

PCN Services – High Life Newsletter, News, Events, Deaths, Illness Notices & PCN Ads & Calendar. Note: Notices from major sections are distributed by separate email address to allow our subscribers the ability to customize and filter notices not desired.

Large web community for one of world's largest airlines

High Life

facebook

For all Delta people who have truly touched the *High Life*

Dusk over the Pacific.

Group Section.....

Dear PCN (of over 2600 subscribers),

Mark's Remarks

Why the PBGC appeal is imperative to join:

The DP3 did not put me up to this, it's just my opinion. If you are not onboard as a dues paying member of DP3.....lose you cynicism and get on board. Because of their leadership we are on the precipice of millions of \$\$\$\$ to repair lost retirement benefits. Because of the weight of the appeal and because of the effort that is being done, it is time to get on board! Final deadline to join is Oct 26th. 10 days from now! Do it! By being a member you will be supporting a herculean effort and allowed to participate in any further class action suit, if not.....you won't. Click here and read center of page: <http://www.dp3.org/>

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Periodic not a weekly:

I have to apologize for lately being more "periodic" with the HL than I have in the past. While I actually try to produce a HL every week by Sunday midnight, it is still a periodic and from time to time will be delayed for

either content or personal conflicts. Please know that we will probably publish at least 45 issues this year and that if you think of it as a bi-weekly than most of the time you will be pleasantly surprised. Thank you for your understanding.

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“Family” as it relates to us Deltoids:

It always is a head turner when someone alludes to us employees as being “family”. Years ago, when I first heard this phrase “we are a family,” it caused me to pause. Now, over the course of my early years with the company I did see evidence that employees took care of one another *as if* they were a family. The company promoted the idea and made mention of it through their pipeline of trainers and managers. Now, as someone mentions the word, its’ connotation brings all kinds of thoughts to our minds. Many have and do say that the family is dead. I never believed in a company institutionalized family concept. But what I did and do believe in (and still do as I serve this PCN group) was the idea that fellow worker bees took care of one another as if they were related. And so that element continues for me with our group of the PCN. I serve to help take care of our group by staying connected and sharing info and maybe on occasion a laugh or two. It is better not to use the word “family” in the workplace and I won’t ever use it related to our association. As to how it was used in the past? The past is the past.

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Evolving Airline Business:

In 2003-04 I penned these ideas and allowed a number of pilots to review them. Later, I forwarded the thoughts to 5 of DAL’s top Managers and got replies from all of them including the CEO. It is ideas that win in the marketplace and interestingly enough the industry is moving to these ideas whether they want to or not. The latest example (evident in my recent UsAir travel) is premium pricing being placed on window or aisle seating.....highlighting the fact that the middle seat is simply not worth as much as one that is more comfortable. I don’t like it but DAL made almost a billion \$\$\$ on simple bag fees in 2010. There are certainly many more “ideas” that the industry could or should employ. My point started as a revenue one, but in addition it added a personal “customization” of your travel. If a passenger felt in control of their inflight wants and desires (at least the important elements) you could go a long way to allowing the co-opting of ownership of the travel experience. Meaning, in the passengers mind the ownership transfers from it being a terrible flight because it was the airline’s fault to it being a great flight because I got all of my normal perks. Tell me what you think and share some ideas that you have had.

Paradise Lost.....Paradise Found!

“We’ve lost all pricing control,” says CEO Doug Steenland of NWA. That remark has been repeated recently by top management so often that it’s a group think epidemic. Cost control alone will ultimately never save the airline.....*marketing will*. Network carriers who continue to lament “lost pricing control” and do little to regain it, will likely be overrun by aggressive competitors who have subsidized lower costs by the influx of investment capital. To acquiesce to the notion that pricing is not in the control of the airline (but rather the Internet), is a false and ultimately a fatal position for our network carrier. The Internet is not the enemy, but should be a managed friend. Read on!

Paradise Lost --Pricing Control:

Pricing Lost. A seat is *not just* a seat. But over the last few year's the industry has somehow degraded its' marketing by selling travel between city pairs in an evolution that assumes a generic "seat". The only distinctive that has evolved in this evolution **is the price of that seat**. The industry *and* the airline has lost its brand because the most important part of the airplane – *the seat* – has been conceded to being the same on *every* airline and *every* airplane. WRONG! I am here to say that a 3-hr seat on any RJ *is not* the same product as the same trip in a Boeing. Further, (and more importantly) there are a multitude of ways in which the airline can "distinguish" its product to create premium priced items of distinction. Leather... seats with extra legroom.... in seat entertainment..... movie....window.... or aisle.... onboard food, etc.. But even if we all recognize that distinctions within our airline already exist, how do we gain a pricing premium for them?

Paradise found --- Reworked Internet Pages:

Just like the distinctives or qualifiers you need to specify for a car rental or a hotel room before a quote is rendered (size of bed or car—orientation of view—etc), the airline **will re-work it's internet pages to force** all search engines on fares to move the customer through the *qualifiers* before the quote. (Examples can provided.) By employing this method the airline can begin to ascertain (from the customers) what they are, and are not, willing to pay extra for. The airline can customize their travel experience so it is not *just* a seat between cities. Each fare search is really a "polling" of the customers on what "distinctives" they prefer. Data can easily be ascertained as to which travel qualifiers they (the passengers) repeatedly select. They simply select their extra value added items as a means of customizing their own travel. A sort of "have it your way." Is extra legroom important? How about a window seat? Maybe food or in-flight entertainment? By polling each fare's purchase, a company can quickly determine which distinctives they can add premium pricing on. Look no further for your marketing model than Dell computer. I just went through Dell Computer's online store and they cleverly advertise a very low PC price, but by the time you wade through there "option" selections and pages, you always end up paying about twice as much as the initial ad. This is all accomplished by forcing the customer to make "premium" decisions. And because the customer is in control of those choices he smiles while clicking the order button.

Win Win:

The Delta customer gets to shape their travel experience and Delta regains a measure of pricing control over all items that are now "premium" choices made by the passenger. Is it really "all about the fare?" Will the customers choose premium items? ABSOLUTELY! They will have *no choice* but to wade through the qualifiers before the travel quote is given. Many, many customers will choose to pay \$10 to entertain Johnny while traveling for 4 hours. As it is today, the customer doesn't even have the chance to select "add on" premium items to the basic fare. Today's marketing simple sells a generic seat between cities. That must change if we are to survive as a network carrier with a superior product. Let's face it, we will not win the low cost war. We must prevail in regaining a YIELD margin. Re-worked pages on Delta.com can be done instantly. The big "comparison" search engines need to be guided in helping the airline accomplish this new Internet marketing goal. Any search engine (like Travelocity, Orbitz, etc.) that does not re-work their site to add qualifiers of the airline's choosing, would simply lose the airline's timetable until they comply. They will--- the airline gains--- ***and paradise is found!***

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Happy Birthday to my 90 year old father!

I remember that on his 80th birthday he said he rolled out of bed, placed two feet on the ground and said, "I made it." Well, 10 years later he is still making it. He and his RO are the WWII Nightfighter pilot's last living crew. What stories he has. But more over he is and has been a great Dad, friend and teacher. Happy Birthday and I love you Emil Sztanyo!



~~PCN Ads~~ ~~up and running!~~

Temporary service suspension awaiting repair! Yeah, it will happen someday!

For all of you who have an item, service or offer to promote Ad packages as follows:

FREE listings - \$0 for 45 days.

Jobs offered, jobs wanted, Pets, items Wanted. Runs 45 days, includes images.

Basic Listing - \$5 for 60 days with multiple images.

Silver - \$10 for 120 days with multiple images.

Gold - \$25 for one year with multiple images.

Platinum - \$50 for 3 years with multiple images.

Every one submitting an Ad gets a private login and complete control over their ads. URL's and images are allowed and you will see it is a very nice format for entering online ads.

**Check it out; just register and submit and get your item,
thing wanted, service or house, posted. Its just that easy!**

[PCN Ads](#)

Note: PCN Ads was developed to give our group and outlet to advertise in front of our exclusive and numerous members along with searchable on the www, and by so doing keeps our newsletter free from any profit or commercial link.

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Tools for our members:

PCN Main Website: <http://pcn.homestead.com/home01.html>
PCN Google Group archives: <http://groups.google.com/group/PilotCommunicationNet>
PCN Ads – <http://pilotcommunication.net/Ads/> *Updates temporarily suspended*
PCN Tool Bar (for IE browser) - <http://pcntools.ourtoolbar.com/>
PCN Calendar - <http://pcn.homestead.com/Calendar.html>
PCN specific emails: misc@pilotcommunication.net
pcn.calendar@gmail.com
signup@pilotcommunication.net
illness@pilotcommunication.net
death@pilotcommunication.net
ads@pilotcommunication.net
mark@pilotcommunication.net

News Section.....

Delta News (Recent stories of interest): [Yahoo](#), [AJC](#)

Delta Sees \$100 Million LaGuardia Investment on Slot Trade

By Mary Jane Credeur - Oct 14, 2011

[Delta Air Lines Inc. \(DAL\)](#) will invest \$100 million at New York's LaGuardia Airport, part of the nation's busiest aviation market, when the carrier completes a trade of takeoff and landing slots with [US Airways Group Inc. \(LCC\)](#)

The transaction should be finished by Dec. 1 after the U.S. Federal Aviation Administration auctions 16 pairs of slots to be divested at LaGuardia and eight at Ronald Reagan [Washington](#) National Airport, Chief Executive Officer Richard Anderson said.

Delta's upgrades at LaGuardia complement its \$1.2 billion terminal construction project at John F. Kennedy airport and raise the stakes against competitors including [AMR Corp. \(AMR\)](#)'s [American Airlines](#). Delta and rivals have been improving their New York facilities and adding flights to win business travelers who fly frequently and often pay the highest fares.

"From the sheer size of the project, they are clearly putting more effort into this and more money into this than anybody else is," Bob McAdoo, an analyst at Avondale Partners LLC, said of Delta's investments in [New York](#). "It's a very competitive market, but it's clearly worth fighting for."

Read more: <http://www.bloomberg.com/news/2011-10-14/delta-air-sees-100-million-laguardia-investment-on-slot-trade.html?cmpid=yhoo>

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Retired Delta pilots to file appeal over lost pension benefits

By Kelly Yamanouchi
The Atlanta Journal-Constitution
Wednesday, October 12, 2011

A group of thousands of retired Delta Air Lines pilots said it plans to file an appeal with the federal pension insurer over \$600 million in pension benefits, a step demonstrating the lingering effects of cuts Delta made during its bankruptcy filing over five years ago.

The Delta Pilot's Pension Preservation Organization said its Washington-based law firm Miller & Chevalier plans to file the administrative appeal Oct. 28. The appeal will challenge rules used by the federal Pension Benefit Guaranty Corp. when it calculated benefits for more than 3,500 retired Delta pilots, benefits that the pilots group contends were "artificially reduced" by about \$600 million, or about \$1,200 per month per pilots.

The PBGC said in a written statement that it stands by its work. "Congress has put limits on the benefits we can pay, so some retirees see reduced benefits," according to the statement from PBGC's deputy director of communications Jeffrey Speicher. "PBGC calculates those benefits to make sure retirees get every dollar the law allows. Our process has been tested many times in the courts, who agree it is fair and equitable."

During a raft airline bankruptcies and pension terminations, Delta terminated its pilot pension plan in 2006 during its Chapter 11 bankruptcy, leading the PBGC to take over the pension plan assets.

The Delta Pilot's Pension Preservation Organization said hundreds of retired Delta pilots are still waiting for the PBGC to complete its final calculations of benefits, particularly for pilots who are divorced and make for more complicated cases. Those pilots have been receiving estimated benefits from the PBGC. The pilots group had been waiting for the final calculations before filing the appeal.

Delta Pilot's Pension Preservation Organization chairman Will Buergey contended in a written statement that the terminated pilot pension plan "had sufficient funds to pay these benefits."

Buergey said the organization has collected information from thousands of retired pilots and has been working for the last five years "to see the pilots get their pensions that they earned over a 30-year career with Delta."

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Retired Delta Pilots to File Unprecedented Appeal with PBGC

Group seeks to regain over \$600 million in pension benefits lost during Delta bankruptcy

Press Release Source: DP3 On Wednesday October 12, 2011, 9:00 am EDT

ATLANTA, Oct. 12, 2011 /PRNewswire/ -- The Delta Pilot's Pension Preservation Organization (DP3, Inc.), a group representing the interests of over 6,000 retired Delta pilots, is preparing to file an administrative appeal

with the Pension Benefit Guaranty Corporation (PBGC) aimed at recovering approximately \$600 million in lost qualified pension benefits.

The consolidated appeal, currently scheduled to be filed on October 28 by the Washington, D.C. based law firm Miller &Chevalier Chartered, will challenge the rules the PGBC applied when calculating final benefits for over 3,500 retired Delta pilots. DP3 contends that PBGC's internal procedures have artificially reduced retired Delta pilots' benefits by an estimated \$600 million; this equates to an average loss of approximately \$1,200 per month for affected pilots.

The PBGC assumed roughly \$2 billion in assets from the Delta Pilots Pension Plan (DPPP) in 2006 following Delta Air Lines' bankruptcy filing and the bankruptcy court approved termination of its pilot pension plan. In addition to plan assets, the PBGC also recovered at least \$1.28 billion from Delta during the airline's bankruptcy proceedings. However, due to procedures designed to artificially reduce the earned and funded benefits of retirees, the PBGC is currently shortchanging thousands of retirees. In addition, five years after the termination of the pension plan, the PBGC still has not calculated the benefits for hundreds of retired Delta pilots.

"Due to PBGC delays, we've had over five years to prepare for our consolidated appeal," said DP3 Chairman Will Buergey, who retired from Delta in 2004 as aB-777 Captain. "Retired Delta pilots have lost hundreds of millions of dollars in benefits due to PBGC errors and internal decisions specifically calculated to deny paying earned benefits to retirees. The terminated pension plan had sufficient funds to pay these benefits, and we are determined to see our members receive the benefits they earned over decades of service to Delta Air Lines."

Among the issues being appealed is the PBGC's use of look-backs on IRS pension limitations as these rules apply to Delta Pilot Plan Participants. "The look-back provisions applied by the PBGC severely penalize a large group of retired Delta pilots and contradict the intent of ERISA law," said Buergey.

While other airlines' pilot groups have appealed the PBGC's Final Benefit Determinations, the Delta case is unique. Despite the detailed paperwork required to file an appeal, DP3 successfully collected information from thousands of geographically dispersed retirees.

"Ten years ago, organizing a group of retired pilots living in all corners of the country wouldn't have been possible," said Buergey. "But the electronic age has helped us find pilots who had given up hope of recouping their lost pensions. Through software our volunteers developed in-house, we enabled retirees to seamlessly provide our legal team and actuaries with the data needed to appeal their benefits. We believe there's strength in numbers when challenging an organization like the PBGC, and we've left no stone unturned in our efforts."

DP3's legal team is being led by Anthony Shelley of Miller & Chevalier Chartered. Shelley was recently named one of the best ERISA litigators in the U.S. in the 2012 edition of *The Best Lawyers in America*®.

Other Airline News (Recent stories of interest): [Yahoo](#), [AJC](#)

AMR management, pilots move ahead on contract talks

On Friday October 14, 2011, 7:45 pm EDT

(Reuters) - American Airlines, a unit of AMR Corp (NYSE:[AMR](#) - [News](#)), and its pilots planned weekend contract talks amid fresh signs the two could be nearing a deal after five years of mostly bitter bargaining, chiefly over wages and job protection.

Brief bankruptcy speculation at the third-largest U.S. carrier, triggered by a spike in pilot retirements and other developments over the last two weeks have focussed more attention on negotiations and added pressure on reaching a settlement.

American has cancelled flights due to pilot shortages and this week told the union it would close its San Francisco crew base that is home to 300 pilots and other workers, the union said.

"I remain convinced that the best course of action in our present situation is to conclude negotiations expeditiously," said David Bates, president of the Allied Pilots Association, the union at American.

"A contractual agreement that is good for our pilots and good for the operation will help move American Airlines in a more positive direction," Bates said.

Read more: <http://finance.yahoo.com/news/AMR-management-pilots-move-rb-3632066172.html?x=0&.v=1>

Finance Section ((Claims, PBGC, HCTC, Insurance, Planning, Tax, Estate) - section containing items with financial consequence to our group)):

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Remaining financial items for retirees to watch:

After Aug 2007 these are retirement items remaining with financial consequence.

1. PBGC 2nd look re-calc at qualified annuity benefits - **completed 8/24/07**
2. PBGC make up lump payment for underpayments since termination: **most reported received 1/31/08**
3. ~~Final claim distribution by DAL through BSI~~ – distributed at or around Mar 23, 2011.
4. ~~Class Action suit against DAL concerning 5-yr look-back worth in excess of \$100 million~~ - **withdrawn**
5. Final Benefit Determination Letters (BDL's) PBGC re-calc "determination" of qualified annuity (likely after claim stock sale) – **in process until end of year (only 45 days to appeal) Appeal extensions generally granted in Nov 2010 now extended by our law firm for all to: revised to Feb 18, 2011 Now Mar 18, 2011, April 29, 2011, July 29, 2011, Aug 29, 2011, Oct 28, 2011**
6. Pension reinstatement/contribution request by DP3 representing the retired pilots. **very long shot....pending**
7. ~~Roth IRA creation as per Worker, Retiree, and Employer Recovery Act of 2008 – deadline June 22nd, 2009~~

8. Expiration of HCTC 80% premium subsidy will expire on December 31, 2010. ~~Action has continued 80% for Jan & Feb.~~ Action expired and subsidy effective Mar 2011 is now back to 65%.
9. Financial condition of the D&S Plan--a plan that pays benefits to eligible survivors of deceased pilots as well as to disabled pilots. A form 5500 for the D&S Plan is filed annually.
10. Formation of a VEBA Health Insurance plan by DP3 – VEBA has been created and in effect.

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Insurance (issues about health, life or disability that are of interest):

From: [Cone Insurance Group LLC](#)

Date: 10/13/2011 3:45:22 PM

To: marksztanyo@hotmail.com

Subject: Delta Retirees Healthcare Plan - Road Show Schedule & RSVP

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## Delta Retirees Roadshow Schedule & RSVP

DP3 VEBA Trust

October 13, 2011

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Dear Mark, Register Here! Dear (Contact First Name),

The Cone Insurance Group (CIG), the VEBA insurance broker, will once again hold road shows to present the VEBA plan being offered by Aetna and VSP (Vision). Representatives will be onsite to answer questions and provide information about the available benefits plans. All retired and active Delta employees (and spouses) who qualify for the VEBA are invited to attend.

Road Show Schedule:

10/19 - Seattle: [Register Here!](#)

10/20 - Salt Lake City: [Register Here!](#)

10/21 - Houston: [Register Here!](#)

10/24 - Atlanta (Morning): [Register Here!](#)

10/24 - Atlanta (Afternoon): [Register Here!](#)

10/25 - Tampa: [Register Here!](#)

10/26 - Miami: [Register Here!](#)

10/27 - Dallas: [Register Here!](#)

Agenda Topics:

9am - 10am - Under 65 Medical Plan Options (HCTC and Non HCTC eligible) - there are 3 medical plan designs to choose from, which is new for 2012. The third additional plan is called the Preferred Plan and will offer a benefit that has a \$750 deductible, which is a deductible that is between the existing Premium and Standard plans.

10am - 10:30am - The Dental plan will be provided by Aetna again this year with 2 plan designs to choose from. The High plan has a \$2,500 annual maximum benefit and the Low plan has a \$1,500 annual maximum benefit. The Vision Plan is provided by VSP for a second year with the same High and Low plans. The High plan allows for a \$40 progressive lens co-pay, where the Low plan does not. The Dental and Vision plans are available to everyone both Under and Over the age of 65, and can be purchased on a standalone basis without medical or prescription drug coverage.

10:30am - 12pm - There are many new and exciting options available to the Medicare eligible retirees. There will be 2 Medicare supplement plans offered - Plan A and F again this year. In addition, there will be a Medicare Advantage plan with your built in prescription drug coverage. There will also be 2 Part D prescription drug plans that can be coupled with the supplement plan or purchased on a standalone basis. You will be able to mix and match coverage that best suits your needs.

Information will be presented by the broker and vendors. These sessions provide an opportunity for you to hear firsthand about your health care benefits and the various options available to you. Please make every effort to attend!

Please be on the lookout for further information regarding the rates and plan designs. Thanks again for your interest in the DP3 VEBA Trust Healthcare Plan.

Best regards,
Cone Insurance Group

Quick Links...

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<http://www.dp3.org/ns/VEBA.html>

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**From:** [THFoster6@aol.com](mailto:THFoster6@aol.com)

**Date:** 10/9/2011 10:45:58 PM

**To:** [thfoster6@aol.com](mailto:thfoster6@aol.com)

**Subject:** Fwd: Fw: Survivorship plan for DAL pilots

I just received this from Bill Phillips. I was aware that our Disability & Survivor Fund was now being used to pay pilot sick pay and other items that were not part of the pre-bankruptcy contract. The info in this email gives me the impression that the Survivor benefits for our spouses are now in jeopardy. Anybody know more about this? If you do and can enlighten us, please respond and use "Reply All" because I have forwarded this to all the pilots on my distribution list. Most, but not all, of the pilots on my list are retired.

Travis

*FWD immediately following Travis 2<sup>nd</sup> post:*

**From:** [THFoster6@aol.com](mailto:THFoster6@aol.com)

**Date:** 10/11/2011 1:58:45 PM

**To:** [thfoster6@aol.com](mailto:thfoster6@aol.com)

**Subject:** Check out <http://www.ddpsa.org/Survivor-Benefits.pdf>

<http://www.ddpsa.org/Survivor-Benefits.pdf>

This was written 5 Jul 2011. It does show that those of us who retired prior to 1 Jan 2008 are not affected by the change from an annuity to a decreasing life insurance policy. Delta is using the fund to pay Pilot sick pay & vacation pay. I wonder if they will come up with other benefits to pay out of the Survivor fund beside these. Total funding and when the funding is triggered are also good questions.

Travis Foster

**From:** [Bill Phillips](mailto:Bill Phillips)

**Date:** 10/9/2011 8:05:27 PM

**To:** [THFoster6@aol.com](mailto:THFoster6@aol.com)

**Subject:** Fw: Survivorship plan for DAL pilots

Hey Travis, and all other Retired Delta Pilots,

Enclosed below is a copy of John Ley's latest Delta news update, **which is primarily for active pilots**, but is widely read by retirees as well. Does anybody besides me see the sickening irony of the active ALPA types trying to whip up outrage among the masses over the 'Retirement' section of their contract? Don't the ALPA reps have any shame after screwing the retirees so badly just six short years ago? And don't any of the line pilots realize just how quickly ALPA would do the same to them as soon as the door hits them in the ass on the way out? A pox on both their houses.

Bill Phillips

MSY

----- Original Message -----

**From:** [pilotjpl@aol.com](mailto:pilotjpl@aol.com)

**To:** [PilotJPL@aol.com](mailto:PilotJPL@aol.com)

**Sent:** Sunday, October 09, 2011 2:58 PM

**Subject:** Survivorship plan for DAL pilots & Question #111

Friends:

What follows is primarily directed to Delta pilots. However ALL premerger Delta employees did have a similar benefit, PRIOR to bankruptcy. It's now gone, but should be restored!

John

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My fellow pilots:

What follows is an extensive explanation of a benefit most of you NEVER KNEW we had. I wrote this piece in bankruptcy, (Spring 2006), just prior to the pre-merger Delta pilot's vote on Letter 51 concessions. YOU NEED TO READ THIS NOW, BEFORE YOU "SUBMIT" YOUR DALPA CONTRACT SURVEY FOR THE FINAL TIME. You have the option to change any answers previously submitted up until the Oct. 24<sup>th</sup> closing date.

To educate you on this, the MEC's "Delta & Northwest Pilot Contract Histories" contained ONE line on page 18, under "Key Results". *Survivorship plan replaced by \$500,000 life insurance.*

## Question 111.

### LIFE INSURANCE - Comparison page 58

A pilot's Company-paid term life insurance benefit is determined by a contractual formula (amount of life insurance coverage changes annually); the 2011 coverage amount is \$542,675. The premium that Delta pays on each pilot's behalf for the amount above \$50,000 is taxed as imputed income. Upon a pilot's retirement, the amount of Company-paid term life insurance in effect prior to retirement will be reduced to the lesser of the amount in effect immediately prior to his retirement or \$250,000; and on each successive anniversary of his retirement, the amount will be further reduced by \$50,000. The final reduction will be to \$10,000, and the coverage amount will stay at \$10,000 for the remainder of the retiree's lifetime.

Then there is question #111, where a pilot chooses from the following:

111. Regarding the Company-paid life insurance benefit, please rank the following in order of importance, with "1" being most important and "4" being least important.

Requiring that the Company reimburse the pilot for tax paid on imputed income

Increasing the benefit amount

**Re-establishing a survivorship benefit**

No change

Question: **Would you be interested in providing your spouse a survivorship benefit in the form of an annuity that pays her each month she/he is alive after you die? What if the "cost" to Delta were minimal?**

**What if I told you that there is already \$995 MILLION in a fund, designed to pay this, and that your union has the ability to negotiate a RESUMPTION of this survivor benefit, at minimal cost to Delta?**

I have been blessed to meet and fly with a number of premerger Northwest pilots during the past year. In my cockpit and layover discussions, not a single premerger NWA pilot was aware **IF** they had a similar type survivorship benefit. But don't feel bad. I'm guessing 98% of the premerger Delta pilots are not aware of what we had either.

**Therefore, almost all of you skipped past option #3 as an answer to Question 111.**

Sadly, the MEC did nothing to educate you about what we HAD, prior to Delta's bankruptcy. Furthermore, most pilots do not attend a Retirement & Insurance Seminar until they get close to retirement. I do not wish to be insulting; but ignorance can be expensive! **I believe the correct #1 choice to question 111 is option 3.**

Read the following and see if you agree with me. At least, make an informed decision before casting your vote!

As you read thru this article, understand that the amount of insurance has risen from \$500,000 to \$542,675. But the net result, 5 years AFTER you retire, is that your heirs receive \$10,000 in a life insurance benefit. **They could have had 25% of your final average earnings for their life!** And this is in addition to any choices you make from your frozen (NWA) defined benefit plan, or your PBGC payout (DAL).

Furthermore, I believe we should STOP funding the first \$60 million of our own sick-leave benefits. That should be paid by Delta, not the pilot's D&S Trust fund. This 'may' have changed in the merger, but I am not aware of any changes to our paying the first \$60 million in pilot sick leave, either positive or negative, since the merger.

Please notice that the “old” Delta MEC said this insurance “*is actually a superior benefit due to the tax considerations*” in selling the concession to the pilots at the time. After the concession, so many pilots were angry at having to pay TAXES on the “imputed value” of the insurance, they demanded ALPA negotiate a change, allowing pilots to voluntarily REDUCE the amount of insurance. So a fully funded survivor annuity benefit was given up by our union, and then many pilots have voluntarily reduced the insurance that replaced it. This was NOT a *SUPERIOR* benefit in my opinion. Not by a long shot. That's why I wrote the following piece in the Spring of 2006.

Finally, think about money management. You & your spouse may feel totally comfortable managing your money right now. How well will you manage your money when you're 80 years old? How about when you're 90 or 100, if you're lucky to live that long? How will your spouse do in deciding whether or not to invest in corporate bonds versus CDs, versus stocks, when they are 80 or 90. What “if” you and/or your spouse get alzheimers later in life? **The beauty of the survivorship benefit is that a check for 25% of your FAE shows up each month and requires ZERO management on your spouses part.**

If you agree with me, talk to your local ALPA reps and push this issue. If you're intrigued, pass this along to as many of your fellow pilots and discuss it. Talk about it in the crew lounges.

**There is almost \$1 BILLION in money already available to resume this benefit for premerger Delta pilots. It shouldn't be that hard to negotiate a NEW similar benefit for our premerger NWA pilots as well.**

John Ley

SEA B-767 Captain

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Friends:

Among the many concessions offered to the company in Letter 51, are “savings” of \$60 million per year that come from changes to the Disability and Survivorship Plan. In my discussions with many pilots, in the cockpit, via phone and in crew lounges, I have come to believe that many, many pilots do NOT understand the nature of these concessions, and how much YOU are losing via the concession in the change to the survivorship plan. The following is an attempt to provide additional information to you on that subject. MEC discussion from the R&I FAQ is listed in *Italics*.

Just a note of caution – this letter discusses the changes in the Survivorship portion of our contract. The *Retirement* section has “survivor benefits” for the defined benefit (DB) & defined contribution (DC) plans that are different from the Survivorship Plan benefits. Do not confuse the two. I am only discussing Survivorship benefits from the D&S Plan. Also, while my 5 years on the MEC provided me a much greater

knowledge and understanding of this section of the contract, I am not truly “an expert”. I have attempted to be as factually accurate as possible, commensurate with my understanding of these benefits.

First of all, WHY did the MEC make these changes to the D&S Plan?

*Savings from reducing post-retirement survivor benefits prevented other concessions in the PWA.*

And

Beginning in 2006, the D&S Trust will also be allowed to pay sick leave for pilots and other legally permissible benefits for pilots, up to a total of \$60 million per year.

In my opinion, this is the real reason the MEC made all the changes. They wanted to avoid giving the company \$60 million in annual concessions from other areas of the contract, such as pay and work rules. So they are taking \$60 million a year from the D&S Plan Trust, and using it as \$60 million of our \$280 million in annual concessions Letter 51 grants the company. This represents 21.4% of our total Letter 51 concessions.

**The first thing to remember in this discussion, is that the D&S Trust is FULLY FUNDED. Providing benefits has cost Delta NOTHING since 1991, and would likely cost Delta NOTHING for many years into the future, long after the company is “wildly profitable”! In the words of former CEO Leo Mullin, the trust was “self funding”, due to the investment performance of the assets in the trust.**

From the R&I FAQ:

*D&S Trust and Funding (PWA Section 26)*

Q34. I understand that the D&S Trust has assets of \$1.6 billion. Can these assets be used to pay for other benefits or expenses beyond disability and survivor benefits?

**A34.** *Yes. Beginning in 2006, the D&S Trust will also be allowed to pay sick leave for pilots and other legally permissible benefits for pilots, up to a total of \$60 million per year.*

And

Our actuarial analysis shows that the D&S Trust will be adequately funded for many years even with these additional payments.

**What we are being asked to give up.**

One of the concessions we are giving the company is the elimination of Survivorship benefits to ANY pilot on the seniority list, who is not retired, beginning January 1, 2008 and all future pilots. How did the MEC explain these changes?

From the Letter 51 TA FAQ:

In the area of survivorship, we shifted our pre-retirement survivor benefit from an annuity to a life insurance product which not only provides a more secure benefit to our survivors, but is actually a superior benefit due to the tax considerations and adverse pension offsets in the current annuity. In exchange, we substantially reduced our post retirement survivor benefit, though the new benefit will still be industry leading.

And

*All others will remain covered by the D&S Plan's old provisions. Under those provisions, if a pilot dies before retirement, his eligible survivors receive survivor annuity benefits of 25-35% of FAE, depending on the number of eligible survivors, plus \$50,000 in basic life insurance, and if he dies after retirement, his eligible survivors receive similar survivor annuity benefits plus reduced life insurance benefits.*

Most pilots have NOT done the math. Let me set forth some examples for you to consider. The *survivor annuity* being eliminated would have provided your spouse ANNUAL income for as long as she or he lives, once you die. How much does this amount to?

For my first example, the "average" pilot is a male married to a female 3-5 years younger. A mortality table will tell you that females will live 2-3 years longer than the "average" male, all things being equal. Therefore, the "average" pilot's spouse will "survive" for 3-8 years after he dies. I am assuming there are no children under age 18 still living at home.

The following represents 25% of a pilot's FAE, with different FAE's listed for various years the spouse might survive the pilot. There are also pilots married to women 10 or more years younger than the pilot. I have provided examples of the spouse surviving for 3-15 years after the pilot dies, to cover a variety of scenarios. Obviously, our female pilots will want to adjust the examples for their specific situation. Remember, the FAE is a pilot retiring at age 60, at the end of his career, at 767, a 767-400, or a 777 Captain wages. Depending on a pilot's age, the FAE could be "current" bankruptcy wages, or wages 20+ years from now. I would hope pilots would have several "up" contracts, with 787's and other "new" aircraft on the property paying higher wages in the future.

**Lost 25% Survivor Benefit (SB) if you die *after* retiring**

| Years spouse survives pilot | Pilot FAE \$160,000 SB= \$40,000/yr. | Pilot FAE \$200,000 SB= \$50,000/yr. | Pilot FAE \$240,000 SB= \$60,000/yr. | Pilot FAE \$280,000 SB= \$70,000/yr. |
|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 3 years                     | \$120,000                            | \$150,000                            | \$180,000                            | \$210,000                            |
| 6 years                     | \$240,000                            | \$300,000                            | \$360,000                            | \$420,000                            |
| 9 years                     | \$360,000                            | \$450,000                            | \$540,000                            | \$630,000                            |
| 12 years                    | \$480,000                            | \$600,000                            | \$720,000                            | \$840,000                            |
| 15 years                    | \$600,000                            | \$750,000                            | \$900,000                            | \$1,050,000                          |

**Think about your “likely” situation.** You retire at age 60 (perhaps a few years later if the law changes). You no longer have a “defined benefit” pension, providing an *annuity* payment to you (while alive), or your spouse after you die. You do not have a Lump Sum that you received at retirement and invested as a “nest egg” for your security.

You do have social security. For PBGC category PC-4 pilots, you have a PBGC monthly payment coming in, any where from \$0 to perhaps a maximum of \$3,500 **IF** the Akaka amendment to pension reform is signed into law. You will most likely have spent “some” of the nest egg you have been able to save on your own, during the years you were alive after retiring from Delta. How much will be left to provide for your surviving spouse? What kind of monthly income will your nest egg provide? What kind of monthly income will social security and the survivor benefit from the PBGC provide? Remember, you’ll be getting Medicare, but likely buying supplemental health insurance, which will drain monthly cash flow.

If this concession were NOT in Letter 51, you could have had a monthly annuity paying an annual amount of \$40,000 to \$70,000 (or more due to possible future raises) to provide for your spouse! This would have come from a D&S Trust Fund that is currently fully funded. Providing this benefit would cost Delta nothing in the near term and a small amount in the long run when the company is “wildly profitable” after emerging from bankruptcy.

But you need to consider the “other” side of what has been given up. Remember -- this is a “survivor” benefit. What happens “if” you die while employed as an active pilot for Delta? The TA provides your surviving spouse and children (or other named beneficiary) with a \$500,000 “tax free” life insurance benefit. But what are you giving up?

In the following two tables, I provide examples of pilots with, and without, young children, and various FAEs. Note the FAEs are lower, because for this example, we are working under Letter 51 wages, the pilot is younger & earlier in his/her career and there have been no “future” raises.

The current contract provides survivor benefits of 25%, (no children), 30% (1 child), and 35% (2 or more children). In the “with children” columns, I assume that 2 children remain at home for 10 years, and therefore the survivor benefit is 35% for the first 10 years, and then the survivor benefit is reduced to 25% thereafter. The FAE could be higher, depending on various situations & scenarios. Also remember that the length of time a surviving spouse will survive will depend on many different, *individual*, scenarios. If the pilot dies at age 35 and the spouse is 3 years younger, then it is conceivable that the spouse could live for 50-60 years, possibly longer. If the pilot is 50, then the spouse might only live for 30-40 years. If the pilot dies at 59, then a 15-30 year time frame is more realistic.

#### **Lost 25% Survivor Benefit (SB) if you die *before* retiring – NO kids**

| <b>Years spouse survives pilot</b> | <b>Pilot FAE<br/>\$80,000 SB=<br/>\$20,000/yr.</b> | <b>Pilot FAE<br/>\$100,000 SB=<br/>\$25,000/yr.</b> | <b>Pilot FAE<br/>\$120,000 SB=<br/>\$30,000/yr.</b> | <b>Pilot FAE<br/>\$140,000 SB=<br/>\$35,000/yr.</b> | <b>Pilot FAE<br/>\$160,000 SB=<br/>\$40,000/yr.</b> |
|------------------------------------|----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>10 years</b>                    | \$200,000                                          | \$250,000                                           | \$300,000                                           | \$350,000                                           | \$400,000                                           |
| <b>20 years</b>                    | \$400,000                                          | \$500,000                                           | \$600,000                                           | \$700,000                                           | \$800,000                                           |
| <b>30 years</b>                    | \$600,000                                          | \$750,000                                           | \$900,000                                           | \$1,050,000                                         | \$1,200,000                                         |
| <b>40 years</b>                    | \$800,000                                          | \$1,000,000                                         | \$1,200,000                                         | \$1,400,000                                         | \$1,600,000                                         |
| <b>50 years</b>                    | \$1,000,000                                        | \$1,250,000                                         | \$1,500,000                                         | \$1,750,000                                         | \$2,000,000                                         |
| <b>60 years</b>                    | \$1,200,000                                        | \$1,500,000                                         | \$1,800,000                                         | \$2,100,000                                         | \$2,400,000                                         |
| <b>70 years</b>                    | \$1,400,000                                        | \$1,750,000                                         | \$2,100,000                                         | \$2,450,000                                         | \$2,800,000                                         |

And what if you had children at home when you died? The example assumes children remain at home for **10 years**, (survivor benefit 35% for 10 years) and then reduces to 25% for the remainder of the spouse’s life. Obviously I could run numerous scenarios, but this demonstrates the additional income the spouse would receive for the FIRST “X” number of years while the children are at home and are “dependents”.

#### **Lost 35%/25% Survivor Benefit if you die *before* retiring with 2 dependent kids**

| <b>Years spouse survives pilot</b> | <b>Pilot FAE \$80,000 SB= \$28k &amp; \$20k/yr</b> | <b>Pilot FAE \$100,000 SB= \$35k &amp; \$25k/yr</b> | <b>Pilot FAE \$120,000 SB= \$42k &amp; \$30k/yr</b> | <b>Pilot FAE \$140,000 SB= \$49K &amp; \$35k/yr</b> | <b>Pilot FAE \$160,000 SB= \$56K &amp; \$40k/yr</b> |
|------------------------------------|----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>10 years</b>                    | \$280,000                                          | \$350,000                                           | \$420,000                                           | \$490,000                                           | \$560,000                                           |
| <b>20 years</b>                    | \$480,000                                          | \$600,000                                           | \$720,000                                           | \$840,000                                           | \$960,000                                           |
| <b>30 years</b>                    | \$680,000                                          | \$850,000                                           | \$1,020,000                                         | \$1,190,000                                         | \$1,360,000                                         |
| <b>40 years</b>                    | \$880,000                                          | \$1,100,000                                         | \$1,320,000                                         | \$1,540,000                                         | \$1,760,000                                         |
| <b>50 years</b>                    | \$1,080,000                                        | \$1,350,000                                         | \$1,620,000                                         | \$1,890,000                                         | \$2,160,000                                         |
| <b>60 years</b>                    | \$1,280,000                                        | \$1,600,000                                         | \$1,920,000                                         | \$2,240,000                                         | \$2,560,000                                         |
| <b>70 years</b>                    | \$1,480,000                                        | \$1,850,000                                         | \$2,220,000                                         | \$2,590,000                                         | \$2,960,000                                         |

So what did pilots get in exchange for giving up this lifetime survivor benefit? The carrot being offered in Letter 51 is \$500,000 in life insurance. From the Letter 51 R&I FAQ:

*All pilots will initially have \$500,000 of group term life insurance while on the seniority list or while receiving disability benefits. Each year, based on future pay rates, this amount could increase. The insurance amount will be the greater of \$500,000 or 2,500 times the 12-year captain hourly rate on the highest paying aircraft type outlined in the PWA in effect on January 1 of each year.*

And

*Upon retirement, the insurance amount will decrease to \$250,000 for the first year and then “stair step” down in \$50,000 decrements until reaching a floor of \$10,000 for the remainder of the pilot’s life.*

So how does that compare with our current contract?

| <b>Current contract</b>                                                                                                                                                                                | <b>Letter 51 TA</b>                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| \$50,000 term life insurance until age 60                                                                                                                                                              | \$500,000 term life insurance until age 60 |
| \$ Amount decreases from age 60 to age 65                                                                                                                                                              | \$ Amount decreases from age 60 to age 65  |
| Age 65 life insurance: \$10,000*                                                                                                                                                                       | Age 65 life insurance: \$10,000            |
| Death benefit at age 65 = \$0 - \$10,000 (MPP offsets)*                                                                                                                                                | Death benefit at age 65 = \$10,000         |
| <b>Net difference once you reach age 65: \$0 - \$10,000 to your spouse/heirs depending on MPP balance.</b> *(Death benefit of \$10,000 is reduced by Money Purchase Plan balance in current contract). |                                            |

Let's explore what those benefits are that the Letter 51 TA eliminates. Here's a hypothetical example.

A pilot **currently retired**, age 62, with a spouse age 55, with FAE of \$240,000, can anticipate the following benefits under the current contract **and** under the Letter 51 TA. If he dies at age 70, his spouse (age 63 at the time of his death) would receive 25% of the pilots FAE for the rest of her life. Assuming she lives until age 85, she would receive payments of \$60,000 per year for 22 years, for a TOTAL benefit paid from the D&S plan of \$1,320,000. She would receive no life insurance payment of \$10,000, assuming the retired pilot had an MPP balance of at least \$10,000 at retirement. **Total survivor benefit: \$1.32 million.**

For the active pilot (working post-Letter 51 TA); assume the pilot has a FAE of \$200,000, but he is 58 and his spouse is 51. The pilot will enjoy an increased life insurance benefit of \$500,000 for TWO years. Assume the pilot retires at age 60, and then dies at age 70. Assuming the spouse lives until she is age 85, what will she receive to live off for the 22 remaining years of her life? The \$10,000 tax-free life insurance benefit. **Total benefit: \$10,000.**

It would be up to the pilot to provide ALL the income to support his spouse for the 22 years she lives after he dies. This TA has given away the \$50,000 **annual** income his spouse would have received, pre Letter 51 TA. **The net loss: over \$1 million dollars!**

From the R&I FAQ:

- *Previously, survivor benefits were payable only to a pilot's surviving spouse and/or surviving dependent children and thus, **had no value to pilots without a surviving spouse or children.** Under the new life insurance, you may name any person and/or any trust as your beneficiary.*
- *Unlike monthly survivor benefits, life insurance proceeds are not taxable to your beneficiary.*

So one needs to compare the new life insurance benefit, with the LOST survivor annuity. The following table shows how long the tax-free \$500,000 life insurance death benefit would last while paying various incomes, in place of the lost annuity. **It is assumed the \$500,000 is invested in a conservative bond fund in order to avoid risk, paying 5% interest. (Currently 10-year T bills are paying 2% & a 30-year T-bill yields 3%.)** The initial \$500,000 balance, **if untouched**, would provide \$25,000 per year in interest at the end of the first and each subsequent year.

#### How long would \$500,000 last paying the Survivor Benefit annuity amount?

|                                 | Pilot FAE<br>\$80,000 SB=<br>\$20,000/yr. | Pilot FAE<br>\$100,000<br>SB=<br>\$25,000/yr. | Pilot FAE<br>\$120,000<br>SB=<br>\$30,000/yr. | Pilot FAE<br>\$160,000<br>SB=<br>\$40,000/yr. | Pilot FAE<br>\$200,000<br>SB=<br>\$50,000/yr. | Pilot FAE<br>\$240,000<br>SB=<br>\$60,000/yr. |
|---------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| # of years insurance would last | <i>Indefinite</i>                         | <i>Almost indefinite</i>                      | 32 years                                      | 18 years                                      | 13 years                                      | 10 years                                      |

You can see that the TA's insurance policy would benefit the spouse & family of a pilot, with a low FAE, when the pilot dies. **BUT the pilot's spouse & family (or named beneficiary) only receives the \$500,000 IF the pilot dies BEFORE RETIRING.** Once the pilot retires at age 60, the benefit drops in stages to \$10,000 at age 65.

What will the "average" pilot's spouse receive in survivorship benefits under the Letter 51 TA?

**\$10,000. Period.**

#### The \$60 million concession is really \$400 million

I want to discuss one other aspect of the TA. The amount of the Survivorship concession. Did you do the math? The R&I FAQ states:

*the D&S Trust has assets of \$1.6 billion*

And

*If the D&S Trust balance is below \$1.2 billion as of any December 31, beginning with December 31, 2010, then on the following April 15, the Company will make a cash payment to the D&S Trust equal to the lesser of 4% of free cash flow or \$60 million.*

The company will be allowed to take \$400 million from the D&S Trust, and **NEVER** repay it -- \$1.6 Billion current funding, declining to \$1.2 billion in the future. That is 25% of the assets that have been “self funding” for 15 years!

Let's do some math. The FAQ says the MEC agreed to this concession in order to *AVOID* giving \$60 million concessions in other areas. The TA will allow the company to pay up to \$60 million in pilot sick leave from the D&S Trust fund. Letter 51 has a duration of 3 ½ years. Therefore, \$60 million times 3.5 equals a \$210 million concession. However if the D&S Trust fund, which currently has \$1.6 Billion in assets, and currently pays ALL benefits without depleting the assets, is allowed to go down to \$1.2 Billion, then it really is a \$400 Million concession; \$1.6 billion minus \$1.2 billion.

The union is allowing the removal of 25% of the assets in the D&S Trust fund in order to avoid giving \$60 million concessions in other areas for 3 ½ years. At the end of the 3 ½ years, the company resumes making up to \$60 million payments to the fund, but *only* if it's asset balance drops below \$1.2 billion.

I said that the D&S Trust fund currently pays all benefits without depleting the assets. The following was taken from Form 5500 information filed with the government. The most recent information I could get is the 2003 annual report, ending 6/30/2003. Total assets were \$1.815 Billion. Total payments to beneficiaries were \$89.5 million. The 2002 annual report shows total assets of \$1.617 Billion and total payments to beneficiaries of \$152 million. That's quite a change from one year to another. BUT, if you were to invest the \$1.6 Billion in assets (ALPA figure) at 6%, they will generate \$96 million annually. **The R&I committee has told me that the plan has paid \$90 million in benefits for the last three years. A 6% rate of return covers the expected benefits for the near future.**

Even if the company makes no contributions for 3 years, and then begins making \$60 million in contributions, the plan remains “viable” for the foreseeable future unless the market crashes. Allowing the asset base to decline by \$400 million obviously puts a greater strain on the D&S Trust reducing it's ability to be “self funding” and puts it at greater “risk”. Of course when you remove the obligation to pay survivor benefits to spouses of current and future active pilots, then the “risk” goes to almost zero, but the benefit level also goes to “zero” as well.

On a side note: Did the MEC include this one-time \$400 million savings, in what we sought as “lost concessions”, as part of the \$2.1 billion unsecured “claim”?

From the MEC's “R&I FAQ” document:

In the area of survivorship, we shifted our pre-retirement survivor benefit from an annuity to a life insurance product which not only provides a more secure benefit to our survivors, but is actually a superior benefit due to the tax considerations and adverse pension offsets in the current annuity. In exchange, we substantially reduced our post retirement survivor benefit, though the new benefit will still be industry leading.

Only the individual pilot and their spouse can determine if the Letter 51 TA is a “superior benefit” or not in their specific circumstances. To me, it is a HUGE, UNNECESSARY concession. This was a HORRIBLE decision by the negotiators and the MEC.

Furthermore, the company will be required to spend \$60 million (or 4% of “free cash flow”) after 2010, to keep the D&S Trust at the \$1.2 billion level. So we have given 3 ½ years of “savings”, and eliminated FOREVER, a wonderful survivor benefit. Yes, we could negotiate the “return” of this benefit in Contract 2010, but I sincerely doubt the company would EVER agree to resuming this benefit again, just like they will NEVER likely agree to return to a Defined Benefit retirement.

**The point I want to re-emphasis to Delta pilots AND their spouses, is that**

**#1 -- the D & S Trust has the money to pay the survivor benefits.**

**#2 -- the company has NOT contributed to the D & S Trust since 1991. Its benefits have been "self funding" for the past 15 years!**

**#3 -- the reason the MEC gave up the survivor benefit, potentially worth hundreds of thousands and perhaps over a million dollars to pilot spouses, was to avoid having to make \$60 million in concessions in other areas. The company is using that \$60 million to pay for current pilot sick-leave benefits.**

**#4 -- you're trading a survivor annuity benefit for your spouse likely worth several hundred thousand dollars, for a death benefit of \$10,000.**

Question to Delta pilots and their spouses. Is avoiding 2-3% concessions in other areas, WORTH the financial security your spouse could have enjoyed from the FULLY FUNDED D&S Trust?

To me, the answer is easy. Tell the MEC to “find” the 3 ½ year \$60 million annual savings elsewhere. While I have several ideas, it's up to the union leadership to get back in touch with pilots and provide an acceptable solution.

In closing, here is an excerpt of text from the survivor benefit section of Delta's Pilots Benefit Handbook, given to pilots in 1991. It highlights the value Delta believed (back then) in providing a lifetime stream of income to surviving spouses. (My emphasis in BOLD).

## Survivor Benefits

### Introduction

The death of the employee particularly in a family with young children often results in great financial hardship for the surviving family members. The traditional way of providing against this hardship is through insurance which would pay a lump sum at death. **This lump sum may provide an inadequate income if an attempt is made to produce a lifetime income, and, if the lump sum is used to provide an adequate level of income, it may quickly be exhausted.**

In the event of a pilot's death, the Pilots Benefit Program provides death benefits which help meet the needs of the surviving family. The basic benefits are a monthly income and a lump sum benefit based upon the number of eligible survivors and the earnings of the pilot.

This section will help you become familiar with the survivor benefits provided for your eligible family members and give you peace of mind that whenever you die, your eligible family members will have real and continuing security through the Pilots Benefit Program.

This section and the Information Concerning Summary Plan Description section make up the Summary Plan Description of the survivor portion of the Delta Pilots Disability and Survivorship Plan. If questions or discrepancies should arise between this summary and the Plan document, the Plan document will govern.

Thanks for taking the time to read and consider this information.

John Ley

PS – someone “fact checking” asked about the “no funding of the D&S Plan since 1991” statement. I read it somewhere & just can't find it. This person had a hazy recollection of 1994. Either way, the D&S Trust has been “self funding” for a long time and can continue to pay benefits into the foreseeable future at no cost to Delta.

**So fellow pilots, when you read Question #111, did you realize what option #3 as an answer meant? I hope you will seriously consider choosing “restore the survivorship plan” as your #1 answer.**

## Pension:

**From:** [Roger Horrell](#)

**Date:** 10/16/11 19:24:10

**To:** [misc@pilotcommunication.net](mailto:misc@pilotcommunication.net)

**Subject:** QDROs

Just recently the PBGC has begun to send out BDL's to the retired Delta pilots who also have a QDRO (Qualified Domestic Relations Order). After delay, after delay, after delay the PBGC has now agreed to a October 28th appeal meeting.

The word is beginning to spread around that pilots with a QDRO have been taking significant hits with the BDL's, and as far as it can be determined, the ex-wives are **NOT** losing **any** of their pension pay.

It appears too the source of money to replenish what the ex-spouses have lost is the money from their former husband's accounts! This is **NOT** the manner these matters are supposed to be settled unless the QDRO states its supposed to be accomplished. Ordinarily the reduction is done in an equal percentage reduction in both party's account.

There's precious little time left for the pilots with a QDRO to file an appeal with the PBGC if they haven't done so and to bring this injustice to the attention of DP3. Its imperative for the affected retired Delta pilots to do something about this immediately!

Roger T. Horrell

767A DFW

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Oct 10, 2011

Interesting article for some of us....

Hope you get this. There are three "pages" to this article.

<http://www.forbes.com/sites/emilylambert/2011/10/03/has-your-retirement-been-stolen/>

Bob Sigler

[rwsigler94@verizon.net](mailto:rwsigler94@verizon.net)

As the PBGC appeals progresses the sensitivity of the information does as well. While the PCN has re-published many of DP3 general postings, we will refrain from re-publishing “private emails” in view of the nature of the process. So when there is a general update we will re-publish and when there is a private email we will help announce its existence.

To PCN subscribers these links are “hot” and will take you directly to the DP3 resource page or checklist for filing an appeal concerning your PBGC benefits.

Click for [PBGC Appeals Resource Page](#)

*Or*

[Appeal Checklist](#)

***DP3 (login required)***

Click to appeal your PBGC benefit

Call PBGC in DC- 1-800-400-7242

Link of explanation for BSW ([Benefit Statement Worksheet](#))

(Note: Must know your DP3 assigned passwords which cannot be shared in our newsletter!)

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Commercial Section.....

**Investment** (Legitimate firms that have helped our group are encouraged to contact PCN to add articles here):

**Travel & Non-Revving** (share a quick reco):

Life Section...

## Misc Posts:

*Regarding re-print of DP3 appeal.*

Mark,

On behalf myself, thanks for resending this. There has been an incredible amount of work done by the DP3 Trustees to try and make sure that no one is left out. Tom Seever and Roger Ross, under the leadership of Will Buergey, have spent many hours with our attorneys and thousands of hours putting together all the paperwork necessary plus trying to figure out how the PBGC is operating. It has been frustrating dealing with the PBGC but eventually they will be held accountable. We hope that no one who could benefit is left out. The support of everyone is what will ultimately win the battle. If they could see behind the scenes they would be impressed at the effort.

Thanks,

Wendell Lewis, DP3 Trustee

*Editor: I agree with you that the whole board has worked extremely hard. Our pilot group will benefit from these efforts so I also agree that many sitting on the side lines should become members and support the effort.*

\*\*\*\*\*

**From:** [pam lugar](#)

**Date:** 10/13/11 10:26:06

**To:** [mark@pilotcommunication.net](mailto:mark@pilotcommunication.net)

**Subject:** Join the fight

Mark, What is the procedure to join the fight and how do I join, Have been reading your site for a while, just can't remember if I am a full member. Jeff Lugar [elugar@telvar.com](mailto:elugar@telvar.com)

*Editor: Glad you asked. I received a number of requests similar to Jeff's. Please click here for more: <http://www.dp3.org/#>*

## Human Interest:

**Good Read** (Good book recommendation & [Community Author's](#) blurbs):

**From:** [Capt767er@aol.com](mailto:Capt767er@aol.com)

**Date:** 10/5/2011 1:46:10 PM

**To:** [mark@pilotcommunication.net](mailto:mark@pilotcommunication.net)

**Subject:** AW&ST

Mark,

It has been my privilege to be published some 10+ plus times in Aviation Week &Space Technology. I was even offered the editorial page at one time but my comments were a little too strong for an industry supported publication. However, the indirect approach worked anyway and some very vocal players lost their forum on the national stage.

I recently reflected on the status of security at the 10 year anniversary of 9/11.

A scan of my Letter to the Editor is attached. While there was some "creative" editing this only seemed to me that my comments had fallen on friendly ears. The magazine does in balance publish both sides of most issues and in some cases more outlandish opinions to stoke a response from their readers are published. You can be the judge of which category this response fell into.

Regards,

Rick Bauer

## STILL INSECURE

In the 10 years since 9/11 we have had no successful attempts to wreak havoc on airlines, thanks to the vigilance and actions of crew and passengers and an extraordinary intelligence effort. But an argument can be made that what was lacking in common sense 10 years ago has been taken to extremes at airports today, "Assessing Risk" (*AW&ST* Sept. 12, p. 48).

Granted, some weapons have been recovered, though not from terrorists, but from forgetful passengers, some of whom perhaps were mentally unstable, so that is an improvement compared with "legal" items that were allowed onboard prior to 9/11.

I recall that as a captain I was taken to task over certain items I requested be removed at security checkpoints more than 10 years ago. One instance involved a hunting knife spotted in a passenger's carry-on luggage. I had to fight long and hard to have others in authority finally agree that it could indeed be a hazard and should be confiscated.

And we should do a better job of screening the screeners. Several internal theft rings have been uncovered in the past 10 years, and anyone who would take things from baggage could just as easily insert something.

In the last decade, millions of dollars have been spent on deployment of technologies that failed once in the field, while practical solutions are overlooked. Pilot licenses still do not have the latest digital security and ID photos. There is still no totally functional system that allows flight crews to traverse airports without multiple checks.

The system needs to allow for "intuitive" thinking. Several individuals sensed and reported something wrong just prior to 9/11, but no one listened. There is much to be said for feeling a disturbance in the "force."

*R.C. Bauer*

FLEMING ISLAND, FLA.

**Event Announcements** (Click here for [Calendar](#)): to post [pcn.calendar@gmail.com](mailto:pcn.calendar@gmail.com)

This is the PCN Calendar designed for you to publish your 2011 event dates. Please send them in to Kim.  
Click here for our PCN [Calendar](#).

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**Get your holiday events in to be listed!**

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**From:** [David L. Roberts](#)

**Date:** 10/16/2011 8:08:59 PM

**To:** [MY DELTA FRIENDS](#)

**Subject:** 7th Annual Retired Pilots' Holiday Dinner (Reply by Nov 7th)

**7th Annual Retired Pilots' Holiday Dinner**

**December 11th, 2011, at 06:30 pm until 10:30 pm**

**The Vinings Club**



*Located in the "Overlook" complex just off I-285 on Paces Ferry Road  
2859 Paces Ferry Road, Atlanta, GA 30339*

**Gourmet Dinner with Wine, Open Bar (all evening), Passed Hors d'oeuvres, Salad, and Dessert.**

**Price includes complimentary valet parking, drinks, dinner, and all taxes and gratuity. \$110 per person, \$220 per couple.**

***Dress: Cocktail, Black Tie optional***

**Please Reply to [brucevan@bellsouth.net](mailto:brucevan@bellsouth.net) by Nov 7th with Your Entree Choice(s):**

**Name(s)\_\_\_\_\_**

**Phone #\_\_\_\_\_**

**A: \_\_\_\_ Grilled Filet Mignon, Mashed Potatoes, and Madeira Sauce**

**B: \_\_\_\_ Crabcakes- Jumbo Lump Crabmeat mixed with Celery, Peppers and Potatoes and Topped with Lemon and Garlic Beurre Blanc**

**C: \_\_\_\_ Grilled Breast of Chicken, Sauteed Garlic Shrimp, Tomato Salsa and Cilantro**

**This is a wonderful Holiday party, Bea and I hope to see you there!**

**Please send your checks and entree selection(s) by Nov 7th to:**

**Bruce Van Vliet  
3152 Hembree Trace Drive  
Marietta, GA 30062  
(H) 770-977-3290  
(C) 678-617-3449  
[brucevan@bellsouth.net](mailto:brucevan@bellsouth.net)**

**If you wish to include any other retired pilots who would be interested, please feel free to forward this email.**

**I am looking for.....”** (Share a post of who you are seeking, if one sought answers....wallah):

**From:** Anne Quiello <[annequiello@aol.com](mailto:annequiello@aol.com)>

**To:** [sszino@earthlink.net](mailto:sszino@earthlink.net)

**Cc:** Barb Paresi <[barbparesi@gmail.com](mailto:barbparesi@gmail.com)>

**Sent:** Wednesday, September 28, 2011 2:43 PM

**Subject:** Need Info re: 1971 Hijacking Crew members

Hi Sue,

I just got a call from Barb Paresi (former communications role at Delta) who is doing a story for **CBS 48 Hours** about the hijacker just captured who hijacked a Delta jet in Miami in 1971. She's trying to find out who the Delta FA's and pilots were on that flight. Any chance any of the DCW members would know?

Thanks!

Anne Quiello (fka Corry)

**Good Deal/Bad Deal** (Share a quick good deal or bad deal you have found – no commercials here!)

**Hangar Flying** (Share a bit of ole hangar flying with the net. Need a sim buddy? Use PCN for request) :

**From:** [Eric Jensen](#)

**Date:** 10/11/2011 1:02:41 PM

**Subject:** WOW

This is a virtual visit of aircraft and very interesting. Eric

GREAT HISTORY

Look at the Map as well click on the dots for more

**Gee wiz....!!**

<http://www.nmusafvirtualtour.com/full/tour-pkg.html>

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**From:** [Eric Jensen](#)

**Date:** 10/08/11 12:50:01

**To:**

**Subject:** FW: RENO AIR RACE Another possible cause  
Very interesting analysis. Eric Jensen

This may clarify the issue somewhat.

Good News for the future of air racing.

Our new crew member, Matt Jackson, is not only a race pilot, aircraft business owner and aircraft owner (he also takes care of Tom Cruises P-51) but he is also the VP of the Unlimited Racing Class and head of the Safety Committee.

We had a long talk about the Reno crash on the way to Mojave today.

Matt believes the cause of the crash was due to The Galloping Ghost having a CG too close to the aft limit which resulted in pitch instability. There are instructions on the P-51 regarding no combat missions with the aft fuel tank full resulting in an aft CG problem. Instructions specify to empty the aft fuel tank first in flight.

During qualifying Matt watched Galloping Ghost from inside the cockpit of Furies and could not believe how much trouble Leeward was having in keeping the Ghost in a stable pattern around the course.

Since Leeward lives in Florida and the Galloping Ghost was modified for racing in Calif., when Leeward picked up the Ghost for the Reno races at the last minute, a complete flight test program had not been done based on available information.

There is a video of the entire last lap of the Ghost before the crash which Matt showed me. As Leeward was coming around pylon #8 at about 480 mph after passing Rare Bear, he hit turbulence which pitched his left wing down, Leeward corrected with hard right rudder and aileron. Just as the aircraft was straightening out, he hit a second mountain of turbulence which caused the tail to 'dig in' resulting in a 10+ G climb rendering Leeward unconscious instantly and resulted in the tail wheel falling out. (broken tail wheel support structure was found on the course). As the Ghost shot upward the LH aileron trim tab broke loose. This can be heard on the tape, so the trim tab did not cause the accident.

Since the Ghost was racing at 480 mph with full right rudder and the stick full right, this is where everything stayed when Leeward blacked out. Cockpit camera film that was salvaged from the wreck shows Leeward slumped over to the right in the cockpit. As a result, the Ghost climbed up and to the right, rolled over on her back and then headed for the box seats. Most in the box seats never saw it coming because it came in from behind them.

Matt has had long conversations with the NTSB who call the accident a 'fluke'. They are not going to recommend canceling future races. He has also talked to the insurance companies covering the races for Reno and they also say they are not going to cancel their coverage of future races. Now we wait for the FAA to make a decision.

Ironically, Matt bought box seats tickets for his good friends who stayed with him for a few days before the races. They were the husband and wife who were killed.

**Political (food for thought):**

**Humor/Sobering or Fun** (Share some humor with the net):

*Carol does all of our death notices and believe me she is amazing! Every once in a while she get away and when she does she sends me an email like this one. Just wanted you to see her sense of humor:*

*From:* [carol](#)

*Date:* 10/12/2011 8:01:17 PM

*To:* [Undisclosed-Recipient:](#)

*Subject:* heading out of town again ... Have Broom Will Travel

## Have Broom Will Travel



....once again if God is willin' and Delta has a seat for me!

Estimated time of return....late late late Sunday,

so I will catch you on the fly then!

# Thanks/Carol

Frank 'n' Carol Ann (Legge Wichterman) Faulkner

\*Carol...DOE 03-24-69/ Ret. 11-01-02/ MSP-PHX-SLC-PHX

\*Frank...DOE 07-21-58/ Ret. 04-01-01/ IDA-PIH-HNL-PHX

WA/DL retirees & DL Pioneers Arizona Sun Catchers Chapter

480-345-2677 [carol.n.frank@cox.net](mailto:carol.n.frank@cox.net) 2698 W. Bentrup St., Chandler, AZ 85224-1004

*Thank you for Carol:*

**From:** [Larry's iPhone](#)

**Date:** 10/12/2011 5:18:14 AM

**To:** [death@pilotcommunication.net](mailto:death@pilotcommunication.net)

**Subject:** Thanks

Good morning Carol.

Just a note of thanks here for the fine job you do. Are you part of what we used to affectionately call "The Delta Family?"

Best regards.

Larry Pullen

B-767ER Captain (out to pasture)

Larry Pullen Photography, Inc.

14823 Alderwick Drive

Sugar Land, TX 77498

281-851-3075

[Larry@LarryPullen.com](mailto:Larry@LarryPullen.com)

[www.LarryPullen.com](http://www.LarryPullen.com)

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**From:** [robert moser](#)

**Date:** 10/7/2011 12:06:45 PM

**To:** [Mark Sztanyo](#)

**Subject:** Fwd: Gunny Makes it to Heaven

Mark, as a former SSG E-6 in the Army Reserve, I really like this one although some of your bible thumping readers may not. Tell them to GET OVER IT!

The Pope died of old age and found himself at the gates of Heaven at 0300.

He knocks on the gate and a very sleepy Duty NCO opens the gate and says  
"Waddyah want?"

"I'm the recently deceased Pope and have done 68 years of godly works and thought I should check in here."

The Duty checked his roster and says, "I ain't got no orders for you here. Just bring your gear in and we'll sort this out in the morning." They go to an old WWII style barracks, 3rd floor, open bay. The Pope stows his gear under a rack and climbs in to an upper bunk.

The next morning he awakens to sounds of cheering and clapping. He goes to the window and sees a flashy Jaguar, convertible parading down the clouds from the golden HQ building. The cloud walks are lined with saints and angels cheering and tossing confetti. In the back seat sits a Marine Gunny with a cigar in his mouth and a can of San Magoo in one hand and his other arm around a voluptuous blonde angel with magnificent halos.

The Pope is disturbed by this and runs downstairs to the Duty Shack and says "Hey, what gives? You put me, the Pope, with 68 years of godly deeds, in an open squad bay while this Gunny, who must have committed every sin known and unknown to man is staying in a mansion on the hill and getting a hero's welcome. How can this be?"

The Duty NCO calmly looks up and says, "Hey, we get a Pope up here every 20 or 30 years, but we've NEVER had a Marine Gunny before."

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**From:** [CaptGrumps@aol.com](mailto:CaptGrumps@aol.com)

**Date:** 10/10/2011 7:24:02 PM

**To:** [nscgeorge2@gmail.com](mailto:nscgeorge2@gmail.com)

**Subject:** NASA satellite

That satellite that recently was gonna drop a 300# chunk ..... somewhere - maybe Canada , maybe India , maybe Washington State .... but it was gonna fall "somewhere"? And, there was "only a 1/3200 chance" that it would injure somebody? Then, NASA announced that it had fallen to earth, but they didn't know where? Well, here's the straight skinny.

<http://wimp.com/nasasatellite/>

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*Two comments from past humor:*

**From:** [Buford Ness](#)

**Date:** 10/6/2011 4:39:01 PM

**To:** [Mark Sztanyo](#)

**Subject:** College professor joke

The College professor joke reminds me that faith without works is dead. Religious minds may be upset with this joke, but Christians "get it". There are consequences to blaspheming God, and if God doesn't use an angel, he'll use a human. Keep up the good work!

Blessings to you,  
Buff Ness, ordained Foursquare minister.

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**From:** [Kenneth O'Neill](#)

**Date:** 10/3/2011 11:34:34 AM

**To:** [misc@pilotcommunication.net](mailto:misc@pilotcommunication.net)

**Subject:** Humor

Thanks for all the work you do in keeping this forum/connection alive. As to the pilot's comment about the joke you published, I can't even remember what the joke was. Most of the time I am scrolling pretty quickly by the time I get to that end of the publication. Humor is definitely a tricky project. I always thought that Don Rickels was the most obnoxious and unfunny comic in the business until I saw him in person in a Las Vegas lounge show. He was savaging people in the audience (small venue) and they were eating it up. I laughed so hard I could hardly breathe. I grew up in a family of "practical jokers" and as a result I really dislike practical jokes today. Practical jokes are always at someone's expense and at the best only embarrass those at the butt of the joke and at the worst can cause physical harm (ex-lax hidden in food, etc.). On the other hand I really like a good bawdy joke and enjoy satire and irony. Much has been written about humor but it is clearly a common human condition. I always feel better after a good belly laugh, how about you?

*One day long, long ago, there was this Pilot*

*who surprisingly was not full of sh#t ..!*

*But it was a long time ago....*

*And it was just one day.*

*The End*

Kenneth O'Neill  
Colleyville, Texas

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**Mark**

Mark Sztanyo (Stăn'yō), PCN Dir & HL Editor

[Pilot Communication Net](#) from Aug 2009

[Contact the Net](#)

*Life on earth will soon be past, only what's done for Christ will last!*

Serving the Delta community, and pilots (active and retired) and their families, *including original Delta*, and *former*: C&S, Northeast, Pan-Am, Western, NWA, Republic, North-Central, Southern Airways, Hughes- Airwest, and all the Delta Connection carriers.

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**Delta Pilots Pension Preservation Organization - <http://www.dp3.org>**  
Delta Museum & Fly-in information - <http://www.deltamuseum.org>  
Delta Pioneers - <http://www.deltapioneersinc.com/>  
Delta Golden Wings - <http://www.deltagoldenwings.com/>  
Delta Retiree Connection - <http://www.dlretiree.info>  
Delta Retirement Committee - <http://www.dalrc.org/>  
DAL Pilots DDPSA - <http://www.ddpsa.com/>  
Delta Extra Net Portal - <http://dlnet.delta.com/>  
National Retiree Legislative Network - <http://www.nrln.org/>

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