



Edward H. Bastian
Senior Vice President
Finance and Controller

June 10, 2004

VIA E-MAIL

Reader's Opinions Department
The Atlanta Journal-Constitution
72 Marietta Street
Atlanta, GA 30302

Dear Editor:

Although your reporter talked to me at length about these issues, your recent editorial leaves readers with the impression that non-pilot costs at Delta have been rising in recent years. This is inaccurate. In fact, since 2000, we have reduced non-pilot costs by 15%, despite considerable increases in fuel, pension, security and insurance costs. In addition, the general administration costs to which you refer have already been reduced by 24%.

The real story is that pilot costs have actually risen by 25% during this same period, putting pilot costs at Delta nearly 70% above industry average. No strategy or business plan can make up for this enormous gap.

The AJC also suggests that Delta is asking pilots to clean up the company's financial problems alone. Our actions show otherwise. Non-union employees have already made major contributions in the form of benefits changes, increased productivity, and the reduction of 16,000 jobs. Delta has cut costs throughout the operation totaling more than \$1.2 billion in 2003 alone. As referenced by your own chart on Sunday, minus pilot costs, Delta has the lowest unit costs of any major network airline, including American Airlines.

We recognize that we are in the midst of our cost cutting program and that we still have much to do, and will continue this work relentlessly. However, the principal difference today between Delta's cost structure and that of other network carriers is pilot costs. Denying this fact will only serve to create greater obstacles to our return to viability.

Sincerely,

A handwritten signature in black ink that reads "Ed Bastian". The signature is written in a cursive, flowing style.