

Judge approves retirees' pension deal with Delta

BY VINNEE TONG | THE ASSOCIATED PRESS

WHITE PLAINS, N.Y. - A bankruptcy judge Tuesday approved an agreement between Delta Air Lines Inc. and a group of retired pilots that paves the way for the airline to pay \$9 million in pension obligations.

The deal, which covers non-qualified pensions, was presented ahead of a hearing that begins next Friday, when Delta will ask the court to terminate its obligations under qualified pension plans. The company anticipates heated opposition from retired pilots who oppose the motion.

The pilots group, the Delta Pilots' Pension Preservation Organization, withdrew earlier objections to reach a deal with the airline late last month.

The group, called DP3, represents about 2,850 of 5,300 retired pilots, a lawyer for the company said. Of those, 3,642 are eligible for payments from the \$9 million fund, which is roughly 11.5 percent of the total value of non-qualified pensions as of last September.

As part of the agreement, the retired pilots also have the right to pursue an unsecured claim to seek another \$75 million, the equivalent value of pensions accruing at \$7 million a month beginning at the time Delta entered bankruptcy in September 2005.

"The vast majority are very pleased that DP3 was able to get them, from our perspective, 9 million real extra dollars by virtue of their tenacity," Delta attorney Marshall Huebner said in court about the retired pilots group advocacy.

Delta will be helped by a bill to overhaul pensions that was signed by President Bush on Thursday.