

8/3/04: Cathy Cone received some additional answers in a phone call today with Lee Macenzak and Walter Brill. Updates to the original posting are in green.

DALRC Meeting with Jerry Grinstein – June 9, 2004

The members of the DALRC steering committee met with Jerry Grinstein at 1600, June 9, in the Delta executive offices. The group was impressed with his candor during the entire meeting.

Following introductions, Mr. Grinstein spoke of the challenges facing Delta and of the immediate need to reach an amicable agreement with ALPA. While he stated that bankruptcy reorganization will be the last option considered, he did not rule out the possibility of this alternative. He spoke openly about the damage that had been done over the past few years and his confidence in and hopes for the new leadership team he is putting into place.

The committee was given an opportunity to ask questions, most of which are covered below. Answers are paraphrased and one has been clarified by the Delta Legal Department.

~~~~~

Q. What is the likelihood that Delta will attempt to terminate the non-pilot defined benefit plan in the event of bankruptcy?

A. This is the last option Delta would consider as the frontline employees have already contributed substantially to Delta's cost reduction efforts. Mr. Grinstein referenced what has happened at US Airways and United. In neither case was/has an attempt been made to terminate the plans of non-pilot employees.

Q In the event of bankruptcy, who would represent the non-pilot employees?

A. This may depend on whether the bankruptcy court is being asked to rule on a matter that requires court approval and that affects those employees or retirees. For example, if the company were ever to seek bankruptcy court approval to terminate the non-pilot pension plan, the bankruptcy rules provide for the court to appoint a committee of people to represent those who would be affected by such an event. If there are groups or committees

which have been active in keeping up with those issues, it is likely, though not guaranteed, that the court would look favorably on appointing the leaders of those groups to the court-approved committee. The rules also provide in that case for the committee's costs, including legal fees, to be reimbursed by the company through a court-approved process.

On the other hand, Chapter 11 is set up so that the company can continue to conduct much of its day-to-day affairs without the need for court approval. The court may very well not appoint a committee or approve the reimbursement of expenses or legal fees if the purpose is simply to monitor the bankruptcy proceedings generally or to express a viewpoint on something that does not require court approval or review. Therefore we would not want to create the impression that individuals should decide on their own to form committees and retain counsel with the idea that they will automatically be recognized and reimbursed by the court regardless of the circumstances.

Because Mr. Grinstein places great importance on communicating openly and honestly with retirees as well as active employees, he would use his efforts to make sure that employees and retirees have accurate information about the circumstances under which representation and reimbursement of expenses in the bankruptcy court is appropriate.

Q. Delta has announced that they are approaching the 150% cap relative to medical coverage, at which time the excess premiums will be borne by the plan participants. Does this cap include the continued full coverage being received by the pilots?

A. Mr. Grinstein indicated he was not fully knowledgeable on this issue and would check with Human Resources. No further answer has been received.

Q. The DALRC has a link on its website to the Delta Retiree website. Can the Delta Retiree website add a link to the DALRC website?

A. Mr. Grinstein's initial reaction was that this would be a good idea. He said he would discuss with Lee Macenzak, new Sr. VP – Human Resources, and asked Cathy Cone to follow up with a phone call to Mr. Macenzak. (Cathy has since met with Mr. Macenzak, and we await his decision.)

8/3/04 update: It is Delta's opinion that linking their website to us would be seen as an endorsement of the DALRC and that they do not wish to be seen as favoring us over any possible future groups. They also do not want to be responsible for what we might choose to put on our site especially as our views may vary from Delta's.

What they have agreed to do is put our website address (but not a link) on DeltaNet and the Retiree Connection website. They have also agreed to do this for DP3 after they have spoken with DP3's chairman, Jim Gray.

Q. Might we be allowed to participate in meetings with the benefits group prior to formulation of benefit changes for the upcoming enrollment period?

A. Mr. Grinstein saw no immediate problem and agreed to follow up with Mr. Macenzak. We await a more complete answer.

8/3/04 update: Mr. Macenzak advised that, based on a study done two years ago, decisions have already been made on the changes that will take place. He went on to say that frontline employees were not given any input into the changes, and the retired pilots group benefits are based on contract negotiations so no need to involve them either. Therefore we will not be participating in those meetings.

~~~~~

Cathy Cone spoke about the DALRC's interest in helping Delta in any way possible and of the retiree volunteer group we are working on with Delta. Mr. Grinstein was pleased with the active efforts of the group to partner with Delta during this difficult period.

The meeting adjourned at 1730.

8/3/04 addition: In subsequent phone calls, Cathy asked if Mr. Grinstein would consider addressing a DALRC general meeting this fall. While no date has been set, we expect that Mr. Grinstein, Mr. Macenzak, and Mr. Palumbo will address our meeting.

Cathy also asked if Delta would approve S3 passes for retirees wishing to attend the meeting. Mr. Macenzak agreed to check into policy and get back to her.