

Jan. 30, 2006

Looking Ahead

To our membership:

I want to bring all of you up to date on what has happened since Judge Beatty stepped down in early January and to also provide a little peek at future developments.

The first hearing in the Delta bankruptcy since Judge Adlai Stevenson Hardin replaced Judge Beatty will be on Feb. 6. You can review all recent court filings and transcripts on the DP3 web site at www.dp3.org and at deltadocket.com.

Appeal briefs filed

On Jan. 20, DP3, ALPA and Fidelity Counselors, Inc., filed appeal briefs in response to Judge Beatty's procedural ruling on DP3's Motion to Compel Payment. Delta's response is due by Feb. 19. DP3, ALPA and FCI then have another 15 days to respond to Delta.

Our appeal is being heard before Judge Leonard Sand in a "regular" court where things take much longer than in the expedited world of bankruptcy. Our attorneys predict that the soonest a ruling might be entered is a minimum of sixty days after all briefs and responses have been filed. This could be in early June—or later. Whatever the ruling, the loser will undoubtedly appeal and so the cycle will continue.

On Jan. 6, Judge Beatty stayed our class action lawsuit on behalf of the 5,800 beneficiaries of the pilot retirement plan until a final ruling on the procedural appeal has been entered. The class action suit essentially covers the identical legal issues as the original Motion to Compel. The adversary proceeding was filed at Judge Beatty's suggestion as the proper way to resolve the questions of law that we raised in our original motion.

Since it is possible for Judge Sand to rule on the merits of the case and not just the appeal of the procedural question, our appeal brief fully addressed the issues of law upon which our Motion to Compel Payment are predicated.

1114 Committee

Our motion to have a retired-pilot-only Section 1114 Committee is still before the court. We anticipated a ruling on this at the Jan. 19 hearing that

was delayed following the replacement of Judge Beatty. We expect this question will be addressed Feb. 6, however the final docket for that hearing will not be published until Friday, Feb. 3. Delta has actively opposed a separate pilot-only 1114 committee since the first day of bankruptcy.

The non-pilot 1114 committee also expects to be heard on questions raised over Delta's alleged misuse of money from the non-pilot Disability & Survivorship plan. This is the fund that was recently called a "tax deductible slush fund" by Delta management and was the subject of a recent full-page ad in the Atlanta Journal-Constitution paid for by the DALRC.

The non-pilot D&S matter, our 1114 committee motion and hot-button issues for other parties, now all combined on the first day before a new bankruptcy judge, should make Feb. 6 a pretty colorful day in court.

Disability offset recalculation

Following DP3's initial inquiry to Delta in November and a number of supporting letters from individual pilots, every retired disabled pilot eligible for a recalculation of their disability offset should have now received from Delta a make-up check along with a letter explaining the disability offset recalculations and resulting future monthly benefit.

This recalculation is provided for in D&S plan language and was triggered by the cessation of the non-tax-qualified pension payments.

Qualified pension plan

Delta and FCI have predicted that the liquidity shortfall in the pilots' qualified pension plan could end April 1, thus permitting by law the resumption of lump sum distributions to retiring pilots.

If a large number of the estimated 1,300-plus pilots eligible to retire should do so and thereby create a run on the lump sum "bank", it would have a devastating effect on present and future plan funding--not to mention Delta's ability to maintain pilot staffing in some of the most vulnerable (read *profitable*) categories.

While Delta has said that it has no plans before the bankruptcy court to terminate the pilot pension plan, it must be assumed that the PBGC, Delta and ALPA are each acutely aware of the resulting possibilities—and alternatives—should a significant number of pilots elect to retire when or if the lump sum window reopens.

Negotiations

ALPA and Delta have set a March 1 deadline to negotiate a comprehensive agreement on contract concessions demanded by Delta. If an agreement is not reached or is not ratified by either the MEC or the pilots, then another 1113 proceeding will begin before a panel of three neutral arbitrators that will decide whether or not to reject the Pilot Working Agreement.

The DP3 Honor Roll

In response to dozens of requests over the last two years, we have published the DP3 Honor Roll of our members who have fully paid the initial \$50 DP3 Membership Fee and the two subsequent assessments of \$100 and \$500.

You can [click here](#) to view the most current Honor Roll or find the link on the home page of the www.dp3.org web site.

To recognize those who have fully committed to support DP3 in our work to defend the earned pensions and benefits of all retired pilots and survivors, we recently began directing our daily email updates during court proceedings and on other ongoing matters to just those members on the Honor Roll. We will continue that practice in the future.

This email message, however, is going to each one of our nearly 2,700 members, including those not yet on the Honor Roll.

I encourage those of you who have not yet paid the total DP3 membership fee and assessments to do so and join our Honor Roll. It is only through your financial support that we can continue to meet the challenge of our Mission Statement, which appears under the DP3 logo above.

To the overwhelming majority of our members who appear on the DP3 Honor Roll, *THANK YOU!*

If you have not yet joined DP3, click the [JOIN DP3](#) link here or on the home page of our web site at www.dp3.org, print the application and send it with \$650 to the address on the application. If you are unsure of your payment status or wish to update your email address or personal information, please email us at contact@dp3.org and we will promptly respond and help clear up any questions you may have.

As you read the papers and follow unfolding events, it is not too hard to figure out that the retired pilots of Delta Air Lines do not figure very highly in

the financial present or future of the airline. DP3 has already had some successes in defending and preserving our pilot and survivor benefits and I believe we will continue to do so.

Let me repeat again, our victories will not be huge but they will make a difference. Without DP3 there would be no victories, no successes and little or no hope.

On behalf of the Board of Trustees, thank you for your support and encouragement.

Jim Gray
Chairman, DP3
contact@dp3.org