



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.

Pension and Benefits Defense Update

Oct. 18, 2005

What really happened in court on Monday?

In a disjointed day in bankruptcy court Monday, Judge Beatty issued a narrow procedural ruling that did not address either DP3's or Delta's specific issues of law concerning our Motion to Compel Payment. Most news reports did not capture the nuances of what the parties tried to argue or the courtroom dynamics.

Here is a summary of the day's proceedings:

The bankruptcy court did not rule on the merits of DP3's motion to compel Delta to immediately pay all minimum funding contributions to the qualified defined benefit plan and direct non-tax qualified pension benefits to retired pilots as they come due unless and until the collective bargaining agreement is rejected or modified pursuant to Section 1113 of the Bankruptcy Code.

Instead, the bankruptcy court ruled that it would not require Delta to immediately resume pension payments. However, the bankruptcy court expressly *did not* rule that Delta would never have to make these payments; only that Delta does not have to make the payments *now*.

Although neither Delta nor the Creditors' Committee objected to DP3's motion on procedural grounds, (and DP3's motion was joined by ALPA, Fiduciary Counselors, Inc. and the PBGC), the bankruptcy court ruled mid-hearing that only Delta could file a Section 1113 motion and that the merits of DP3's motion could

only be determined in the context of a separate lawsuit called an "adversary proceeding".

DP3 will either appeal this ruling or file a separate adversary proceeding as suggested by the bankruptcy court.

The bankruptcy court also directed the parties to meet, discuss, and negotiate concerning the possibility of settling the issues raised by DP3's Motion to Compel and the larger pension issues involved in this bankruptcy. DP3 had already invited Delta to discuss these issues, but will renew its efforts in response to the bankruptcy court's direction.

Our next appearance before Judge Beatty is scheduled for Oct. 27. At that hearing the Court will consider DP3's motion seeking recognition as the authorized representatives of the retired pilots, survivors and dependants.

I want to thank all of you who have responded so promptly to our 2005 Bankruptcy Assessment. There are still many members who have not yet sent in the \$500 we are seeking to sustain our legal fight. As you can see, this will be a long and complex war, one with many battles such as the ones during the last few days and weeks.

We are the only organization to solely represent the interests of retired pilots and survivors and we have been preparing to do so for nearly three years. With your financial support, DP3 will do all in its power to preserve and defend the earned pension, medical, disability and survivor benefits of all Delta retirees and their survivors whenever and however they are challenged.

If you haven't yet joined DP3, you can find an application at the **JOIN DP3** link on our web site at www.dp3.org. Print the application and mail it with a check for \$650 to the address printed on the application and below. Please mail your assessment or your membership application and check to:

DP3, Inc.
P.O. Box 76362
Atlanta, GA 30358

Delta's bankruptcy will affect each of us differently. There is a wide range of benefit levels now provided to retired pilots and survivors

based on age, length of service date of retirement and other factors. In fact, some of our older members who receive lower monthly pension payments from the tax-qualified defined benefit plan and who do not receive non-tax qualified pension payments may not be impacted at all by the pension crisis facing the vast majority of our members.

The impact of the bankruptcy on our medical, dental, survivor and disability benefits is unknown because Delta has not yet unveiled its plan for cutting these benefits. In the future, changes in medical benefits will be felt differently by those who qualify for Medicare and those who don't. If the qualified pension plan were to be terminated, many retired pilots would be subject to PBGC differentials in maximum insurance benefits.

Since every employee, retiree and survivor will be affected by Delta's bankruptcy, we will do our best to ensure the best possible outcome for all. We are good stewards of your trust.

Judge Beatty has expressed a keen interest in the level of our membership among all retired pilots and survivors. She told the courtroom that she has visited our web site and has read some of the material to be found there.

We now have more than 2,400 members out of the 5,800 that Delta claims are receiving benefits. Our only means of reaching those who may not have heard of DP3 is by word of mouth or by their visits to our web site. (We have not been able to verify the 5,800 number. Despite repeated requests over the past two years, Delta has yet to provide us with a list of the names of retired pilots and survivors.)

Such obstacles make it even more imperative that you continue your personal outreach and emails to retirees who are not yet members of DP3 asking them to join us. There is simply no question that now, in this case, with our future security under sustained attack, there is strength in numbers. *The judge said so!*

There has been confusion on the differing roles of DP3 (Delta Pilots Pension Preservation Organization) and DALRC (Delta Air Lines Retirement Committee). DP3 was founded solely to represent retired pilots, their survivors and dependants. It is an organization of and for retired pilots and their families. The DALRC was created to speak for non-pilots and non-contract Delta retired employees.

Our two organizations have a good working relationship and share in sponsorship of our annual meetings and many other events. We simply represent different constituencies.

If you want to ensure that you and your family's interests as a retired pilot have the best chance for unique representation in bankruptcy court, then you need to be a member of DP3. While some may choose to join both organizations, only DP3 exclusively speaks for retired pilots.

A note on the Oct. 28 Joint DP3/DALRC Annual Retirement Meeting at the Georgia Convention Center Oct. 28

An attorney for Delta has notified DP3 and DALRC that due to legal issues, Mr. Grinstein and the other executives scheduled to appear will not be permitted to speak about issues concerning bankruptcy or pensions. They will limit their remarks and questions to the transformation plan, industry issues and pension reform legislation.

Leaders from DP3 and DALRC, however, will provide an update on our activities before and during the bankruptcy. We will try to answer many of the questions we know you will want to ask.

You can find further information on the Annual Meeting elsewhere on our newly redesigned web site. Reuben Black, DP3 Secretary, has spent countless hours with our web services provider to update and improve the usability of the site. We welcome any suggestions you may provide to further improve this vital link.

Thank you for interest and support for DP3. Please keep those checks and applications coming!

Jim Gray

Chairman, DP3

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