



Our Mission Statement

To work to preserve the earned pensions, health insurance and other benefits paid by Delta Air Lines to retired Delta pilots, their dependants and survivors.

www.dp3.org

March 2, 2008

A letter from the Chairman

Dear DP3 member;

It has been a while since I have written to you as the Chairman of DP3. In this letter I will cover a number of topics that I hope you will find both timely and helpful in answering some of the questions you have raised recently through your emails and phone calls.

DP3 Annual Trustee Election

In accordance with the DP3 Bylaws, the DP3 Nominating Committee is now accepting nominations to fill three expiring Trustee positions that will be voted upon by the membership during the DP3 annual election in May and June.

Nominations will close March 26, 2008.

There are three positions open for the three-year term beginning July 1, 2008. The terms of three Trustees expire in June: Bill Wirth, Don Mairose and Tom Seever. Bill Wirth and Tom Seever will seek new terms; Don Mairose has chosen not to run again.

The Nominating Committee will publish a slate of up to six candidates for the three open positions by April 15, 2008. (This slate of six will include the names of the two Trustees seeking re-election.)

Nominees eligible to be on the ballot for election as a DP3 Trustee must, (a) be at least eighteen years of age, (b) must have affirmatively

consented to the nomination, and (c) must be a member in good standing as defined in section 2.2 of the DP3 Bylaws.

The members of the Nominating Committee are: John Mills, mills@dp3.org; Jeff Pickett, pickett@dp3.org; and Roger Ross; ross@dp3.org.

All nominations should be e-mailed directly to a member of the Nominating Committee using the email addresses above, through the DP3 web site at www.dp3.org or by U.S. Mail to:

DP3, Inc. PO Box 76362 Atlanta, GA 30358

PBGC matters

As you know, we are still about two years away from the PBGC's final benefit determination on our qualified annuities. In the meantime, DP3's counsel is in regular contact with the PBGC on the resolution of a number of critical issues, including among others, the valuation of our pension trust, the value of the PBGC claims, questions about the applicability and scope of the 5-year lookback, recovery distribution ratios, procedures for calculating PC4 and PC5 benefits.

We will be meeting with representatives of the PBGC again in March and we will post new information as it becomes available.

The PBGC mailed letters on Feb. 22 to approximately 350 retired pilots who have a retro payment in excess of \$5000 but have not yet returned to the PBGC a form designating whether or not they prefer a lump sum payment. Those letters should be arriving this week. A copy of the letter and more information may be found on the web site and in the DP3 BLOG.

If you have any questions or need assistance, please call the PBGC Customer Contact Center at 1-800-400-7242.

Final unsecured claim distribution

We have been asked what effect a merger might have on the retired pilots' share of the remaining 110,000,000 shares of stock set aside for the final resolution of unsecured claims. First, all such unsecured debt obligations remain in force through any merger or acquisition and remain under the authority of the Bankruptcy Court.

Second, the earliest date for any further distribution of unsecured claim stock is May 2008, and it could be many months later-possibly even next year-depending on the resolution of pending litigation and appeals by unsecured creditors with unresolved and unallowed claims against the 110 million outstanding shares of stock.

Note that both United and USAirways are still litigating with creditors over final unsecured claims allocation more than three years out of bankruptcy. Patience is the watchword here.

The Lost Retirement Savings Act (S.2505 and H.R.4061)

There are currently two nearly identical bills before the U.S. House and Senate that could provide significant tax advantages for active airline employees and retirees who received bankruptcy court settlements after September 11, 2001.

The two bills, together called the Lost Retirement Savings Act, are H.R. 4061 and S. 2505. The bills were introduced by Congressman John Lewis, D-GA, and Senator Maria Cantwell, D-WA.

The proposed Act would allow employees and retirees of a commercial passenger airline who receive payments in a bankruptcy proceeding to roll over such payments into an individual retirement plan within 180 days of enactment of the Act.

DP3 believes this legislation could benefit many retirees and we urge you to write and call your Representatives and Senators urging their support for these bills. Sample letters can be found on the DP3 website at www.dp3.org.

How might a merger affect retired pilots and their survivors?

As this is written, no merger has been announced and no details of any resultant merger agreement between the Delta and Northwest pilot groups have been made public.

DP3, its counsel and professionals have reviewed in depth the issues surrounding a merger that may affect retirees and are continuing to do so. Any obligations that exist pre-merger remain in force and continue as an obligation of the merged company.

More specifically, nearly every issue that affects the future security of retired pilots and survivors was permanently resolved in Delta's

bankruptcy by agreements reached through litigation and negotiation between DP3 and Delta, the pilot 1114 committee and Delta, the termination and then the assumption of the defined benefit plan by the PBGC and by some aspects of agreements between ALPA and Delta in which retirees had no voice.

What is the status of the D&S plan and our past and future medical benefits?

The D&S plan is an entirely separate plan from the terminated defined benefit pension plan. It is fully funded and is continuing to pay all of its obligations to survivors and should continue to do so indefinitely.

The pilot D&S trust differs significantly from the non-pilot D&S fund in that company access to the plan and the prescribed use of the money is tightly controlled by the Pilot Working Agreement and by subsequent overriding agreements reached in the pilot 1114 term sheet. The non-pilot plan does not have similar protection.

The claims settlement for medical benefits that were lost or changed in the future as a result of bankruptcy are set forth in the pilot 1114 committee term sheet and are permanent-they do not expire in a few years as do some provisions for non-pilots.

The term sheet agreed to by Delta and the pilot 1114 committee is binding on any successor or merged entity just as they are binding on a stand-alone Delta.

Below are selected clauses taken from the 1114 Pilot Retiree Settlement Term Sheet that refer both to the D&S plan and to agreements reached on claims allowed in settlement for lost or reduced medical benefits.

- This settlement shall be binding upon any successor or merged company or companies or any successor in control of Delta.
- Delta hereby withdraws any proposed changes to the Delta Pilots Disability and Survivorship Plan for those that retired before June 1, 2006.
- The Delta Pilot Medical Plan design for retired pilots shall continue to track the DPMP plan design for active pilots, as negotiated from time to time by ALPA.
- This term sheet, and the agreement reflected herein, was entered into

in the context of a settlement.

- The Bankruptcy Court shall retain jurisdiction over any disputes arising from the terms of this settlement or section 1129(a)(13) of the bankruptcy code.

Will our defined benefit pension plan be reinstated since the Northwest pilots' DB plan was not terminated?

Any change in either the NWA or DAL pilot retirement plans would presumably be announced by way of a completed merger agreement between the two MECs. We are not aware of any rumors, reports or any other evidence that Delta Air Lines or the Delta MEC are seeking to reinstate the defined benefit plan for active or retired Delta pilots.

ALPA is the designated bargaining representative for the Delta and Northwest pilots and all issues covered by the respective Pilot Working Agreements, including those that extend to retired pilots and their survivors. It is ALPA alone who will decide on the terms and conditions of any agreement reached between the two pilot groups.

The Delta pilots' defined benefit plan was terminated on Sept. 1, 2006 by order of the Bankruptcy Court following lengthy litigation. Delta's court-confirmed Plan of Reorganization does not contemplate the existence of a subsequent pilot defined benefit plan.

As a consequence of plan termination, the tax-qualified portion of our defined benefit retirement is now being paid by the PBGC in accordance with its rules and procedures after it assumed the Trusteeship of the plan on Dec. 31, 2006.

Agreement on a settlement for the non-tax-qualified pre- and post-termination portion of our retirement was negotiated between DP3 and Delta in 2006 with the majority of the allowed unsecured claim paid in stock in June 2007. A subsequent and final stock distribution is expected in the future.

Any change to, or reversal of, these agreements reached under the continuing authority of Bankruptcy Court would prove to be both legally complex and expensive. It remains to be seen whether or not a reinstatement of the Delta pilots' DB plan is something ALPA and the merged companies will find valuable or attractive.

What about passes?

Despite repeated requests for reconsideration of pass status for retirees, Delta has declined to make any changes to its present pass policy.

What about insurance costs?

The retiree Delta Pilot Medical Plan will continue to track the active pilots' plan and is subject to periodic re-negotiation by ALPA. The DALRC plan for those over 65 will have its rates independently established by negotiation between DALRC and the insurance providers.

The financial supplements and reimbursements negotiated by the pilot 1114 committee are permanent and will not disappear with time as the will the similar non-pilot benefits.

The future--how secure are we?

Most of us are no longer dependent on Delta for any significant future financial obligations. Our qualified pensions, while reduced, are in the hands of the PBGC; and, we have complete control of how we employ the stock grant we received in settlement of our non-qualified pension and medical claims.

The D&S plan remains well funded and largely immune from collapse even though control of the plan still remains in part between Delta and ALPA's sometimes sticky hands.

As it now stands, access to medical insurance for some, and for all, pass privileges, are the only formal ties to Delta that remain-and memories, of course. Only another trip through bankruptcy could significantly disrupt our few remaining benefits.

As it has for the five years it has been in existence, DP3 will continue to be the voice and the watchdog and the defender of retired Delta pilots, their families and their survivors through whatever lies ahead.

Thank you for your continuing support and encouragement.

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