



September 24, 2010

*Sent Via Electronic & US Mail*

Rob Kight, Vice President  
Compensation, Benefits, & Services  
Delta Air Lines Inc.,  
PO Box 20706  
Atlanta, GA 30320

Michele Swanson, Director  
Compensation & HR Systems  
Delta Air Lines, Inc.  
MS3/959  
7500 Airline Drive  
Minneapolis, MN 55450

**Re: Delta 2011 Open Enrollment Information**

Dear Rob and Michele:

Thank you for forwarding next year's open enrollment information for Pre-Merger Northwest Airlines (PMNW) flight attendants. We have spent some time reviewing that information and have found a number of omissions, errors, and questionable provisions, which I have listed below.

As I stated in my email earlier this week, we reviewed not only the enrollment materials you forwarded but also some of the Summary Plan Description we found posted on DeltaNet. The SPD is a significant document at over 350 pages. Because we have had only a short time to review this very lengthy SPD, our review is preliminary. Of course, we will continue to review the SPD and forward to you any additional comments and concerns we identify.

Set out below is a *preliminary* list of problems, issues, and concerns for which we need your immediate response so that open enrollment can proceed without difficulties and confusion.

**1. Family Security Benefit**

The SPD and enrollment materials are at odds with the Collective Bargaining Agreement ("CBA") in relation to the duration of coverage for this benefit.

The Family Security Benefit in the CBA provides a maximum two (2) year period of coverage for eligible dependents of a deceased flight attendant (Sec. 29.A.1.b.(4)(a).iv.). In addition, the CBA provides for a thirty-six (36) month "COBRA" period after the initial two (2) year period of coverage has ended (Sec. 29.A.1.b.(4)(d)).

However, the SPD and enrollment materials have changed the two (2) year continuation period and thirty-six (36) month COBRA period so they run *concurrently* (SPD, p.11.). This means the eligible dependents will only be entitled to up to a maximum of thirty-six (36) months of coverage instead of the maximum of sixty (60) months of coverage provided by the CBA. These terms must be changed to reflect the CBA requirement.

## **2. PPO Option B OOA ("Out of Area")**

We have serious concerns about the addition of this plan for PMNW flight attendants.

We assume this "plan" is being offered for 2011 in response to the AFA's Alaska Health Insurance Grievance (#88-77-02-069-10). That grievance challenges the Company's continuing practice of charging Alaska flight attendants higher "out of network" rates when its health plan offers no "in-network" providers. While NWA also offered no "in-network" providers in Alaska, it nevertheless treated all Alaska providers as "in-network" for purposes of medical costs.

The creation of the PPO Option B Out of Area Plan ("OOA Plan") addresses some of the issues raised by the grievance, but creates additional issues, perhaps of a more serious nature.

What happens if a flight attendant fails to choose, for whatever reason, the OOA Plan when he or she lives in an area where "in-network" providers are limited? What happens if mid year a flight attendant moves to a limited "in-network" area? The SPD and enrollment materials seem to state that a flight attendant would be forced to pay higher rates if he or she fails to choose the OOA Plan, through no fault of his or her own. Why is an additional plan for OOA coverage necessary when the NWA Contract Plan already provides such coverage? We think the OOA Plan seems ill-conceived, as it is a confusing and unnecessary solution to the Company's violation of Section 29 for Alaska flight attendants.

In addition, the CBA does not provide for multiple plans for PMNW flight attendants, only one: "the NWA Medical Plan" (Sec. 29.A.1.a.(1)). This plan is now termed the "PPO Option B." Will Delta consider the OOA Plan to be a "CBA Plan" under the terms of Section 29? If not, then questions arise about the enforceability of the OOA Plan under the CBA.

The AFA and the Company need to have a serious discussion about the OOA Plan. Until we are able to understand the full implications and functioning of the OOA Plan, we cannot approve it for PMNW flight attendants.

## **3. Termination of Coverage**

Pages 31 through 34 of the SPD contain a long list of reasons the Company may terminate a flight attendant's or his/her dependents' health care coverage. The following should be changed or stricken for PMNW flight attendants:

- a. "The end of the calendar month...In which you begin any other unpaid leave..." (SPD, P. 31). This language is at odds with the CBA. There are a number of unpaid leaves in which a PMNW flight attendant's health care coverage is not, and cannot, be terminated. The termination of coverage is related to an "off payroll" event (CBA, Sec.A.1.a(1) ("active payroll")). This language needs to be revised to conform to the CBA.

- b. "No later than sixty (60) days after you are placed on disciplinary suspension (pre-merger Northwest flight attendants...coverage terminates at the end of the month in which they are suspended)" (SPD, p. 32). Although this requirement appears to address PMNW flight attendants, the AFA has no idea what it means. The term "disciplinary suspension" has no meaning in the CBA or within the former NWA. This language, as it relates to PMNW flight attendants, must be stricken.
- c. "The day you are suspended, pending termination..." (SPD p. 32). Again, we do not know what this means. If it is intended to mean "withheld from service pending termination," it would generally make sense; however, because "withheld from service" is not an "off payroll" event under the CBA, it is not an event that would allow the Company to terminate coverage. This language, as it relates to PMNW flight attendants, must be stricken.

#### 4. Retiree Premiums

We are still reviewing all of the premium rates; however, we have noticed two discrepancies for the retiree premium rates. First, there is no indication of a 50% premium rate, which is due to all retirees who are fifty-five (55) years of age with twenty-three (23) or more years of Benefit Accrual Service (CBA, Sec. 29.A.1.c.(2)). Second, we assume that "spouse only" coverage for retirees will be at the same rate as the "retiree only" coverage. The AFA grieved this issue back in December of 2009 (#88-77-02-145-09). The Company settled the grievance by agreeing that the single retiree and spouse premium rates would be the same.

I would encourage the Company to meet with the AFA as soon as possible regarding the above problems with the proposed open enrollment materials and the SPD. Please contact me immediately so that we may set this up.

Sincerely,



Janette Rook  
NWA Master Executive Council President  
Association of Flight Attendants-CWA

Cc: Kelvin Terry, DOL Atlanta Regional Office  
Rebecca Marshall, Director DOL Atlanta Regional Office  
Daniel Maguire, Director, U.S. DOL of Health Plan Standards & Compliance Assistance