



Sunday, April 25, 2004

## **Delta Pilot's May Pay Raise - "Let Me Sleep on It"**

*"What's it gonna be? Yes or No?"*

*"Ahhh.....let me sleep on it and I'll give you an answer in the morning."*

-- Meatloaf, "Paradise By the Dashboard Lights"

Dear All,

This article is not short. But it covers alot of ground that affects every Delta employee- our families and our careers. Brevity is usually best, but in this case, our plate is full.

### **Table of Contents**

[Introduction](#)

[The May Pay Raise](#)

[What's Causing the Continued Paralysis?](#)

[The Pilot's View](#)

[What the Company Feels](#)

[ALPA's Alamo](#)

[Negotiate, Arbitrate, or Abrogate](#)

[The Fruitless Line in the Sand](#)

["Deeds, Not Words" - John Morgado](#)

[The 2000 Pilot Contract](#)

[Delta Employee and Public Perception](#)

[The SERP vs. the Pilot's Pay Raise](#)

[What Has Jerry Done So Far?](#)

[The Positive](#)

[The Negative](#)

[Outside Analyst's Opinion](#)

[The Honeymoon Window](#)

[ALPA's Initiative's - Last Year and Present](#)

[The Numbers - Where Is the Disconnect?](#)

[What Is the Right Thing to Do? - Our Social Contract](#)

[Become That Which We Loathe?](#)

[Is Goodwill Dead?](#)

[ALPA E-mail Addresses and Phone Numbers](#)

[Conclusion](#)

## Introduction

*"Because a family must work together, we've got to be imbued with the same thoughts and the same ideals and the same ambitions and the same determination.....if we are going to succeed." -- C.E. Woolman*

The annual shareholders meeting has concluded. The message: Jerry is on a crusade to return Delta to profitability, re-establish pride in who we are both inside and outside, and resurrect what it means to be in the customer service business again.

Isn't it time we all shared these same goals?

Isn't this the leadership we've been asking to see come forward?

What follows in the paragraphs below is a continuing effort to help encourage understanding and negotiation between the company and ALPA for the benefit of everyone associated with Delta Air Lines. Both sides have valid points. We can't keep bleeding. I will cover many areas to help those who only have a little good information or a lot of misinformation.

In doing so, I leave myself wide open to criticism which I readily accept in a world where leadership and integrity should be a guiding light for all of us.

The immediate issue is the pay raise in May, but the concerns surrounding a deal between ALPA and the company loom larger as each week of paralysis passes by.

Pilots at other airlines are starting to label the situation at Delta as "**ALPA's Alamo**". The company and ALPA must consider not only the monetary value of a necessary deal but more importantly - the value of human capital which continues to erode from within.

The attitude and buying habits of the consumers we depend on have changed dramatically. If we expect customers to fly Delta or pay a premium for our product in select markets, we must provide both a real and perceived value to that customer.

Currently, we could be doing a much better job in that arena. This includes every employee in the company - not just management or the pilots. We all have a stake in making Delta Air Lines the best airline in the world. If we don't care about our own image and product - how do we expect anyone else to? Lesser teams with higher morale have consistently beaten superior forces. We all must pull together - from top to bottom.

On a separate but related note, the pilots would like to see ALPA conveying more information including the relative cost savings being offered to the company. If both sides honestly understand the severity of the problem, it seems odd they are so far apart on what is required to get healthy and return to profitability.

There are many differing opinions and confusion among the pilot group. The overall communication could be better. A Delta solution to a Delta problem doesn't tell us much. But then, maybe it's not supposed to.

Surprisingly, there are still heads buried deep in the sand. A reasonable man has to ask himself if the professional airline analysts, investors, and the customers who purchase our tickets are all wrong.

These articles are not written for the small handful of critics who take cheap shots in various forums which most folks don't visit anyway for obvious reasons. These articles are written for

the thousands of pilots, fellow employees, retirees, and clients who don't have access to a source of discussion which tries to be fair, honest, accurate, objective, and reasonable.

What you don't see here are the hundreds of e-mails and phone calls I've received from fellow pilots, employees, and clients who appreciate the information they don't get elsewhere and sound ready to do what's necessary to be proud of Delta Air Lines again.

Leadership - *the ability to guide, direct or influence people in a positive manner toward shared goals.*

Greed - *an overwhelming desire to have more of something, such as money, than is actually needed.*

Stalemate - *a situation in which neither side is taking any further worthwhile action.*

## **The May Pay Raise**

There are three primary reasons to rescind the pilot pay raise due May 1st.

1. We will be perceived as no better than recipients of the Executive bonuses.
2. It will create undue harm to a valuable social contract with our fellow employees.
3. Leaders should be helping our company - not hurting.

Let's look at these points and other major concerns from different angles - the pilot's view via ALPA, and the company's view via management:

## **What's Causing the Continued Paralysis**

### The Pilot's View

Two words - Leadership and Trust.

Two more words - Past History.

When Delta set the parameters to hire pilots they had a type of individual in mind they felt could be trusted to safely make wise decisions in unusual and potentially dangerous situations. There aren't many occupations where death is a possibility on any given day - regardless of skill level.

Additionally, at orientation, folks like Frost Ward used to tell new hires, "None of you were hired just because you're pilots. We hired you to be leaders and help keep this company running the way it should be - a breed apart from the norm."

Factors including bad weather, fatigue, terrorism, mechanical failure, miscommunication, and human error are real - not just mock scenarios in the simulator. Thus, the pilots need to not only be leaders but were also expected to be responsible, logical, rational, intelligent, analytical, mature, observant, methodical, reasonable, and trustworthy.

And one of the components that make Delta Air Lines special is that so many of our non-pilots have these same characteristics which they apply daily to other jobs besides flying.

(The wives of our male pilots would probably say, "Are you sure we're talking about the same guy I married?" and the husbands of our female pilots say, "I found her first and boy do I feel lucky. Who cares if she makes more than me?")

Why would these particular traits - sought after in the hiring process - cause paralysis during negotiations with the pilots?

In past history, the company has tended to express the attitude they know best and you should just trust us. They don't want the pilots to summon those same qualities they hired you for when it comes to negotiating pay, benefits, or work rules. Funny thing is, the pilots generally are cooperative and go along when the trust in any arena has been earned.

In reality - during the past couple CEO regimes - the trust has been violated and damaged in different ways - some obvious and some subtle. Now we've come full circle. The past attitudes or failed leadership of Ron and Leo are coming back to haunt the current attempts at resolution -- right when we need it most. There were many instances where the pilots were told by the company to go back to their room instead of building goodwill - at little or no cost - for future endeavors.

With the attributes listed above, this isn't a group that can be led anywhere without earnest leadership. There remains, even among the most conservative and loyal - a detrimental dose of skepticism and suspicion. The pilots know they need to make a meaningful contribution to help the company, but they don't trust the company to make good decisions with the money and work rules they are being asked to concede.

"Just give us the money and we'll take it from there." That approach alone doesn't instill any renewed confidence in sound management or place a value on your employees. Dictating demands may work elsewhere, but it's causing a stalemate here at Delta.

We would have a deal tomorrow if Jerry would promote a more cooperative effort. A 75-80% bite of the apple is better than none. We can't ignore the time value of money. The continued destruction of morale isn't worth the extra hundred million or two. In real terms, that's hurting us more than the debt load.

There is a perception by many that the company is trying to squeeze every last dollar from the pilots without first conveying a definitive, well-conceived plan for the future of the airline. Many pilots feel the timing is right for the company to seize the opportunity to get all they can from them, so they resist that perceived attack.

What the pilot's hear is this:

We need the money. You read the papers. You see what's happening in the industry. We don't have the income to support what we agreed to pay you. The marketplace is doing this to you, not us. Give us the cash now or suffer the consequences in the near future. It's all on your back. Everyone else has already given. The rest of world is inline except you. We need the money.

And much of that is legitimate, for the most part. But it is being dictated without leaving any room for negotiation. This really irks the line pilots. They aren't dumb. They do read the papers. They know the company needs the money to dig out of the hole we're in. But they want to see accountability and a plan before they agree to open their wallets, sooner than later.

To agree to a 20-30% pay cut, et al., the pilots want the company to define, "who are we and where are we headed" as a company, a team, and a competitor in this cut throat business. What is the plan to fix past mistakes, identify new opportunities, and get back on top where we belong? What can we see management do, in tangible terms, with the money?

Thus, we have a quandary which Jerry's leadership must bridge with ALPA's help -- to mend fences and re-build the kind of trust which rises above the classic struggle between labor and management.

### What the Company Feels

We can't be all bad. We've been in business 75 years. Management has done something right where hundreds of other airlines have failed. We have provided a great career, benefits, and lifestyle for thousands of Delta employees. We have served millions of passengers safely. We want to continue that trend for another 75 years. We need your help.

Some of the things we do work out very well. Others don't. We aren't perfect. We made some bad choices. We forgot to first take care of our most valuable asset - our employees. We violated your trust. We damaged employee morale. We are removing the people who made those decisions -- for good. This is a new team who's listening and cares.

Jerry knows everything that went on behind closed doors. He knows what went wrong and why. Yes, Jerry was on the BOD when bad decisions were made, but some of his opposing advice wasn't taken. He has volunteered to fix our known problems. That takes guts to face the music and care enough to step back up to the plate. You wanted leadership. Now it's here, but some don't like the message or what it's going to require.

As CEO, he now has the powers to fix problems firsthand. You can't ask for leadership and then shun the man because you don't like the tough message or proposed resolution.

Give us consideration for the pay, benefits, work rules, vacation, medical, and retirement packages you have attained over the years. This is still a great company to work for and right now we need everyone to pull their weight instead of whining and complaining about how it used to be. This company belongs to all of you. And only you can help make it better.

Shouldn't all employees work together to make our product outpace the competition? Aren't we the ones who make it or break it on a daily basis? If you expect to make a living in the customer service business doesn't it make sense to provide good customer service?

We have a lot of variables we can't control like fuel prices, weather, deregulation, government taxes, rules and regulations, environmental and noise abatement constraints, FAA compliance, security costs and advances in technology that have kept a lid on pricing power.

We continually face challenges that make it difficult to offset and manage with enough foresight to make a profit sometimes. In many cases you'd need a crystal ball to see what was around the next corner -- ultimately affecting our ability to make money.

We negotiated the best contract our pilots have ever seen in the airline industry - bar none - and we'd have been able to live up to it if the economic bubble hadn't burst. On top of that, the weaponry used for the worst terrorist attack and tragedy in history was the same vehicle we use to support our livelihood. Who could have guessed?

This has always been a tough business to make a buck in - and it just got tougher for a number of reasons. The average profit we made per passenger in years where we made a billion dollars was \$3.00 a head. Now we're losing that and much more. Even now, Southwest only clears about \$2.50 profit per passenger. The margin of profit is slim.

We can't pay you what we thought we could anymore. We need your help to survive.

### **"ALPA's Alamo"**

I don't know if our MEC and LEC folks had heard this label yet, but pilots at other airlines are starting to refer to the situation at Delta as "ALPA's Alamo". Additionally, Vaughn Cordle, a Captain at United and well-respected analyst of the airline industry has just written a commentary in reference to John Malone's recent editorial article in the AJC.

Captain Cordle says ALPA and the Delta pilots need to wake up to what's happening around them. The longer they wait the worse it is going to get. Deeper cuts via Section 6 will be the medicine the pilots are forced to accept, short of filing Chapter 11, if we don't get something done soon. Can we honestly keep pretending this has happened elsewhere, but won't happen here?

My estimate right now is the Section 6 opener from the company for the next contract will be over \$1 billion dollars, which will include higher productivity and less bodies. The current offer on the table will look cheap in comparison. The guys/gals who will be hurt the most are the ones who got hired since 1996 due to the accelerated growth the 1996 contract promoted.

The bottom of the seniority list won't have to consider what their vote might be when they are no longer on the property. A judge isn't going to care either, since his only fiduciary responsibility - by law - is to the creditors - not the employees or shareholders.

Forget the idea the economy is going to somehow save us. There has been a seismic paradigm shift in our industry. Intelligent men and women should be able to acknowledge and do what's necessary to adjust.

If we don't come to the table and work this out with the company soon, including a contract extension, we are going to see a billion dollars or more come out of our present contract versus the current lower numbers. When that happens, the 1060 pilots on the street will stay there for years. Another 500-1000 could join them as the company shrinks the fleet, closes crew bases, sells assets, reduces block hours, and raises the cap to compete efficiently and return to profitability.

Will it stay that way forever? Probably not. But how long can the pilots on the bottom wait? Pick a number -- 3 - 5- 7 years? It's happened before.

And there's nothing that says once the company gets lean and mean again - that the next step won't be to acquire CAL and NWA - in that 3-7 year window. We can certainly make money in the U.S. and flying to Europe and South America. But if you read the 10-20 year projections the real growth is westward to China, India and the entire Pacific Rim. But that's a whole other article. And cargo is a big piece of the pie. I think the only things I own that aren't made in China or India are my home, a German car, and a lone Louisville Slugger. 777's anyone? Jerry?

If I'm wrong about the numbers the company can achieve in Section 6 or Chapter 11 - and believe me I wish in this case I was - I'll eat my Captain's hat - minus the hardware - in the

Atlanta Domestic pilot's lounge after the next contract is consummated and inked. My only caveat is that I be allowed to cut it up in little pieces and have some hot sauce to go with my meal.

### **Negotiate, Arbitrate or Abrogate**

Those who won't accept the harsh reality of how the marketplace has changed should brace for a letdown when our W2 gets adjusted - one way or the other - either by negotiated choices, a mediator/arbitrator, or a judge in Chapter 11. Of those three, which sounds smartest? One of those three gets closer each week.

The release of our 1<sup>st</sup> Quarter 2004 financial numbers are not a lie or a bluff. We have lost three billion dollars over the last three years. Our cash position has declined from \$2.8 billion a year ago to \$2.2 billion today. We are living on borrowed time and dollars.

Those who question things like the recent 1st Quarter funding of the pension plans don't understand why those obligations are funded when they are (ERISA law). Bottom line is we have additional obligations and cash expenditures due in 2004 - 2005 which are real, not fabricated.

This isn't a temporary downturn or cyclical bump in the road. There has been a transformation in the business model required to make a profit in our business. A paradigm shift has occurred and the only survivors will be those who adjust their cost structure and the way they conduct business in the years ahead.

The pilots can either be part of the solution or stand by at idle and watch the tide roll right over us with no say in the final outcome.

*"Fix the problem, not the blame."* -- Japanese business proverb

### **The Fruitless Line in the Sand**

Jerry is making it hard for the pilots to make the next move. They want to help but it goes against their will to give in to dictated demands.

We face a conundrum few ever expected during their careers at Delta Air Lines. The marketplace has been the driver behind the changes we must adapt to in order to regain profitability. The company has made both good and bad decisions along the way, but ultimately it is the marketplace that will decide our compensation levels and benefits.

ALPA and the company - along with all employees - share equal responsibility in getting our act together. This is our company. Only we can make it better.

With respect to current pilot compensation and the pay raise in May - both sides are at fault if the scheduled pay raise on May 1<sup>st</sup> is allowed to be paid out in the June 15<sup>th</sup> pay check. We still have two months to do something meaningful and positive before the next pay hike becomes effective.

ALPA has procedures they follow that include side letter agreements and various avenues that lie outside the normal paths. Cooperation in this case requires two interested parties who must agree adjustments outside the contract boundaries are beneficial to all concerned.

Some of our ALPA reps keep bringing up "protocol and procedures" as the reason for not getting something done. Personally I understand it, but to many observers, this seems like a

cop-out sometimes. We tend to work harder when we really want something. We make convenient excuses when we don't.

For ALPA to propose we rescind the May pay raise, Jerry must also agree to accept it. Otherwise there can be legal ramifications which prevent getting a deal accomplished. Maybe we need to offer a resolution at the next LEC meeting or maybe Jerry needs to request publicly that we rescind the pay raise. Ideas anyone?

Jerry should soften the hard stance - which is hindering ALPA. Let's revisit these fruitless lines in the sand. Maybe if we displayed more leadership on our side we might force the company - in the court of public and shareholder opinion - to do the same.

Should we expect ALPA to negotiate against itself? On the other hand, the offer of 13.5% is disingenuous. ALPA knows the company needs more to be competitive.

Jerry should give the union room to maneuver. He knows he has the stronger set of cards and he's not bluffing - as suggested by a few. He doesn't have to - just look at the quarterly and annual numbers. But he's making it tough to encourage ALPA to make a significantly better offer by dictating it must be one way only. This isn't the best approach.

I know - we could go round and round about who blinks first, but I think Jerry wins a bundle of goodwill and support towards future needs if he could find it in his heart to back off a notch or two. If shareholders, credit agencies and analysts see \$600-700 million on the table from ALPA, it would be hard to walk away from that offer.

Here's the increasing danger I see festering like a cancer - a redux of last year.

The silent majority of pilots are digging in their heels again at exactly the wrong time. However, their reasoning is understandable and must be recognized by Jerry. These are reasonable folks who have two primary, legitimate questions on their mind which have not been adequately answered.

1. Why didn't the company come to the pilots sooner - post 9/11?
2. Why won't the company take any money already offered?

In the meantime, in a few months it'll be three years since 9/11 shocked the nation. And many of the pilots continue to wonder - where's the sense of urgency if we are in such dire straits? An outsider looking in would find it hard to argue with these questions and perceptions.

If the company won't take a significant offer of several hundred million dollars, it sends signals to the pilots the company has or had an ulterior motive or plan. This may be why Terry Erskine "retired" early. It is possible Mr. Erskine promised he could deliver more from the pilots - maybe \$1 billion - if the company stalled and waited for Section 6 negotiations. Maybe his tactics, style, or methods are not what we needed at this juncture.

Maybe Jerry is going to replace Mr. Erskine at the table with someone who understands pilots. That might bear fruit and help smooth over the line in the sand.

**"Deeds, Not Words"** -- John Morgado

Additionally, one can't ignore articles in publications like the latest Spring 2004 issue of the Roundup (LEC Council 47 in Dallas) - The authors make valid points that raise questions in any reader's mind. The challenge of "deeds, not words" is fair.

The articles by Chairman Rick Chabot and Vice Chairman John Morgado are straight forward and balanced. They highlight legitimate issues based on the company's actions to date. Traditionally, Dallas is infamous for having a base populated with militant hotheads - but the current regime cannot be accused of such. They clearly convey the need to help as well as anyone.

The DFW group was civil, concerned, and respectful during Jerry's road show visit in March. The Dallas pilots, like the rest of us, seek mutual cooperation versus a dictated hard line demeanor. Guys like Dallas' Chairman Chabot are level headed and he does an excellent job of providing informed guidance and representing his constituents well.

As more time passes, we look foolish on both sides for not getting a deal done regardless of the reasons why - whether they be personal, political, porous, or petty.

### **The 2000 Pilot Contract**

Contractually, the pay raises were negotiated in good faith. ALPA's position appears to be that the pay raise on May 1<sup>st</sup> be paid on that basis alone. The tables have now turned. "A contract is a contract" is a similar sentiment being applied here. We've heard those words more often than we hear "Cleared to land."

When the 2000 contract was negotiated, times were still good. It added approximately \$2.4 billion to Delta's costs over the life of the contract, but the company felt it could meet those obligations with growth. The country, the airline industry, and Delta were all experiencing one of the most prosperous times in our history. Shortly after that agreement was signed in mid 2001, the market place changed dramatically - post 9/11/01.

But an important point has been forgotten as time has passed. Even before the 2000 contract was actually signed in 2001, the economy was already slowing down and businesses in the U.S. and around the globe were pulling in their reins.

It was at this point the company started realizing they had hired 1000 pilots too many. They miscalculated the severity of the pullback in business travel and it kept getting worse after 9/11. The shift that would be required in the business model was already manifesting itself - and few, if any, saw it coming. It also allowed the Lower Cost Carriers to get their nose alot further under the tent.

Some pilots will argue the 2000 Contract was a payback for the 1996 contract - where the pilots felt they gave up alot. Many pilots did much better with the 1996 Contract - primarily due to growth and seat movement. Increases in pay were substantial. The average pilot's W-2 increased nearly 40% between 1996-2000 as folks moved up to Captain or gained more seniority with improved lifestyle choices.

We know who we are. We fared better, not worse, from the 1996 contract. As usual, much depends on what seat you were in at the time and when you were hired. These are dynamics we can't predict when pilots seek the airlines as their chosen profession. Lady luck plays an enormous role.

### **Delta Employee and Public Perception**

Every interested party - shareholders, customers, creditors, analysts and worst of all, our fellow employees, are going to look at us with disdain if we accept the pay raise in May.

In addition to the social contract we have with our fellow employees, there is an additional responsibility - knowing how many families our inaction is affecting as more time passes without a solution. On that front, the company shoulders as much blame as ALPA - since both have the ability to be pro-active to secure a deal.

If the pilots accept the May pay raise, the perception will be: ALPA - which is all pilots - is using the company's apparent refusal to negotiate as an excuse to take more money now in anticipation of losing more later. This may not be the truth, but it will be the perception in many circles.

It's possible many employees don't understand how ALPA controls these actions on behalf of the pilots. Each pilot cannot arbitrarily call payroll and individually cancel the pay raise. The last time this was attempted by about 1500 pilots, the company was forced to give it back again due to labor law, etc.

One small group of elected union members (26 total - 15 of whom, vote) effectively control what the pilots do when it comes to pay, benefits, and work rules.

The May pay raise should either be rescinded or at least held in escrow. It's difficult for fellow employees to hear many of the pilots say they don't want to take the May pay raise in day-to-day discussions, yet the employees see no action taken in that regard. It makes us look like we are either just saying this to make them feel better or that we have no control over our own union.

### **The SERP vs. The Pilot's Pay Raise**

To be fair, it should be noted there is one distinct difference between the birth of the SERP (Supplemental Executive Retirement Plan) and the pilot's scheduled raises.

The annual pay raises included in the pilot contract were negotiated in good faith at a point in time where the outlook for the future was still bright. On the other hand, the SERP was conceived and approved after the company was already in trouble. We know the reasoning - to keep key management players.

Leo/Fred were able to convince the majority of the BOD that the SERP was a good idea, but most employees don't know why Leo was able to sway the Board. Here's a quick refresher. Leo's star was shining bright in Washington as the airline industry's rep testifying in front of Congress - a role other CEOs were glad he tackled. He led the charge. He was prepared, knowledgeable, and believable. Hence, Leo was very effective in the quest to secure further relief funding to help the whole industry.

Undoubtedly, this gave Leo additional clout with our BOD. The reasons they hired him in the first place were on full display before the nation. Emotions were still running high and there was much uncertainty surrounding the fate of the airlines. Leo's performance received kudos in many circles. We were proud he was ours.

Leo also felt a sense of loyalty to take care of his executive team as well - for their dedication both before and after 9/11. This would be a natural desire as CEO. Once you get past the anger and disbelief, you begin to understand how the BOD agreed to allow the SERP when they did. But they committed a crucial error.

What was forgotten was the loyalty to the total team - the 70,000 other employees. Thus, the trust and dedication of 70,000 was sacrificed for the temporary loyalty of 35 - a classic and

horrifically bad decision. Additionally, credibility was shattered after we discovered the list of 35 earmarked for critical retention included eight attorneys and the president of the DECU.

What this accomplished instead was a monumental showcase of failed leadership - given the known circumstances. The crowning glory was the cartoon of the pig in the business suit with bags of money -- on the front of Fortune magazine with Leo highlighted in the cover story. We also now know it had little effect on retaining the executives it was designed to keep. Ironically - three of the main players - Leo, Fred, and Michele - are departing - with those protected benefits in hand.

Don't hurt your own credibility by saying the retention bonuses "worked" because they were only intended for two years. The mission was incomplete and we all know it. Any executive that isn't unequivocally committed to the welfare and employees of Delta Air Lines should leave -- tomorrow.

Thus, to equate the SERP on even ground with accepting a previously negotiated item is not fair to the pilots. The timing and circumstances of each were very different.

Given the history, here are two remaining problems we must get past and solve.

(1) First, we can't keep living in the past. The SERP is done. It's over. It serves no good purpose to keep harboring anger over the issue. Why drive the company into the ground because of past, ill-conceived executive decisions. I guess we'll show Leo and Fred how much we disliked their decisions by jeopardizing our own jobs. How smart is that?

(2) A second, more immediate real problem. The pilots and ALPA know the company is in trouble now. Given what everyone knows, the pilots should not fall victim to the same greed which ultimately drove the decision to accept the SERP. Let's not be convoluted or shade the issue with clever rhetoric. Taking the pay raise in May doesn't make any pilot I know feel good. And it shouldn't.

ALPA can light a fire under their protocol and procedural machine to either rescind the May pay raise, or place it in some type of abeyance. It would be one more indication of the pilot's integrity and sincere desire to return to the table to negotiate for the good of all.

Are we going to let this golden opportunity to be leaders slip away? I hope not - for the sake of the morale and internal spirit of the whole company. Here we are - all wondering what we can do to help turn the ship around and one of the biggest opportunities to start making a difference as leaders is staring us square in the face.

### **What Has Jerry Done So Far?**

In a large corporation like Delta it can be hard to get "the word" out. Many employees do not visit the company website or view archived video presentations. Corporate letters are posted but seldom read unless it affects pay/benefits or offers new positions for employment.

Thus, what one group might observe or feel about their new boss never gets passed to the next office, shift or city. A certain buzz will develop but it takes time.

Consider the task at hand. I'll use the example of comparison with a new Commanding General taking over a Wing with numerous squadrons, support units, and administrative components - hence lots of faces and personalities to learn about.

Your first move would be to observe and listen. And then, you observe and listen some more. You must identify both strong and weak players. Some will put on their best face initially to gain favor while others are simply tired and can't hide for long. The unit needs fresh blood to re-energize the troops in those cases.

Regardless of their prior reputation, you must assess people's intensity and desire, shake hands, and look them in the eye. You never drill down to that level from a seat on the Board of Directors. Those who say Jerry carries a lot of baggage from the past 17 years on the BOD have very valid points but don't understand how the Board works - or doesn't work. Just look around the rest of corporate America. Running the company day-to-day is a completely different animal. Its too easy to sit back and criticize from afar. Would you want the job right now?

Folks say we don't have a plan yet and I agree. But what I'm watching develop so far looks like the beginning of a plan and a realization we must change the people first - then begin to execute the new strategy. We all agree we want to support and nurture Delta, but we need to know what our plan is going forward. The list that follows indicates to me that Jerry has identified key areas for attention.

Here's what we've seen from Jerry so far. I'll cover the positive first. Then the negative.

### The Positive

Jerry is trying to put the right people in the right places.

He has shown a genuine desire to meet Delta's people face to face and answer hard questions. Employees have seen Jerry "walking around" more in the last three months than they saw Leo or Fred in the past five years. Meeting the employees was his first priority.

He told shareholders at the annual meeting in Atlanta that he is on a crusade to fix the problems and return the airline to profitability. Now the devil is in the details. Money, morale, and marketing. Good places to start.

He says our marketing efforts have been atrocious. Fred had more to do with this than most know about, but that's another story. My personal view is we need to market 50% internally and 50% externally. We need both our employees and our customers to remember who we are and the services we provide.

Our best customers are both outside and inside Delta Air Lines. I hope we never, ever forget that again. And I believe Jerry knows it, understands it, and can help fix it. He deserves our support for trying.

Jerry didn't sit at his desk to pour over the books and numbers first. He placed more importance on shaking hands with Delta's people. And speaking of his desk - he pulled Mr. Woolman's original desk from the museum. Now it's back in action. Maybe that's good karma. Can't hurt.

He is conducting a top to bottom strategic review. No stone unturned. No sacred cows. The big question which needs to be answered is: What business plan is viable and will work for the traditional hub-and-spoke carrier in today's marketplace? Jerry's strategic review will have no teeth if someone doesn't emerge from the review with that answer in hand.

He and Jack Smith visited ALPA's leadership early on in December. Members say they liked what they saw and heard.

The Road Shows with the pilots and spouses have shown a commitment to be accessible and face the music - allowing him to see/hear firsthand the frustrated and disgruntled masses. I attended the Road Shows in Peachtree City and the Cobb Galleria and read a detailed overview from both Dallas and Cincinnati. He didn't dodge any tough questions on bankruptcy, pay cuts, marketing, the industry, RJs, furloughs, SONG or other contentious issues. He has been honest and forthright.

He is the first to admit - publicly and point blank - the executive bonuses and lifeboat were a big mistake - huge.

He has turned down requests for increased pay from a couple senior executives. No exceptions. No one is irreplaceable. (This epiphany was clearly evident the first time I took leave in the military as a 1st Lieutenant and the Marine Corps didn't shut down).

His own compensation package is sparse compared to other CEOs in the United States. No bonus. No options. A flat \$500K. He's not here for the money or fame.

He's also not here as a stepping stone to his next CEO job. Jerry and his wife Lyn could be fly fishing out West on some pristine river - enjoying life - instead of enduring long-winded questions and concerns in DFW, CVG, PTC, or the Cobb Galleria. If he surrounds himself with good people, he can do both - and should. It's healthy to remember one of my favorite lines, "you'll never see a U-Haul behind a hearse".

He's responsible for two departures we all agree with - Fred Reid and Terry Erskine. More changes in the plus column are sure to follow. Michele's departure was different but not unexpected. Michele represents a professional loss of expertise for the company, but she was the architect behind the SERP, so the tears will dry quickly.

He wants to aggressively challenge our competitors. We're losing money in Atlanta.

He doesn't think RJs should be flown on long flights. And some people like to golf and ski in places other than their hometown. RJs don't work in some markets. Whoever decided to put RJs from Atlanta to Myrtle Beach should have gone to Virgin with Fred with all our other secret weapons.

He thinks we should have more big aircraft and leverage our Domestic route structure, Atlantic dominance, Frequent Flyer program and code share alliances. A 10-15% valued premium for our product and services is realistic and attainable. Starbucks has us all beat, but the concept is universal. They will pay more if we offer a consistent and discernible difference.

He wants In-Flight Entertainment (IFE) systems and leather seats on every jet.

He's flexible and open to surprises as they present themselves. SONG started making money in the first quarter of 2004.

He wants our flight attendants and aircraft to look sharp again and be proud to walk through any concourse or pull up to any gate in the world.

He thinks our Operations Department should manage all things tied to flying.

He believes there were originally 15 Commandments, but Moses dropped the 3rd stone tablet and it shattered. We'll never know what the other five were supposed to be. Actually, I don't know what Jerry believes here but wanted to see if you were still paying attention after this many pages of reading material.

### The Negative

"My way or the highway" won't work with this group of pilots. And they deserve more consideration. This attitude rankles even the most conservative and loyal among us.

Of all the unions in the United States, Delta's ALPA may be one of the best to work with over the course of their history. No one probably views it in this context - but I think if you look around you'd have to say the Delta pilots also deserve credit for doing what's necessary to keep this airline flying for 75 years. ALPA is the pilots.

We now face our greatest challenge ever. We have capable and intelligent people in place to work out a deal both sides can stomach and allow the egos room to breathe. The pilots know the company needs cash and we want to help.

How about showing the rest of the industry what Delta's people are capable of accomplishing? We used to brag how we were different. As John Morgado, from the Dallas LEC stated so simply, "Deeds, Not Words".

The burden lies squarely on the shoulders of both sides -- 50/50. But my fear is that holding out for every last dollar will be destructive. As I've discussed before, the company has a monetary goal but there is the intrinsic value of your people we must not lose sight of with regard to all employees. When you de-value human capital, you lose everything else you think you gained elsewhere.

### **One Outside Analysts' Opinion**

Following the release of our First Quarter earnings, Jerry and Michele held the traditional conference call with analysts. There were many pointed questions from folks like Sam Buttrick and other airline analysts.

There was also a review from Holly Hegeman who writes a weekly newsletter covering the entire airline industry. Holly is out there on the fringe sometimes, but like analysts Sam Buttrick (UBS) and Jamie Baker (JP Morgan) - she tells it like she sees it and I respect her for that approach. I've copied her closing comments and impression of Delta that she wrote in her latest newsletter. Here are Holly's thoughts:

"Overall my impressions were these. It was clear that Michele was not into the call. Not surprising that her departure from the airline was then announced shortly thereafter. I just sense there was an oil and water situation there with Gerry.

As for Grinstein, more power to him. He seems to believe that between his sheer will and a complex strategic review of the airline, he can do what needs to be done to the airline, if it is going to survive going forward. It appears to me that his initial moves have all been in the right direction.

To be honest, he's one of only a handful out there in legacy airline management who seem to be moving in the right direction. While he may not know now what that direction is going to

eventually be -- at least he does not seem afraid to tear the company apart, looking for the right combination that will work going forward.

That is more than I can say for other airlines.

We'll see how the plot develops when next quarter's results roll around, but I have a sense we really won't know the good stuff until later in the summer, when we learn more about what Grinstein's strategic review has revealed.

In the meantime -- it's simple. The airline cannot continue to operate as it is now. It will simply run out of money. And, with nothing to leverage, and more debt out of the question, heaven help the airline if some unforeseen event occurs which strains the cash coffers before **Air Grinstein** has had a chance to work its magic."

-- Holly Hegeman, PlaneBusiness Banter, 4/19/04

### **The Honeymoon Window**

The honeymoon window of opportunity that naturally accompanied Jerry's arrival is shrinking - even with all the good things said, actions taken, and initial positive impression many feel. He has further changes in the works which should be welcome, but the circle remains broken until the deal with the pilots is consummated.

The fear is that all of Jerry's efforts to turn the tide go no where without the pilots on board. When I look at what he has said and done since January 1<sup>st</sup>, it is encouraging to see leadership emerging from the front office. But leadership without trust and mutual cooperation won't allow us to shift out of first gear.

### **ALPA's Initiatives - Last Year and Present**

Again, to be fair, ALPA put last May's pay raise (4.5% in 2003) on the table in January of 2003. At the same time, or shortly thereafter, the Executive bonuses became public knowledge and all hell broke loose.

My guess is: at the time, better than 75% of the pilots felt the 2003 pay raise should also have been rescinded, but after the SERP issue became red hot, it would have been impossible for ALPA to get the votes needed to give back the raise last year.

The current pay raise of 4.5% is part of ALPA's proposed concessions - combined with a reduction in salary of 9% - for a total of 13.5%. From the company's side this is not nearly enough to make a meaningful difference. The 13.5% equates to less than \$300 million. ALPA has other pieces on the table that equate to more concessions and efficiencies, but it still isn't enough and both sides know it.

Jerry's point is we need more immediate help if we expect to be competitive and turn the corner. To piecemeal it step by step doesn't get us there. I understand his position and why - especially if you or I were running the business - trying to pay off debt and regain profitability.

The counter argument is, "Hey, we've been trying to give them money for two years and no one will take our offers." This is what makes the pilots skeptical and suspicious about the company's true intentions. This is how talk of Chapter 11 as a "strategy" gets mileage.

It's also likely the other employees don't realize how much the pilots - via ALPA - have helped the company since 9/11 by granting waivers and side letters on issues like SILs, bow wave,

monthly caps, bank provisions, and overtime flying. New agreements on the CRAF and MAC flying during/after the Iraq war also took a cooperative effort from ALPA.

Some of the reps like former Chairman Will Buergey and Lee Moak may never get the credit they deserve for work done behind the scenes to help the company between 9/11 and the time they relinquished control to the current MEC. Much of the cooperative effort that occurred since 9/11 was crafted and accomplished by these folks and others still on the MEC in the spirit of what was "the right thing to do" for both sides. We need that to continue, not stall.

Other important long-term initiatives like the code share agreement with NWA/CAL don't just happen without ALPA's concurrence. The hard work required is soon forgotten. These and similar efforts show the pilots, via their elected reps in the union, have been willing, to step up and be counted when needed - which usually benefits all of us from top to bottom.

These efforts show how both sides share a "win-win" when adjustments to the contract are made which make sense and accomplish the mission when the environment shifts in ways that can't be anticipated.

Public companies do not purposely go into bankruptcy. They have a fiduciary and legal responsibility to their shareholders. But when the company won't accept any offerings for the past couple years, you wonder if they understand the time value of money already lost.

Now Jerry is here - trying to fix it - and the bite of the apple required has grown larger. This makes him - the messenger - look like the real bad guy - when in truth, I think he is the first one who has the cojones to tell us what we need to survive and thrive again.

The board didn't listen to him two years ago. Now they have to. There are few, if any, other choices - given the nature of the beast. But ultimately, ALPA is holding their ground because these concessions should be negotiated - not dictated.

Why don't we use this opportunity as a fresh springboard to get the whole deal worked out - including concessions? Most appear ready to get it done and move on. We know we are going to hit our thumb with a hammer but we're afraid to stick our hand out and get it over with.

We know cuts are coming. Why not let the healing process begin sooner? Otherwise the pain is going to be far deeper. The longer we wait the more painful the cuts will be and the more bodies we'll see on the street - especially if we force the company to reduce the number of hubs, aircraft, and block hours - to save money.

Delta flew the highest block hour months it has ever flown in 2001 - in the months prior to 9/11. It was at that point, combined with the bubble in the U. S. economy and the stock market that Delta was starting to realize they had hired 1000 pilots too many. The reduction in the non-contract workforce had already begun and culminated with 16,000 employees getting pink slips or offers to retire early.

There are approximately 1100 pilots between the ages of 55-60. As they retire it will help bring back furloughed pilots, but it would also help if we would get our act together, get competitive, and start growing the airline instead of shrinking - particularly with the big jets.

As we all know, but no one wants to talk about - the biggest savings for any company is when you reduce the size of the workforce and do the same job more efficiently with less bodies. We can whisper and skirt the issue all day long, but this is the cold hard truth. Without growth, our furloughed pilots will be on the street even longer. And we can't grow if we don't get competitive on costs first.

One interesting side note of trivia was pointed out recently. Of the major European cities that people around the world find most attractive, Delta only serves 75% directly. That looks like opportunity knocking - in light of the fact nearly 80 million baby boomers in the U.S. are starting to retire and travel more. Berlin, Prague, Hamburg, Lisbon, Stockholm, Vienna, Budapest, Shanghai, Hong Kong, Caribbean, South America? Don't the numerals 767 and 777 roll off the tongue nicely?

### **The Numbers - Where Is the Disconnect?**

Here's where folks keep scratching their heads. How can there be such a disparity between what the company says they need and ALPA's financial needs analysis?

It seems like the two sides aren't even discussing the same company. If it comes down to a philosophical difference in the size of the cuts needed - then ALPA may be leading us down a perilous path. It will not be good enough to enable the company to borrow even more money at ever higher rates.

Our increasing debt load will crush us under the weight of its ballooning burden. Let's not falter in the same manner we are watching our brothers at ALPA struggle with the facts at United and USAir or APA at American.

The company's view is we need to take the hard medicine now. As Jerry has said - we've had a heart attack and need a stent - not just aspirin. Their reasoning is many good things can happen if we get our cost structure down.

The value of the stock starts to rise again as we regain favor with both Wall Street and other investors. We regain access to capital markets at much lower rates of borrowing. We are able to finance growth at a reasonable cost. Profit sharing can become a reality instead of a pipedream.

Company's request - \$830 million (\$750 million + May pay raise of \$80 million)

ALPA's offer - somewhere between \$350 - 450 million (9% + 4.5% May raise + work rules/benefits)

ALPA's offer on the table has been hard to nail down since I don't have access to the confidential numbers. When these guys sign confidentiality agreements, they mean it. The numbers used above are a best guess as to what has been offered.

What's necessary? - No one really knows but it's possibly the whole \$830 million.

What's reasonable as a first bite? \$600-650 million. Any family needs time to adjust and many pilots will take an even bigger hit by sliding backwards.

Why won't the company take at least a 70-80% deal to get the ball rolling and then come back to the pilots if they need more? It will be no surprise if that becomes necessary, so I no longer believe the argument which says it must be all or nothing in one shot.

This pilot group is very capable of doing what's necessary. If that takes two bites of the apple - they'll do it for job security and to maintain control of their fate. Pilots do not like to be out of control - another trait our passengers appreciate.

What does it take to give back \$600-650 million? There are numerous paths - and it will hurt some more than others. But the alternative of bankruptcy and job losses isn't acceptable either. One route is a 20-25% pay cut, raise the cap to 80 hours, modify the work rules, reduce vacation pay, reduce the 401k match to 2%, raise the medical premiums, and fly the entire fleet more efficiently, more often - each day/night.

What if the company needs \$200 million more on top of that? It would require an additional 10% pay cut or fewer bodies to fly the same block hours.

There may be some slop in these numbers depending on which side is doing the valuation, but these days, the valuation of each item has been generally agreed to by both sides and is simply a matter of changing a number in the laptop spreadsheet and pressing "Enter".

The company is asking for close to \$830 million. Given our debt load and balance sheet status, is there anyone who believes 13.5% is enough to help turn the corner?

The Milestone Partners Group is based out of Washington, D.C. They assisted ALPA's internal team (headed by Ms. Anna Schulz at ALPA National) with the Economic and Financial Analysis (E & FA). The analysis is now a year old. ALPA is reviewing the latest numbers again in this month (April) with Michele Burn's team.

Originally, Milestone advised our union leaders in order for Delta to gain access the capital markets again; the pilot's contribution would have to be more than there is on the table now. If that was the guidance offered, why is ALPA still appear low with their current offer?

For every 5% the pilots give back, it equals about \$100 million in savings for the company. Thus, a 30% cut in wages equals a \$600 million dollar savings for the company. The rest of the package the company is trying to achieve would come in the form of work rules and benefits changes to the tune of another \$230 million if they got every dollar they are asking for.

Where would this place the Delta pilots compared with their peers in the industry? Still in the top percentile for pay and benefits of all pilots in the industry. Add profit sharing, reasonably priced stock options (\$8-10) to the mix and it could be surprising how well the picture might look 2-3 years from now.

Or we could be sucking wind (I know - that's what jets do), have only 5000 pilots on the property, and be flying a much lower number of block hours. We hold our own fate in our hands.

### **What's the Right Thing to Do? -- Social Contract with Fellow Employees**

Someone once said "ethics is doing the right thing when nobody's looking."

It seems disingenuous to hide behind ALPA since we - the pilots - are ALPA. We - the pilots - have an opportunity to show true gutsy leadership. In many ways at Delta, we have another contract which is just as important as the PWA (Pilot Working Agreement). And that is the social contract we share with our fellow employees. Both contracts add great value to our lifelong careers at Delta, whether some appreciate it or not.

A number of pilots I've spoken with agree that accepting the pay raise is potentially divisive. A smaller group is still very militant - but that number has declined over the past 12 months. The silent majority understand the marketplace, the analysts, investors, and the credit rating agencies - can't all be wrong. Now it's just a matter of time before reality hits the blue envelope.

There is a small number who refuse to accept we have a real problem - or want to believe the company is either lying or bluffing. Same thing happened at United. Their pilot Forum had a handful of folks with limited information who were the most vocal and adamant. Then reality came knocking in the form of a vote.

The UAL pilot group voted overwhelmingly (90%) to accept concessions (\$450 million) in favor of keeping their jobs. Where else were they going to go? Same with USAir. Where else are airline pilots going to go with over 9000 pilots currently on the street - able and willing to learn to fly any airplane available?

In case we've forgotten, in the United case, the bankruptcy judge took another \$700 million in wage and benefit cuts for a total of \$1.1 billion out of the current UAL pilot contract. Has anyone talked with those guys? They're flying 90 hours a month for 40-50% less pay. At American they carved out approximately \$2 billion in concessions from their employees - both pilot and non-pilot combined.

While we're looking at United, let's ask another fair question - where were ALPA reps when it came to doing an economic and financial analysis? And if one was done, how far off were they from what was truly needed? Don't United's pilots and their ALPA reps have the same concerns we have at Delta? Were some in denial there, too?

Until we have more folks on the street by judge's order or see our W2's reduced inline with the rest of the industry it is very tough to have a reasonable discussion with the naysayer group. Our black hats will cast an even darker shadow from those folks and you will find other employees just shake their heads in disbelief.

Times like this determine whether the pilots can be counted on to be leaders. Those who refuse to believe the depth of our problems or fail to take the initiative to help the company that feeds them are hoping beyond hope it magically gets better.

The May pay raise of 4.5% equals \$80 million annually. (The SERP was originally tagged at \$65 million). That's \$80 million our company can't afford right now. That's \$80 million more in the wrong column on the balance sheet. That's \$80 million being subsidized by sacrifices our other employees have already made with changes to their retirement plan, higher medical premiums, work rule changes, new sick leave policies, and 16,000 layoffs.

Accepting an additional \$80 million does not help the families of pilots on furlough. It doesn't help pay off an airplane. It doesn't give us cash required to compete head to head with the competition. It doesn't help fund pension plans. It doesn't help keep our medical premiums from rising even higher. It doesn't help pay for high cost fuel. Accepting another \$80 million doesn't send any positive message - but it could - if it was put in escrow and used for something besides lining our pockets further.

*"Each time we make a decision it is determined by either good or evil forces, respectively, which are dominant."*

-- Erich Fromm, from the book, "Man For Himself"

## **Become That Which We Loathe?**

Why allow ourselves to become what we loathe?

We were visibly angry at upper management for accepting the SERP. And rightfully so. We insisted they could have - and should have - stopped it. We've all said we'd have more respect and trust towards them if they had stopped it. Every employee was unified in these feelings across all departments, cubicles, and cockpits. We all asked, "How could they be so blind and insensitive?"

So I ask all of us to consider - Where is the same anger and disbelief among the pilot group when the tables are turned? The money is now going to flow into our pockets. Is there honestly any perceived difference in the bottom line between the two scenarios?

We will be accepting additional compensation when we know the company is in trouble and needs our help. It doesn't matter what justification may exist for the additional compensation. Just like it didn't matter when senior management tried to justify the SERP.

Some have suggested we may as well take the money now and we're better off in bankruptcy because then everyone shares the pain, and it's not just the pilots who are giving concessions. This sort of thinking highlights shallow thought processes and a great misunderstanding of what bankruptcy can do to a company's soul across every stratum.

Are the laws of physics stopping ALPA from rescinding the May pay raise? Is there any criminal or civil law that says ALPA can't halt the pay raise? Are pay issues exempt from side letters? Doesn't a handshake count for anything in our culture anymore?

We talk vehemently in strong terms about maintaining Captain's authority and how we want to be given the respect our leadership position should command. Yet when it comes to true leadership during what is probably the toughest time Delta has ever faced - where are our leaders? How can we ever earn unwavering respect if we don't lead by example?

There is no argument we can defend that makes us any better than other greedy mongers in the U.S. who accept compensation when the organization they work for is hurting. We have a fragile balance sheet. It would seem prudent not to inflict any further hardship on the company our livelihood and future job security depend upon.

*"Most of the things we decide are not what we know to be best. We say yes, merely because we are driven into a corner and must say something."*

-- Dr. Frank Crane

On the heels of management accepting the SERP, is our acceptance of more dollars at this juncture more noble or deserved? Are our actions any different than theirs? By saying or doing nothing aren't we giving tacit approval to the same greed we've relentlessly condemned the past 12 months?

I can't think of any good reason to accept or promote selfishness. Regardless of the excuses some will pose I don't believe there is any justifiable reason that holds water or allows each of us to look in the mirror. How do we consider ourselves as leaders when the chips are down everywhere else in our company?

*"Some persons are very decisive when it comes to avoiding important decisions."*

-- Brendan Francis

## **Is Goodwill Dead?**

The goodwill and respect that would come from rescinding the May pay raise is immeasurable. Some say the good deed would soon be forgotten by most. I disagree. Sometimes we only get one chance to make the correct decision at the fork in the road. That doesn't mean you have to keep getting credit for it during each subsequent issue that arises.

We might consider moving beyond rescinding the raise and use this opportunity to craft a more meaningful concession package. We know we need more than 13.5% to turn the Mothership in the right direction and regain a competitive posture. So why can't we get there? It would seem no excuse is quite good enough to allow the situation to deteriorate beyond repair.

If you agree we should forego the May pay raise, send John and your reps a note with your comments; or if you don't agree, tell them. Maybe if our ALPA leadership receives enough input, they can take action to indicate the pilots are trying to help the company. We've always been counted on to step up and do the right thing. Why not now?

Since only 25% of eligible voters (896 of 3539) in the latest Council 44 election voted, I'm not making any assumptions anyone will make the effort to look up their ALPA reps e-mail addresses or phone number. They are both provided below for easy access.

In the same spirit of providing our ALPA reps e-mail addresses and phone numbers below, it is only fair that you be able to contact me directly as well with any comments, suggestions, criticism, or questions at anytime:

[mstark@afainvestments.com](mailto:mstark@afainvestments.com)

(770) 977-2434 (Marietta Office)

(770) 578-6675 (Home)

(888) 413-9080 (Toll Free)

ALPA Offices Toll Free: 800-872-2572

Atlanta: 404-763-4925

John Malone: [John.Malone@alpa.org](mailto:John.Malone@alpa.org) (MEC)

Mike Pinho: [Mike.Pinho@alpa.org](mailto:Mike.Pinho@alpa.org) (MEC)

Art Williams: [liv2rid@bellsouth.net](mailto:liv2rid@bellsouth.net) (ATL)

Mark Moore: [mark.moore@alpa.org](mailto:mark.moore@alpa.org) (ATL)

Mike Wilson: [footw@aol.com](mailto:footw@aol.com) (ATL)

Frank Furbish: [ffurbish@cox.net](mailto:ffurbish@cox.net) (LAX)

Rick Chabot: [rickchabot@flightline.com](mailto:rickchabot@flightline.com) (DFW)

Ed Madden: [eddiemadden@flightline.com](mailto:eddiemadden@flightline.com) (NYC)

Ed Thiel: [edthiel@earthlink.net](mailto:edthiel@earthlink.net) (SLC)

Mike Bowen: [mbowen108@flightline.com](mailto:mbowen108@flightline.com) (CVG)

## **Conclusion**

You can accomplish anything in life you truly want to.

Respectfully, Mike Stark

Visit us at [www.afainvestments.com](http://www.afainvestments.com)