KRAMER LEVIN NAFTALIS & FRANKEL LLP
Amy Caton
David E. Blabey, Jr.
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000

EMMET, MARVIN & MARTIN, LLP
Edward P. Zujkowski
Mordecai Geisler
120 Broadway
32nd Floor
New York, NY 10271
Telephone: (212) 238-3000
Facsimile: (212) 238-3100

Attorneys for The Bank of New York Mellon Trust Company, N.A., as Indenture Trustee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
AMR CORPORATION, *et al.*,	:	Case No. 11-15463 (SHL)
	:	
Debtors.	:	(Jointly Administered)
	:	

STATEMENT OF THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS INDENTURE TRUSTEE, IN SUPPORT OF THE JOINT MOTION OF MANUFACTURERS AND TRADERS TRUST COMPANY, AS INDENTURE TRUSTEE, AND MARATHON ASSET MANAGEMENT, LP, FOR ENTRY OF AN ORDER ESTABLISHING PRELIMINARY ADJUDICATION PROCEDURES FOR SPECIAL FACILITIES REVENUE BOND GUARANTY CLAIMS

TO: THE HONORABLE SEAN H. LANE,
UNITED STATES BANKRUPTCY JUDGE:

The Bank of New York Mellon Trust Company, N.A., as Indenture Trustee ("**BNY Mellon**") for certain airport revenue bonds (as described in more detail below, the

"**Bonds**") hereby files this statement in support of the Joint Motion of Manufacturers and Traders Trust Company, as Indenture Trustee, and Marathon Asset Management, LP, for Entry of an Order Establishing Preliminary Adjudication Procedures for Special Facilities Revenue Bond Guaranty Claims, filed on August 31, 2012 [Dkt. No. 4275] (the "**Motion**"). In support of the Motion, BNY Mellon respectfully represents as follows:[1]

1. BNY Mellon is indenture trustee for approximately $2.3 billion in principal amount of airport revenue bonds issued in connection with the financing of certain projects involving various airport facilities at which the Debtors conduct operations, including John F. Kennedy International Airport, Los Angeles International Airport, Tulsa International Airport, Chicago O'Hare International Airport, and Newark Liberty International Airport. The Bonds are primary obligations of American Airlines, Inc. ("**American**") and, in some cases, have been guaranteed by either or both of American and its parent, AMR Corp. ("**AMR**"). In aggregate, BNY Mellon has filed guarantee claims against American totaling not less than $1,631,208,610.00 and guarantee claims against AMR totaling not less than $1,801,965,961.75.[2] The guaranty claims against AMR are entirely uncontroversial and, to BNY Mellon's knowledge, no party has questioned their validity. The guaranty claims against American are likewise valid and enforceable, *see, e.g., In re Delta Air Lines, Inc.,* 608 F.3d 139 (2d Cir. 2010), but it has nevertheless been suggested that certain parties may seek to challenge them as "duplicative" of the primary claims against American.

2. To the extent that the Debtors or the Committee intend to challenge the validity of the guarantee claims asserted against American, they should be required to do so in

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

[2] These figures do not include guarantee claims filed by the Guaranty Trustee, BOKF, N.A., with respect to the Tulsa Bonds for which BNY Mellon serves as Indenture Trustee.

advance of solicitation of a chapter 11 plan. Given the size of the guarantee claims filed against American by BNY Mellon, M&T and similarly-situated parties, the outcome of the claims allowance process could have a material impact on creditor recoveries. It seems unlikely that a disclosure statement could provide "adequate information" without attempting to quantify the value of these claims.

3. BNY Mellon appreciates that the Debtors and the Committee have been focused on other pressing matters in these chapter 11 cases. The importance of these other matters, however, should not serve to diminish the significance of the guaranty claims as well, which total well in excess of a billion dollars from BNY Mellon alone. Importantly, the M&T motion does not seek to litigate these issues immediately, but merely to tee them up for litigation on a yet-to-be-determined schedule.[3] The Motion, in fact, contemplates a process under which all interested parties will work together to work out an appropriate scheduling order. Given the limited scope of the relief requested – a gentle nudge, essentially, in the right direction – the Motion appears to be properly crafted to protect and advance the interests of all parties. After all, as both the Debtors and Committee seemingly acknowledge, it is most efficient to litigate the common legal issues concerning the American guarantee claims in a coordinated and consolidated fashion.

[3] The Debtors and Committee would be required to object to claims by October 19, but this is hardly an imposing task as they need not fully brief the objections by that date. The failure of the Debtors and Committee to identify a guaranty claim does not appear to be prejudicial to the Debtors and Committee, moreover, because parties who feel that their claims have been mistakenly omitted from the list of claims objected to have the opportunity to seek to be included. The procedures, in other words, protect the right of a claimant to be included in the briefing of common issues, but say nothing that would foreclose the Debtors or Committee from objecting to a claim at a later date to the extent it is overlooked.

WHEREFORE, BNY Mellon respectfully requests that the Court enter an order approving the Motion and granting such other and further relief as may be just and proper.

Dated: New York, New York
September 17, 2012

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By: /s/ Amy Caton
Amy Caton
David E. Blabey, Jr.
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000

-AND-

EMMET, MARVIN & MARTIN, LLP
Edward P. Zujkowski
Mordecai Geisler
120 Broadway
32nd Floor
New York, NY 10271
Telephone: (212) 238-3000
Facsimile: (212) 238-3100

Attorneys for The Bank of New York Mellon Trust Company, N.A., as Indenture Trustee