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Return Date: December 19, 2005
Time: 1:30 p.m. EST

Opposition Date: December 12,
2005
Time: 5:00 p.m. EST

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Proposed Counsel For Section 1114 Committee

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

DELTA AIR LINES, INC., et al.

Debtors.

Chapter 11 Case No.

05-17923 (PCB)

Jointly Administered

**DECLARATION OF MITCHELL I. SEROTA
IN SUPPORT OF SECTION 1114 COMMITTEE'S MOTION
TO ENFORCE DEBTOR'S SECTION 1114 OBLIGATIONS**

I, MITCHELL I. SEROTA., hereby declare:

1. I am Mitchell I. Serota, President of Mitchell I. Serota & Associates, Inc. of Skokie, Illinois. I have been retained by the Delta Air Lines Retirement Committee (“DALRC”) to provide actuarial services in connection with their representation of Delta retirees under Section 1114. I am a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries, and a Member of the American Academy of Actuaries. I serve as a consulting actuary and have over 25 years experience working with ERISA Retirement and Health and Welfare Plans.

2. I have been asked to examine the documents listed below, relating to the Delta Air Lines Family-Care Disability and Survivorship Plan Trust (the “Trust”) that were made available to DALRC by Delta Air Lines.

- IRS Form 990 “Return of Organization Exempt from Income Tax” for each tax year beginning July 1, 1999 through 2003, attached hereto as Exhibit A;
- Accounting Statement of Position 92-6 (as amended by 01-2) for each tax year beginning July 1, 1999 through 2004, attached hereto as Exhibit B;
- Actuarial Valuation Reports (“FAS 112 Reports”) conforming to *Statement of Financial Accounting Standards, 112* for calendar years beginning January 1, 2001 and January 1, 2002 and for calendar years ending December 31, 2003 and December 31, 2004, attached hereto as Exhibit C; and
- Response of Delta Air Lines, Inc. to November 17, 2005 Information Requests of the Official Retiree Committee (“Delta Response”) dated November 27, 2005 and provided via email from Thomas Ogden to Dean Gloster, attached hereto as Exhibit D.

The findings presented below were derived from those documents.

3. As of January 1, 2000, the Funded Status of the Trust according to the FAS 112 Reports was positive (meaning that the market value of the assets exceeded the present value of future liabilities) in the amount of \$99,165,355.

4. As of December 31, 2004, the Funded Status of the Trust according to the FAS 112 Reports was negative (meaning that the market value of the assets was less than the present value of future liabilities) in the amount of \$212,475,000.

5. The market value of assets in the Trust according to the FAS 112 Reports as of December 31, 2004 was stated as \$271,353,000.

6. The expected payments from the Trust to plan beneficiaries for the next ten years are shown in the table below. These projected payments were provided in the most recent FAS 112 Report and include long-term disability benefits and survivor benefits but do not include any severance benefits nor short-term disability (sick pay) benefits.

Year	Projected Payments (\$000)
2005	\$32,208
2006	31,906
2007	31,612
2008	31,617
2009	31,528
2010-2014	161,558

7. Employer contributions (from Delta Air Lines) to the Trust are reported on Form 990. Employer contributions were \$5,413,000 in calendar year 2000. Since 2000, employer contributions have not exceeded \$35,000 in any year. In conversation with Delta Air Line representatives on December 1, 2005, I was told that no employer contributions were anticipated for 2005.

8. The FAS 112 Reports reveal that during the calendar year 2003, severance benefits in the amount of \$13,252,000 were paid from the Trust. During the calendar year 2004, severance benefits in the amount of \$749,000 were paid from the Trust. No specific line items relating to severance benefits were available for previous calendar years. The Delta Response to Question 4 offers similar numbers, but their frame of reference is fiscal years (ending June 30). In the fiscal year ending June 20, 2002, the amount of severance benefits from the Trust was \$6 million; ending June 30, 2003, \$13.2 million; and ending June 30, 2004, \$2.8 million.

