

LOWENSTEIN SANDLER PC

Sharon L. Levine
S. Jason Teele
Nicole Stefanelli
Tania Ingman
1251 Avenue of the Americas, 18th Floor
New York, New York 10020
(212) 262-6700 (Telephone)
(212) 262-7402 (Facsimile)

Attorneys for the Transport Workers Union of America, AFL-CIO

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

AMR CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 11-15463 (SHL)

(Jointly Administered)

**OBJECTION OF THE TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO
TO THE APPLICATION OF DEBTOR AMERICAN EAGLE AIRLINES, INC. FOR
ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
BAIN & COMPANY, INC. AS STRATEGIC CONSULTANTS NUNC PRO TUNC TO
DECEMBER 14, 2011**

The Transport Workers Union of America, AFL-CIO (the “**TWU**”), a creditor and party in interest in the chapter 11 bankruptcy cases of the above-captioned debtors and debtors-in-possession (the “**Debtors**”), submits this objection (the “**Objection**”) to the *Application of American Eagle Airlines, Inc. for Entry of an Order Authorizing the Retention and Employment of Bain & Company, Inc. as Strategic Consultants Nunc Pro Tunc to December 14, 2011* (the “**Application**”). In support of this Objection, the TWU respectfully represents as follows:

BACKGROUND

1. On November 29, 2011 (the “**Commencement Date**”), the Debtors each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

2. The Debtors have been authorized to remain in possession of their property and to continue in operation and management of their businesses as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No trustee or examiner has been appointed in the Debtors’ bankruptcy cases.

4. The TWU is the largest bargaining unit at American Airlines and American Eagle, representing approximately 24,000 of the Debtors’ employees. TWU-represented employees are responsible for several significant job classifications, including: fleet service, aircraft and facilities/automotive mechanics, stores, dispatch, flight school instructors, simulator technicians, and, maintenance control technicians. The Debtors and TWU are parties to a total of 11 collective bargaining agreements that define the respective rights of the Debtors and TWU-represented employees, including, without limitation, pay, working conditions and benefits payable to TWU-represented employees.

PRELIMINARY STATEMENT

5. Debtor American Eagle Airlines, Inc. (“**Eagle**”) is seeking to retain Bain & Company (“**Bain**”) among other numerous and overlapping layers of professionals, some of whom are entirely unnecessary and all of whom the Debtors propose to retain at a significant and unreasonable expense to the Debtor’s estate. Certain of the other Debtors in these cases propose the concurrent retention of at least three law-firms and three investment banks and financial advisors. More troubling is that four of the proposed professionals, including Bain, are retained for the singular goal of extracting concessions from the Debtors’ rank and file employees, current and retired, who have dedicated their careers to the service of the Debtors. Bain is the consulting arm of Bain Capital, where “[l]ike. . . all the businesses Bain [Capital] invest[s] in, the

primary goal with these companies [isn't] job creation but making them more profitable and valuable. This mean[s] embracing aspects of capitalism that have unsettled some Americans: laying off workers when necessary, expanding overseas to chase profits and paying top executives significantly more than employees on lower rungs." *Mitt Romney, Bain Capital and the Gospel of 'Creative Destruction,'* Washington Post, January 11, 2012, available at www.washingtonpost.com.

6. To add insult to injury, the Debtors propose to pay their numerous professionals with the money generated from TWU member sacrifices. The Debtors propose to encumber their estates with millions of dollars of administrative expenses without any showing of concomitant value to the estates or the creditors. The relief this Debtor requests is markedly unreasonable, contrary to the law and spirit of the Bankruptcy Code and should not be countenanced.

OBJECTIONS

7. The TWU opposes the Debtor's retention of Bain as unnecessary and duplicative of other retained professionals.

8. The Debtor proposes a fee structure that is blatantly excessive and unfair. Debtor Eagle proposes to pay Bain \$525,000 per month (the "**Monthly Fee**"), excessive for any of the proposed services, and ludicrous in advance of the delivery of any services. There should be a reduction in such Monthly Fees, there should only be a fee if any services are actually required and the fee should be tied to the level of services provided. Further there should be an end date.

9. Moreover, all payments from the estate should be subject to reasonableness review at the conclusion of these cases pursuant to section 330 of the Bankruptcy Code.

WHEREFORE, the TWU respectfully requests that the Application should be denied or modified.

Dated: January 20, 2012

LOWENSTEIN SANDLER PC

By: /s/ Sharon L. Levine

Sharon L. Levine

S. Jason Teele

Nicole Stefanelli

Tania Ingman

1251 Avenue of the Americas, 18th Floor

New York, New York 10020

(212) 262-6700 (Telephone)

(212) 262-7402 (Facsimile)

*Attorneys for the Transport Workers Union of
America, AFL-CIO*