

MEMORANDUM

RE: MEETING WITH DELTA AND NORTHWEST EXECUTIVES

DATE: AUGUST 27, 2008

On Monday Kevin Griffin, Janette Rook, Mark Gehrt, AFA Legal Counsel Scott Goodman, and Attorney Rob Clayman met with Ed Bastian, Michael Campbell, Mike Becker and Julie Showers to determine the likely timetable for the operational merger of Northwest and Delta. Delta has established three separate Day Ones, or pacing events, around which management will coalesce certain events relating to the combination of the two carriers - Corporate Day One, Employee Day One and Customer Day One. In addition, Bastian explained that the full integration of the airlines depends upon the FAA's issuance of a single operating certificate which should occur approximately eighteen months after the filing of an application. Delta intends to submit the application in October.

Corporate Day One will occur on or shortly after Delta receives regulatory approval from the Departments of Justice and Transportation. The only other event that must precede Corporate Day One is the disposition - though not necessarily the final resolution - of litigation brought by a group of travel agents to stop the merger. It is currently anticipated that the requisite approvals will issue before the end of the year and possibly as soon as November. We did not get the sense that the travel agent litigation will materially delay Corporate Day One.

By Corporate Day One Delta is assuming that many of the airlines' departments will be combined including labor, human resources, legal, financial and communications. On this date the ALPA collective bargaining agreement covering both work groups will become effective. Also, within thirty days of Corporate Day One the equity in the merged Delta will be distributed to all employees. It is also expected that immediately following Corporate Day One Delta will begin painting Northwest aircraft in the Delta livery.

Management was less clear in identifying when or what would occur on Employee Day One. The only specific events mentioned during our meeting were the issuance of a standardized uniform and the institution of a single pass policy. It is relatively clear that management wants "Employee Day One" to take place as close in time to Corporate Day One as possible.

Management probably believes that Corporate Day One should serve as the trigger date for a single carrier application. Several of the indicia the NMB relies on in determining single carrier status including common ownership, common management, and centralized labor relations will have been satisfied by that date.

We also discussed the timetable for the integration of the Flight Attendant seniority lists. Although the ALPA agreement establishes November 20 as a deadline for determining this issue, the first time the pilots will actually use an integrated list will be when they bid for their flight assignments in the month following the FAA's issuance of a single operating certificate. Julie Showers stated that currently she is assuming that an integrated Flight Attendant seniority list would become effective at the same time – immediately following the issuance of a single operating certificate.

Finally, Julie stated that Delta currently intends to have all flight attendants trained on the ten aircraft types that comprise the Northwest and Delta fleets. She raised a concern that the FAA may oppose certifying flight attendants on this large a number of aircraft.