



Thursday, July 15, 2004

(Two pages: 5-7 minutes reading time)

Dear All,

"No airline is too big to fail". This quote came from a well-written article in last Sunday's NY Times titled, "Get Out the Glue for A New Business Model".

The point is -- we must all face the dramatic challenges in our industry. As employees - both union and non-contract - the cuts in both compensation and benefits require more sacrifice than we ever imagined.

There is only a finite number of dollars available to run any business and pay your employees what the marketplace will bear - while remaining a viable, serious competitor in a business arena. In the case of the airlines, where do you lay blame when your customers will pay more for a hotel room, tickets to Disneyworld, or their rental car - than they paid to get to their destination?

This isn't our fault - but as employees we must realize this is the revenue world our company must operate in. We either make the necessary adjustments or we'll never celebrate our 100th anniversary as Delta Air Lines.

For the pilots, this is not ALPA against the company, nor is it the age old struggle of labor vs. management. This is ALPA and the unions against the marketplace - and the marketplace will win. Unless we understand, fully accept, and proceed forward with this realization - we are headed for deeper trouble few thought possible. In the name of productivity and survival, there will be more pain, furloughs and layoffs. To believe otherwise is to ignore the changing reality of industry turmoil all around us - almost daily.

However it all shakes out, we will still have one of the best combinations of pay/benefits of any airline. An intelligent employee group - like we have at Delta - must adapt and change our thinking. The marketplace is driving our fate and the current leadership team - both at ALPA and the company - are there to guide the necessary transition with integrity. Personally, I do not envy their task at hand nor the hours they are putting in on our behalf.

There isn't a management team or labor union in the country that can dictate the price of fuel or what the customer is willing to pay to fly.

"To fear the worst often cures the worse." -- Shakespeare

As promised a few weeks ago, we have culled together a comprehensive list of questions and answers many employees have asked and continue to ponder. To do justice to the process, I would encourage anyone who reads this next series of articles to forward them on to other employees.

Starting this weekend, we will kick off the new Q&A series of articles. I have already written the first, titled "Who Moved the Cheese" and it will be in your Inbox shortly.

Please feel free to send us any additional questions via e-mail. There are questions I might miss or not cover completely. There may also be questions not addressed in detail via any medium thus far - either by the company, ALPA, industry analysts, or the media. We got one yesterday at the retirement seminar no one had ever asked before and it was a good one - so I know there are more questions out there.

Also, any employee can be added to our e-mail newsletter list by signing up at the end of an article at the bottom of the page or send us a note at my address below.

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Instead of sending you another missive like "Eyes Wide Open", "Slowly Strangling the Golden Goose", or "Let Me Sleep On It", we will send these out in 3-4 page sections to be easily read in a single session of useable consciousness.

I/we do not have all the answers. But what we will share here is a much larger body of knowledge gleaned from many sources -- inside and outside -- from the company, industry analysts, the unions, outside observers, our customers, and the business community as a whole. We are a society dependent on the core beliefs of capitalism and democracy -- both of which are driving radical changes in our industry.

Too often, we form hard line opinions based on misinformation or rumors which have little factual basis. What follows then, is a human nature tendency to criticize, and sometimes sabotage, the very entity we need to support. When you offer folks credible information they are able to better understand the forces driving various decisions. Increased knowledge between all employees will help return Delta to a company we are proud to call our own again.

Respectfully, Mike Stark

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