

The Delta Pilots Pension Preservation Organization, Inc.
P.O. Box 76362
Atlanta, GA 30358

March 10, 2008

Mr. Richard Anderson
Chief Executive Officer
Delta Air Lines, Inc.
P.O. Box 20706
Atlanta, GA 30320-6001

Dear Mr. Anderson:

On behalf of the retired Delta pilots I am writing to ask you to consider the possibility of reinstating—in whole or in part—the Delta pilots' defined benefit pension plan.

As you might imagine, because of public information and speculation regarding elements of a merger agreement between the NWA and DAL pilots along with your recent letter to all Delta employees concerning a possible merger, there has been a groundswell of interest from both active and especially retired pilots about this unexpected opportunity to restore fairness by reinstating the Delta pilots pension plan.

Why? When Delta and Northwest left the protection of Bankruptcy Court last year, all employee pensions were intact—with *the single notable exception of the Delta Pilots' Defined Benefit Plan*. The Northwest pilots would come to a merged airline with their defined benefit pension plan intact while the Delta pilots' plan has been terminated.

Now, almost a year out of bankruptcy and with the imminent possibility of a merger, it is clear that times and circumstances have changed. Retired pilots ask us repeatedly: Is it now possible that our defined benefit pension plan might be restored in such a way that would be beneficial to both active and retired pilots and a merged Delta?

Their messages to us often cite the part I have highlighted from your recent statement to all employees:

Our review has been guided, from the beginning, by certain principles that have to be met if there were to be consolidation with another airline. [One of] Our principles [is]:

- **that the pension plans of our employees and retirees are maintained**

If Delta agreed to reinstate Delta pilot pensions it would obviously place the active and retired Delta pilots on more equal footing with their Northwest counterparts.

To provide funding for the restored plan, Delta could seek a return of the settlements that were awarded to the PBGC when it assumed responsibility for the Delta plan. It is very possible that the money and claims awarded by Delta to the PBGC would now exceed the cost to maintain the plan, especially after Congress passed pension protection legislation that gave airlines with frozen defined benefit plans seventeen years to make up funding shortfalls.

The combination of a healthy Delta, the new mandatory pilot retirement age of 65 and provisions contained within the Pension Protection Act of 2006 that Delta championed would also likely eliminate the exposure to a high number of early retirements by Delta pilots the company argued it would face had our plan not been terminated.

It is assumed that following a merger that Delta will be responsible for continued funding of the shortfalls in the Northwest pilot pension plan, thereby allowing the Northwest pilots to enjoy the benefits of both their qualified and non-qualified pensions at the expense of the active and retired Delta pilots.

Should the Northwest pilots also receive, as is rumored, an immediate increase in pay rates to equal current Delta pilot pay scales, Delta will not only fund the current and future Northwest pension obligations but also make the Northwest pilots whole for their previous pay reductions; pay reductions that paid in part to maintain the defined benefit plan for the Northwest pilots!

It is not hard to see why this seems unfair to the Delta pilots who have seen their pension plan first frozen, then terminated, with many retired pilots now receiving only a pittance of their qualified monthly pension annuities after the PBGC applied its three-and five-year lookback penalties.

If it is fair to protect the seniority of the current Delta pilots, then it is also fair to fully restore the qualified annuities of retired pilots who have lost so much to the PBGC's interpretation of current pension protection regulations.

Finally, DP3 does not believe that the language in the Delta Pilot Pension Plan Settlement Agreement would prevent Delta, ALPA and the PBGC from devising a way to voluntarily reestablish at least some portion, if not the entire plan. The agreement does prohibit starting a new plan that would exclude retired pilots.

I know this letter raises very complex questions, but as I said above, changing times and circumstances present unexpected opportunities to those who value fairness and a way to demonstrate Delta's continuing commitment to loyal and worthy members of our Delta family.

Thank you for your consideration of these issues.

Sincerely,

Captain James H. Gray, Ret.

Chairman, DP3

cc: Captain Lee Moak