(b). PBGC has participated as a productive member of creditors’ committees in dozens of cases, including numerous bankruptcies in this district. The cases in this district include Northwest Airlines Corporation, Delta Airlines, General Motors, Chrysler, Star Tribune Holdings Corporation, Lenox Sales, Inc., Quebecor World (USA), Inc., Reliance Group, Solutia, Inc., Durango Apparel, Inc., New York United Hospital, St. Vincent’s Hospital, New York Racing Association, Tower Automotive, and Bethlehem Steel Corporation, as well as Delphi Corporation, in which PBGC served as an *ex-officio* committee member.

PBGC brings to a Creditors’ Committee a wealth of knowledge forged from its participation in hundreds of bankruptcy cases every year. And PBGC has specialized knowledge in the areas of employee benefits, labor, administrative law, and taxation, which has proven very useful in other bankruptcy cases and should likewise be so here. The potential impact of PBGC’s claims on AMR’s reorganization demonstrates a need for PBGC to be closely involved with these jointly administered bankruptcy proceedings.

PBGC would bring depth of experience to the Creditors’ Committee regardless of the Debtors’ intentions regarding its Plans. For example, in the United Airlines case, PBGC was placed on the committee despite the airline’s stated view at the start of its bankruptcy that it intended to continue its pension plans. However, due to changing circumstances during the course of the bankruptcy, four of the plans terminated, with PBGC assuming approximately \$10 billion in underfunding. In Solutia, New York Racing Association, and Star Tribune, PBGC served as a member of the creditors committee throughout the reorganization proceedings even though all of these reorganized debtors continued their pension plans.

For the foregoing reasons, we respectfully request that PBGC be appointed to the Creditors’ Committee. If you have any questions or need additional information, please contact

one of the PBGC attorneys assigned to this case at 202-326-4020. The names and extensions of PBGC's attorneys are: Kartar Khalsa (x 6350), Stephanie Thomas (x 3457), Nathaniel Rayle (x 3886), Kimberly Neureiter (x 3581), and Desirée Amador (x 3625). Our facsimile number is 202-326-4112.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Israel Goldowitz', with a long, sweeping horizontal flourish extending to the right.

Israel Goldowitz
Chief Counsel

Enclosure

cc: Robert Bacon

BSM

**OFFICE OF THE UNITED STATES TRUSTEE
FOR THE SOUTHERN DISTRICT OF NEW YORK
33 Whitehall Street, 21st Floor
New York, New York 10004
Tel. No. (212) 510-0500
Fax No. (212) 668-2255**

QUESTIONNAIRE FOR OFFICIAL COMMITTEE OF UNSECURED CREDITORS

AMR, et al., Case No. 11-15463 (SHL)

Please Type or Print Clearly.

I am willing to serve on a Committee of Unsecured Creditors. Yes (X) No ()

A. Unsecured Creditor's Name and Contact Information:

Name: Pension Benefit Guaranty Corporation Phone: (202) 326-4070, ext. 6367
Address: 1200 K Street, N.W. Fax: (202) 842-2643
Washington, DC 20005-4026 E-mail: kelly.suzanne@pbgc.gov
Attention: Suzanne Kelly, Senior Financial Analyst

B. Counsel (If Any) for Creditor and Contact Information:

Karen L. Morris, Kartar Khalsa, Stephanie Thomas
Name: Nathaniel Rayle, Kimberly E. Neureiter, & Desiree Amador Phone: (202) 326-4020, ext. 3581
Address: Pension Benefit Guaranty Corporation Fax: (202) 326-4112
1200 K Street, N.W. E-mail: Neureiter.Kimberly@pbgc.gov
Washington, DC 20005-4026

C. Amount of Unsecured Claim (U.S. \$) \$10.2 billion (est.)

D. If your claim is against more than one debtor, list all debtors: All of the jointly administered Debtors

E. Describe the nature of your claim(s), i.e., whether arising from goods or services provided; loans made; litigation; etc., including whether any portion is secured. If any portion of the claim(s) arise from litigation, please state the nature of the claim, the case number and jurisdiction (if applicable) and the status.

Statutory claims for unfunded benefit liabilities, unpaid minimum funding contributions, unpaid statutory premiums, and shortfall and waiver charges owed with respect to Debtors' four defined benefit pension plans. See ERISA, 29 U.S.C. §§ 1307, 1362, 1362(c), and Internal Revenue Code, 26 U.S.C. §§ 412, 430.

F. Amount of Unsecured Claim entitled to 11 U.S.C. §503(b) treatment as an administrative expense:
Unliquidated.

G. Representations:

1. Are you or the company you represent in any way: "affiliated" with any of the debtors within the meaning of Section 101(2) of the Bankruptcy Code, a shareholder of, or related to the debtor(s)?
Yes () No (X) If a shareholder, state the number of shares: _____

2. Do you, or the company you represent, engage in a business which directly or indirectly competes with any of the businesses of the debtor(s)? Yes () No (X)

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3. Have you ever been or are you an officer, director, agent, representative or employee of the debtor(s)? Yes () No (X) Does your claim arise from this relationship? Yes () No ()
4. Did you acquire any portion of your unsecured claim after the bankruptcy filing? Yes () No (X) If so, set forth the date(s) acquired, the amount paid and the face amount of the claim: _____
5. Have you made a UCC §2-702 reclamation claim? Yes () No (X)
6. Have you or your attorney entered into a settlement agreement with the debtor regarding resolution of your claim? Yes () No (X)
7. Do you have a claim against any entity affiliated with the debtor? Yes (X) No ()
State the name of the entity and the nature and amount of the claims: PBGC believes that all Debtors in this jointly-administered case that are members of the Debtors' controlled group, as defined under 29 U.S.C. § 1301(a)(14), are jointly and severally liable for the claims identified in question E above.
8. Do you or any affiliated entities have any other claims against and/or debt or equity securities of the debtor(s)? Yes () No (X)
- A. Do you or any affiliated entities have any financial arrangement, including, but not limited to, insurance, that may affect the value of your claim(s) against or interest(s) in the debtor(s)? Yes () No (X)

Description of Claims, Debt And/or Equity Securities/Other Financial Arrangement	Amount

9. If you are represented by counsel, does your attorney represent any other parties in this bankruptcy case? Yes () No (X) I do not know ()
10. If you have given a proxy to a third party either to represent you at the creditors' committee formation meeting, or in connection with your claim, please attach a copy of the written proxy.
- I. Are you a debtor in any currently-pending bankruptcy case? Yes () No (X)
- J. Please state what percentage of your annual sales is comprised of sales to the debtors. n/a percent

You may attach a written statement to explain or respond to any responses.

BSM

If you are appointed to the Official Committee of Unsecured Creditors, the United States Trustee may require periodic certifications of your claims while the bankruptcy case is pending. Creditors wishing to serve as fiduciaries on an official committee are advised that they may not purchase, sell or otherwise trade in or transfer claims against the debtor while they are committee members absent an order of the court on application of the creditor.

I hereby certify that, to the best of my knowledge and belief, the answers to this Questionnaire are true and correct. By executing this questionnaire, you agree to provide the periodic certifications referenced in the prior paragraph to the United States Trustee if the United States Trustee so requests.

Date: December 1, 2011



Signature

Robert Bacon

Print Name

Acting Director, Department of Insurance Supervision & Compliance

Title

Note: This is not a Proof of Claim form. Proofs of Claim are filed with the Clerk of the Bankruptcy Court, not with the United States Trustee.