

and retired employees rely on their life insurance and survivor income benefits to provide for those they love. Many of those people now have pre-existing conditions that make replacement insurance unavailable.

Trust helped build Delta and our Trust must be protected

Delta's aircraft have always been kept aloft by more than just moving air. Our airline was built by thousands of employees who gave their whole working lives to make Delta a great airline. And we did it without the contentious non-pilot union-versus-management fighting that hampered so many of our competitors. But we could only do that because we trusted Delta's leaders and counted on them to do the right thing by us in the end. Now Delta's lawyers are arguing that since the Trust (and our trust) was not protected by a union contract, the Trust means nothing.

Delta faces serious financial difficulties. But if you cannot keep your commitments to your own people when they most need it, you will have destroyed the airline in the name of saving it. We urge you to live up to the commitment Delta Air Lines has made to the people that have provided the "Gift" of a non-union environment at Delta for more than 75 years in return for the trust, respect and fair treatment during both the good times and the bad.

Stop the improper withdrawals and replace funds diverted from the Disability and Survivorship Trust.

Paid for by the DALRC (Delta Air Lines Retirement Committee)

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An Open Letter to the Leaders of Delta Air Lines To Stop Their Improper Withdrawals from the Delta Disability and Survivorship Trust.

Many hundreds of disabled active and retired Delta employees, widows and widowers live primarily on their Delta disability and survivor income benefits. Thousands of other Delta people, both active and retired, rely on life insurance policies provided by the Disability and Survivorship Trust. For over three decades, under many different management teams, these benefits have been protected from the previous deep and painful cost cuts at our airline, because they are so critical to those who have already earned them.

Delta set up the separate Disability and Survivorship Trust to pay just these three things: **disability, survivor income, and life insurance benefits.**

Delta's actuaries concluded at the end of 2000 that the **Trust assets could pay those benefits for the lifetime of all the existing beneficiaries.**

In the first week of its bankruptcy, Delta represented in writing to the Bankruptcy Court and to its creditors that this Trust was still "fully funded." That was completely inaccurate and misleading. Delta had by then improperly diverted without legal authorization tens of millions of dollars from the Trust to pay other company expenses.

The Trust is now over \$100 million dollars short of being able to pay its legitimate obligations to Delta people.

How did this happen?

During the same period of time that Leo Mullin and his leadership team set up Supplemental Executive Retirement Plans ("SERPS") for themselves and funded them with money from the Delta general fund, they amended the Trust to pay severance payments for only a five month period.

After that time, Delta paid tens of millions of dollars of employee severance from the Trust, even though the Trust Agreement expressly prohibited those payments. Delta continues today to pay those expenses from the Trust. And then, two days before its bankruptcy filing, Delta also "amended and restated" the Disability and Survivorship Plan to authorize, retroactively for almost two years, its removal of many more tens of millions of dollars for employee sick leave.

As recently as December 2005, a member of Delta's current leadership team referred to the Disability and Survivorship Trust as simply a "slush fund," and Delta's lawyers have described it merely as a tax shelter that can be used for almost any Delta benefit related expense.

That isn't true. Delta must follow its own agreements, and bankruptcy law provides special protections for disability, life insurance, and survivor benefits funded by the Trust.

But just as important, it isn't right.

As Delta has conceded, the assets in the Trust are not Delta's property to do with as it pleases. Delta set them aside in the Trust (taking the tax deduction in better times) which protected the disabled and survivors from what has happened: a Delta bankruptcy filing and pressure to deplete those funds. The disabled and the widowed don't have a choice to start over somewhere else. Thousands of Delta active