



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

November 18, 2008

The Honorable Saxby Chambliss
The Honorable Johnny Isakson
United States Senate
Washington, D.C. 20510

Dear Senators Chambliss and Isakson:

Our organization, known as DP3, represents approximately 2,800 of the nearly 5,500 retired Delta pilots, and we would like to affirm our thanks and appreciation for the efforts both of you have made on behalf of all Delta retirees over the years. Your efforts have allowed our non-pilot, fellow Delta retirees and employees to retain their earned benefits. We are grateful for that, and we are grateful for the letter both of you sent on October 23, 2008 to Mr. Richard Anderson, CEO of Delta, and to Captain Lee Moak, Chairman of Delta's pilot union, ALPA. In that letter, you concluded by asking both Delta and ALPA to reconsider their positions and "to work toward finding a solution that protects the earned benefits of all employees and retirees."

We do not have a copy of Captain Moak's response to you, but we do have a copy of Mr. Anderson's dated October 31, 2008. Mr. Anderson's distilled response to you was, "NO." I am not sure what kind of review Mr. Anderson gave to our proposal, but the fact is that while we offered to discuss the issue with him and his staff we were never provided that opportunity. In fact, his staff had to be prodded even to give us a response. Mr. Anderson concludes his letter with an acknowledgement that Delta pilot retirees have experienced pension losses. He expresses sympathy and he understands our frustration. But he refuses to do anything about it!

The purpose of this letter is not to "cherry-pick" Mr. Anderson's letter. The sad saga of the dissolution of the Delta pilots' defined benefit plan is written in the history of Delta's bankruptcy, court decisions, decisions made by the PBGC, decisions and agreements made by this organization, and finally, by the abandonment and sell-out by ALPA – a Union that was supposed to represent Delta retirees as well as current employees. We agree that every issue has at least two sides. There has been a lot of water over the dam, and much that cannot be undone. So, why do we keep pressing the issue? Why are we so frustrated? And, finally, what are we asking both of you to do?

There seems to be an attitude prevalent in Delta thinking that because many, but nowhere near all, Delta pilot retirees received the fabled "million dollar" lump sum, then any other injustice is excused. After all, how much do the pilots want? The answer is we want what we earned – and not a cent more. We believe that we had a part in the building of Delta from a second tier major carrier into the world's largest. We believe that contracts mean something, that a man – and a corporation - keeps his word. We understand that times were tough for Delta, but we believe that times are now better, and that Delta should take care of their wounded retirees in the same manner as our nation does with its wounded veterans. And I can assure you, we do have a large number of financially wounded retirees out there. Delta wants us to go away. We won't.

The Delta Pilots' Pension Plan died when Delta, after paying off ALPA to the tune of \$650 million in cash, received court approval to terminate it. In late 2006, this organization, DP3, agreed to the settlement Delta made with the PBGC, and the Plan was passed over to them. The PBGC would determine how much of a retiree's qualified benefit he or she would receive based on its distribution rules and procedures. Some retirees would receive all of their qualified benefit. However, many retirees who were receiving qualified benefits from the Retirement Trust Fund before the termination of the Plan would now get vastly smaller or, in some cases, no Qualified check from the PBGC. It is these people who are our primary concern. They are mainly younger retirees, and some of them face critical cash flow problems because of medical insurance expenses, the decline in the stock market this year, and other factors.

There is an apt metaphor for the triangle of Delta – PBGC – Pilot Retiree. Delta was the poor parent who dropped off his children during tough times at the PBGC orphanage. The "parent" gave some money to the "orphanage" and said, "take care of my children." A few years later, the parent is now prospering to such an extent that he and his friends are able to pocket large sums of money (bonuses). The parent and his friends are even prospering so much that they "adopt" more children (Northwest Airlines) and promise to give them and their ancestors (NWA pilot retirees) all the benefits coming to them previously. Everyone is happy except the children abandoned at the orphanage who still subsist on partial rations.

Can you understand, Senators, how galling it is for Delta pilot retirees to witness Delta paying the pensions of retired NWA pilots but NOT the pensions of those who built Delta? Can you understand how disappointing it is to read how Mr. Anderson feels our pain, but refuses to do anything about it? We truly don't think make-up payments to those who have been denied their previously paid qualified benefits would amount to a huge expense to Delta. But they dismiss the concept as "not workable," and any discussion would be "fruitless."

The other part of our pension was the unqualified benefits we also earned. Delta and DP3 negotiated a settlement for these benefits, and it was approved by the Bankruptcy Court. To date we have received about 60% of this settlement at about 40 cents on the dollar. We were led to believe that we would receive the remainder within several months. We had an estimate from Delta that we could possibly see the remaining payment made in May of 2008. We are now told that our final payment will be withheld until all claims are settled. Thus, we stand in line with those who rented cars and aircraft to Delta, and seemingly, also with those who sold supplies to Delta on credit. In other words, we are just another creditor. We should not be treated in the same way as someone who sold supplies to Delta on credit and who is now trying to get paid through the bankruptcy court. We deserve more than that, because unlike the other suppliers, we devoted our entire working careers to Delta Air Lines, while the suppliers provided their products to numerous employers. But, that's not the final word on that either. At the rate the remaining creditors are being awarded money through successful court challenges, they might clean out the fund of Delta stock established for all of us, and then the retired pilots will not receive the balance that is owed to us. We pilot retirees are indeed at the bottom of Delta's food chain. And it is just not right!

Senators, we thank you for your support as evidenced by your letter of October 23, 2008. We ask for your continued support in the public arena and with governmental agencies, especially in our dealings with the PBGC. As Mr. Anderson requested, we also ask that you use your influence to speed up the ongoing PBGC administrative processes. We ask for your support of S.2505/H.R.4061 with the additional option of choice between a Roth IRA and a Traditional IRA.

Sincerely,

Will Buergey
Chairman, Delta Pilots' Pension Preservation Organization, Inc