

LETTER OF AGREEMENT

Between

DELTA AIR LINES, INC.

and the Air Line Pilots in the service of

DELTA AIR LINES, INC.

as represented by the

AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

DECEMBER 2005 INTERIM AGREEMENT

This LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by Delta Air Lines, Inc. (“the Company”) and the Air Line Pilots Association, International (“the Association”).

The Company and the Association are parties to a collective bargaining agreement setting forth the rates of pay, rules and working conditions for the Company’s pilots signed November 11, 2004 (“Pilot Working Agreement” or “PWA”).

NOW THEREFORE, the parties agree to this interim modification of the PWA as follows:

1.

Composite Hourly Rate Reduction

The composite hourly rates set forth in *Section 3 B.* of the PWA will be reduced by 14% effective December 15, 2005.

2.

Night Pay and International Pay

The provisions regarding night pay in *Sections 3 A. 9.* and *3 D.* and throughout the PWA will be eliminated effective December 15, 2005. International pay in *Section 3 C.* and throughout the PWA will be \$5 for Captains and \$3 for First Officers effective December 15, 2005.

3.

Per Diem

Effective December 15, 2005, amend *Sections 5 B. 1.* and *2.* to read:

1. Domestic per diem: \$1.85
2. International per diem: \$2.40

4.

Miscellaneous

a. Effective January 1, 2006 amend *Section 24 L. 2.* to add a note:

Note: The Company may charge a yearly pass usage fee that will be the same charge as for other employees, but will not exceed \$50 per year per primary pass rider.

b. Effective December 15, 2005, add an Exception to *Section 9 B. 2.* to read:

Exception: In the event such rotation is removed from open time within 96 hours of report time for such rotation, the pilot(s) who would otherwise have performed such flying will not receive pay protection.

c. Effective December 15, 2005, amend *Section 12 A. 19. b. 1)* to add an exception to read:

Exception: Flight segments to/from Hawaii will have a 60 minute report.

5.

Post-Retirement Pilots

The Tentative Agreement regarding LOA #49 between the Company and the Association dated November 11, 2005, will become effective as of December 15, 2005.

6.

Membership Ratification; Bankruptcy Court Proceedings

A. The Negotiating Committee agrees that it will actively support ratification of the Letter of Agreement by the MEC and by the pilots. The MEC Chairman agrees that he will 1) represent to the members that the relief provided by this Letter of Agreement is important to give the parties the opportunity to reach a comprehensive agreement on changes to the PWA in a timely manner; and, 2) actively support ratification of this Letter of Agreement by the pilots by 5 p.m. Eastern time on December 23, 2005 if possible, but no later than 5 p.m. Eastern time on December 28, 2005.

B. If this Letter of Agreement is ratified by the MEC by 5:00 p.m. Eastern time on December 11, 2005, the Association and the Company will jointly request the Bankruptcy Court to suspend

the hearing on the Company's section 1113 motion and will consent to extend the December 16, 2005 statutory date for a court decision on that motion, subject to resuming the hearing the week of January 2, 2006, and establishing a new statutory date of seven days after the hearing resumes, but not later than January 13, 2006, for a Court decision on the section 1113 motion pursuant to Paragraph 6. C. of this LOA.

- C. If this Letter of Agreement is not ratified by the pilots by 5 p.m. Eastern time on December 23, 2005, or December 28, 2005 as applicable, the Association and the Company will jointly ask the Court to resume the hearing on the section 1113 motion the week of January 2, 2006 or as soon thereafter as the Court's schedule permits, with a decision date of seven days after the hearing resumes, but not later than January 13, 2006, for a Court decision on the section 1113 motion.
- D. If this Letter of Agreement is ratified by the MEC and the pilots by the times set out in Paragraphs 6. A. and 6. B., the Association and the Company agree to fully commit their resources and representatives to seek to reach a comprehensive agreement. The Company and the Association agree that in those comprehensive negotiations they will seek to reach agreement on the terms and conditions that would be implemented if the pilot defined benefit pension plan is terminated. The Company and the Association agree that in those comprehensive negotiations they will seek to reach agreement regarding profit sharing and the sharing of equity when the Company reorganizes. In such equity discussion, the parties will acknowledge the December 2004 pilot cost reductions. The time limits for reaching a comprehensive agreement are as follows: (i) tentative agreement by the negotiating committees by 5:00 p.m. Eastern time on March 1, 2006; (ii) ratification by the MEC by 5:00 p.m. Eastern time on March 8, 2006; and (iii) ratification by the pilots by 5:00 p.m. Eastern time on March 22, 2006.
- E. Subsequent to the MEC ratification contemplated by paragraph B. hereto, the parties will jointly request entry of an order by the Bankruptcy Court that provides that if a comprehensive agreement on permanent changes to the PWA is not reached and ratified by the respective times set out in Paragraph 6. D., the Association and the Company will promptly proceed to submit the matter at issue in the Company's section 1113 motion to binding decision by a third party neutral panel, under the following terms and conditions:
 - (1) The third party neutral panel will be Frederick Horowitz, Robert Harris and Richard Bloch;
 - (2) The legal standards governing the third party neutral panel's decision will be the standards of section 1113 of the U.S. Bankruptcy Code, as applied by the U.S. Court of Appeals for the Second Circuit, including the requirement that the third party neutral panel's decision be limited to granting or denying the Company's section 1113 motion;
 - (3) Neither the Company nor the Creditors' Committee will assert that the Bankruptcy Protection Letter ("BPL"), as part of the pre-petition PWA, is itself rejectable under section 1113 of the Bankruptcy Code and therefore unenforceable. Except as provided in the prior sentence, the Company and the Association each will retain the right to assert that the interpretation of the BPL by the third party neutral panel must or must not be consistent with other laws, including, without limitation, section 1113 and other provisions of the United States Bankruptcy Code;

- (4) The third party neutral panel's decision will be final and binding, subject to appeal only on the grounds on which third party neutral's (arbitrator's) decisions are subject to appeal under federal law generally;
- (5) The proceedings before the third party neutral panel must commence within seven days after the failure to meet any of the applicable time limits set out in Paragraph 6. D., or as soon thereafter as the third party neutral panel is available;
- (6) The third party neutral panel's decision must be issued within 45 days after the failure to meet the applicable time limit set out in Paragraph 6. D.;
- (7) The Company and the Association will bear equally the third party neutral panel's fees and related costs;
- (8) If both parties request, the third party neutral panel will assist the parties in the comprehensive negotiations;
- (9) If the decision of the third party neutral panel is to authorize rejection of the PWA, the third party neutral panel will also determine the amount, if any, of the Association's pre-petition rejection damage claim for the purposes of the chapter 11 proceeding;
- (10) The sole parties to the third party neutral panel proceeding will be the Company and the Association; and
- (11) Such other governing procedures as the parties may agree upon or as the third party neutrals may establish;
- (12) The Association's members will have the same attendance rights at the third party neutral panel's hearing as they would in court (subject to room capacity).

- F. This interim agreement will not be cited by either party as evidence of the Association's appropriate share of labor cost savings in connection with the comprehensive negotiations or section 1113 proceedings or proceedings before the third party neutral panel.
- G. The parties will have the same rights following a rejection decision by the third party neutral panel as following a rejection decision by the bankruptcy court, except that appeal rights will be limited to those set forth in paragraph 6. E. (4) of this Letter of Agreement. The Association members will have the same voting rights with respect to a comprehensive agreement as they do at present, whether the comprehensive agreement is reached before or after a rejection decision.

7.

Non-Assumption

Nothing in this Letter of Agreement will constitute or be deemed to be an assumption of the PWA by the Company, and except as expressly provided herein, the Company and the Association will retain all rights available to them under Chapter 11 of the Bankruptcy Code or otherwise.

Effective Date and Duration

Once ratified, this Letter of Agreement will be effective as of December 15, 2005 and will continue in full force and effect until a comprehensive agreement on permanent changes to the PWA is reached or the third party neutral panel issues its final order on the merits of the Section 1113 Motion. In the event that this Letter of Agreement is not ratified in accordance with the time frames set forth above, then this Letter of Agreement will be null and void and of no further force or effect, except as to Paragraphs 6. B., 6. C., and 6. F.

IN WITNESS WHEREOF, the parties hereto have signed this December 2005 Interim Letter of Agreement this ____ day of December 2005.

FOR THE COMPANY

FOR THE ASSOCIATION

By: _____
Scott A. Kruse
Senior Legal Advisor

By: _____
Captain Duane E. Woerth
President

WITNESS

WITNESS

By: _____
Geraldine P. Carolan
Vice President — Labor Relations

By: _____
Captain Lee Moak
Chairman, Delta MEC

By: _____
David Watson
Director — Pilot Resources &
Scheduling

By: _____
Captain Tim O'Malley
Chairman, MEC Negotiating Committee

By: _____
Captain Randy Worrall
MEC Negotiating Committee

By: _____
Captain Rick Dominguez
MEC Negotiating Committee

