



July 3, 2008

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

Dear Mr. Anderson;

The Trustees of DP3 read with mixed feelings about the Joint Collective Bargaining Agreement (JCBA) between Delta and the Delta and Northwest pilots that both ALPA Master Executive Councils have unanimously approved. It is reported that this contract should help the "new" airline more quickly realize the benefits of the merger while providing increased pay, increased retirement security and a major equity stake for 11,000 active pilots.

One sad fact glaringly remains, however: the retired Delta pilots are the only employee or retiree group from either airline whose pension plan was terminated, and worse, has not thus far been included in any future benefit from a vastly larger corporation with \$36 billion in projected annual cash flow and billions more in cash.

By contrast, a merged Delta will assume the full pension funding obligations of an additional 30,000 Northwest pilots, flight attendants and ground personnel while the pension plans for all Delta ground and flight personnel--*except retired pilots*--also remain in full force. That is a total of more than 79,000 mainline employees plus tens of thousands more retirees who will have the security of their full earned retirement--*but not the retired Delta pilots.*

Delta has now agreed in the JCBA to increase to 14% its combined cash contribution to the Northwest and Delta pilots' Defined Contribution and Delta Pilots Savings Plans. And, on May 13, Delta reported that it has funded about \$150 million into the Delta non-pilot retirement plan in the past twelve months and that it will fund about \$100 million per year into the plan over the next few years. Delta has also publicly pledged its commitment to funding all existing Northwest pension plans.

Delta proudly stated numerous times in bankruptcy court that the retired pilots would realize 80-90% of their total pre-bankruptcy retirement from a combination of Pension Benefit Guaranty Corporation insured benefits and after all the unsecured claims were allowed and paid. Of course those grand promises were based on an assumed stock price of \$25--a value that has never been reached! But we all know about Delta's stock history and now can only muse about what minimal amount any remaining claim distribution might yield.

Finally, when the PBGC took over the terminated pension plan and calculated our monthly benefits, they applied draconian formula calculations that dramatically reduced most pilots' pre-termination IRS qualified monthly pensions, in some cases to zero.

The result is that when the greatly reduced value of the non-qualified pension settlement and the PBGC's formulas are combined, hundreds, if not thousands of retired Delta pilots now have a net retirement (including the lump sum) that is far, far less than the 80-90 percent of their contractual retirement benefit than was so glowingly promised when Delta was seeking court approval for plan termination.

So, is there an inequity? Yes, and it's widely recognized.

Even Delta President and CFO Ed Bastian recently acknowledged the disproportionate burden paid by retired pilots. In his May 20, 2008 letter to all Delta retirees and survivors and posted on the Delta web site, Mr. Bastian said,

"Certainly, the changes that Delta made to retiree benefits in bankruptcy hit retired pilots at least as hard if not harder than non-pilots."

Is there a way to balance at least some of this inequity? Yes, we think there is.

On behalf of the Board of Trustees of DP3 and Delta's retired pilots we ask that as this merger goes forward, recognition and further consideration is given to the unequal sacrifice extracted from the retired Delta pilots as a result of the bankruptcy. To that end we offer this proposal:

That Delta makes a voluntary contribution to the PBGC on behalf of the Delta pilots who retired prior to the date of pension plan termination, an amount that would enable the PBGC to pay to each pilot an annuity equal to the IRS qualified pension benefit to which that pilot was entitled on Sept. 1, 2006.

We firmly believe that this is an affordable, doable plan that would help bridge the gap between the retirement security that every Northwest and Delta employee and retiree enjoys now (and will in the future), and the many retired Delta pilots whose remaining lifetime benefits are only a fraction of what was earned and what was promised.

We do not believe that any court order or existing financial arrangement needs to be undone to accomplish this and that existing statutes and regulations permit this sort of voluntary contribution. Further, we do not believe that any terms of the JCBA should require change.

Mr. Anderson, when you discussed the expected merger last spring, part of the statement you addressed to all employees said that one of Delta's guiding principles would be,

"That the pension plans of our employees and retirees are maintained"

That statement did not seem to include the retired Delta pilots but it is not too late to widen the circle. Seldom is there a chance for a restructured company to be in a position to right an obvious wrong: providing additional funding to the PBGC to restore the balance of the qualified pensions for Delta's pilot retirees is one of those rare opportunities. Put simply, this good-faith gesture is the right thing to do and this is the time to do it.

Thank you for your consideration and we look forward to presenting this idea in more detail at your earliest convenience.

On behalf of Delta's retired pilots and the Board of Trustees of DP3,

Sincerely,

Captain Jim Gray
Chairman, DP3

Captain Jim Bomar
Captain Jeff Pickett
Captain Will Buergey
Captain Roger Ross
Captain Wendell Lewis
Captain Tom Seever
Captain John Mills
Captain Bill Wirth

