HOGAN & HARTSON L.L.P. Counsel for Delta Air Lines, Inc. Debtors

Robert E. Cohn Columbia Square 555 13<sup>th</sup> Street, N.W. Washington, D.C. 20004 Telephone: (202) 637-5600 Facsimile: (202) 637-5910

David M. Posner (DP 6505)

875 Third Avenue New York, NY 10022

Telephone: (212) 918-3000 Facsimile: (212) 918-3100

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

	)	
In re:	)	Chapter 11
	)	
DELTA AIR LINES, INC., et al,	)	Case No. 05-17923 (ASH)
	)	(Jointly Administered)
Debtors.	)	•
	)	

SUMMARY SHEET ACCOMPANYING FIFTH AND FINAL APPLICATION OF HOGAN & HARTSON L.L.P., SPECIAL COUNSEL TO THE DEBTORS, SEEKING ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. §§ 330 AND 331 FOR THE PERIOD SEPTEMBER 15, 2005 THROUGH MARCH 31, 2007

Name of Applicant: Hogan & Hartson LLP

Authorized to Provide Professional Services to: Delta Air Lines, Inc.

Date of Retention Order: October 17, 2005

Role in Case: Special Counsel

Period for Which Compensation and September 15, 2005-March 31, 2007

Reimbursement is Sought

Amount of Compensation Sought as Actual, \$871,788.33

Reasonable and Necessary

Amount of Expense Reimbursement Sought as \$21,405.72 Actual, Reasonable and Necessary

This is a:	interim	X	final	application
------------	---------	---	-------	-------------

Prior Applications: March 6, 2006, July 13, 2006, November 7, 2006, March 15, 2007

Fees Previously Requested in First Application:	\$211,442.22
Fees Awarded by Court on June 5, 2006	\$211,442.22
Fees Previously Requested in Second Application	\$118,931.25
Fees Awarded by Court on August 21, 2006	\$118,931.25
Fees Previously Requested in Third Application	\$159,001.59
Fees Awarded by Court on December 18, 2006	\$159,001.59
Fees Previously Requested in Fourth Application	\$217,441.92
Fees Awarded by Court on April 19, 2007	\$217,441.92

<b>Expenses Previously Requested in First</b>	\$4,492.97
Application	
Expenses Awarded by Court on June 5, 2006	\$4,492.97
Expenses Previously Requested in Second Application	\$5,581.99
Expenses Awarded by Court on August 21, 2006	\$5,581.99
Expenses Previously Requested in Third Application	\$3,487.88
Expenses Awarded by Court on December 18, 2006	\$3,487.88
Expenses Previously Requested in Fourth Application	\$5,774.74
Expenses Awarded by Court on April 19, 2007	\$5,774.74

HOGAN & HARTSON L.L.P. Counsel for Delta Air Lines, Inc. Debtors

Robert E. Cohn Columbia Square 555 13<sup>th</sup> Street, N.W. Washington, D.C. 20004 Telephone: (202) 637-5600 Facsimile: (202) 637-5910

David M. Posner (DP 6505) 875 Third Avenue New York, NY 10022 Telephone: (212) 918-3000

Facsimile: (212) 918-3100

## UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

	)	
in re:	)	Chapter 11
	)	
DELTA AIR LINES, INC., et al,	)	Case No. 05-17923 (ASH)
	)	(Jointly Administered)
Debtors.	)	,
	)	

FIFTH AND FINAL APPLICATION OF HOGAN & HARTSON L.L.P., SPECIAL COUNSEL TO THE DEBTORS, SEEKING ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. §§ 330 AND 331 FOR THE PERIOD SEPTEMBER 15, 2005 THROUGH MARCH 31, 2007

Hogan & Hartson L.L.P. ("Hogan"), special counsel with respect to aviation regulatory, government procurement and securities law issues for Delta Air Lines, Inc. ("Delta", and, together with those of its subsidiaries that are debtors and debtors in possession in these proceedings, (the "Debtors"), hereby submits its fifth and final fee application (The "Final Fee Application") seeking allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code") for the interim period of February 1, 2007 to March 31,

2007 (the "Fifth Interim Period" or "Compensation Period"), and for the final period from September 15, 2005 through March 31, 2007 (the "Final Application Period"). The total amount sought by Hogan in this Final Fee Application includes the following:

- a) Allowance of compensation for professional services for the Fifth Interim Period of February 1, 2007, through March 31, 2007 in the total amount of \$164,971.35;
- b) allowance of its actual and necessary expenses incurred during the Fifth Interim Period in the total amount of \$ 2,068.14;
- c) payment of the 20% holdback withheld from Hogan's Fee Statements for the periods of February 1, 2007 through March 31, 2007 (the "Monthly Fee Statements");
- d) Hogan has received the 20% holdback and has applied it to the unpaid balance for the Monthly Statements for the following Compensation Periods: September 15, 2005 through January 31, 2006, February 1, 2006 through May 31, 2006, June 1, 2006 through September 30, 2006 and October 1, 2006 through January 31, 2007. Hogan has an outstanding balance for the holdback for this Fifth Interim and Final Fee Application of \$32,994.27 for Fifth Interim Period of February 1, 2007 through March 31, 2007; and
- e) Hogan further requests final approval of all fees and costs previously approved on an interim basis from September 15, 2005 through January 31, 2007, in the amount of \$871,788.33 in fees and \$21,405.72 in expenses.

### **JURISDICTION**

1. This Court has subject matter jurisdiction over this Application pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Judges of the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and may be determined by the

- Bankruptcy Court. Venue of this Final Fee Application is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
- The relief sought in this Application is based upon sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016.

#### **BACKGROUND**

- 3. On September 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code, which are being jointly administered by this Court (the "Delta Chapter 11 Case"). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Additional information about the Debtors' business and the events leading up to the Petition Date can be found in the Declaration of Edward H. Bastin, Executive Vice President and Chief Financial Officer of Delta, which is incorporated herein by reference.
- 4. Delta is the second largest airline in the world in terms of passengers carried and provides air transportation to 492 destinations in 89 countries in conjunction with its subsidiaries and worldwide airline partners. As such, Delta and certain of its subsidiaries are subject to the jurisdiction of and regulation by the Department of Transportation ("DOT"), the Federal Aviation Administration ("FAA") and other governmental agencies. The DOT principally regulates economic issues affecting air service, such as air carrier certification and fitness, insurance, authorization of proposed scheduled and charter operations, consumer protection and competitive practices. The FAA principally regulates safety issues and the efficient use of airspace, including allocation of airport slots and slot exemptions.

#### RETENTION OF HOGAN

- The Debtors employed Applicant as Retained Professionals to handle matters relating to aviation regulatory and government procurement law, with particular emphasis on the DOT and FAA, as well as with respect to securities law issues. The Debtors selected Applicant because of the firm's extensive experience with the aviation industry and dealing with regulatory bodies such as the DOT, the FAA and the SEC. Applicant's employment as special counsel with respect to aviation regulatory, government procurement, and securities law was necessary and appropriate because of the firm's knowledge gained through pre-petition representation of the Debtors in connection with such issues.
- 6. On October 17, 2005, the United States Bankruptcy Judge issued a Final Order authorizing the Debtors to employ and retain special counsel with respect to aviation regulatory, government procurement and securities law for the Debtors <u>nunc pro</u> tunc.<sup>1</sup>
- of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals (the "Interim Compensation Order"). In accordance with the Interim Compensation Order, all professionals retained in the Delta Chapter 11 Case pursuant to section 327(a) or 327(e) of the Bankruptcy Code must file applications for interim or final Court approval and allowance of compensation and reimbursement of expenses, pursuant to section 330 or 331 of the Bankruptcy Code for the period October 1, 2006 through January 31, 2007 by no later than March 16, 2007.

4

On September 16, 2005, the Court issued an Interim Order authorizing Debtors to employ and retain Hogan as special counsel.

8. Hogan has submitted four interim fee applications. On March 6, 2006, Hogan submitted its first interim fee application (the "First Application") for the period from September 15, 2005 through January 31, 2006. On July 13, 2006, Hogan submitted its second interim application (the "Second Application") for the period from February 1, 2006 through May 31, 2006. On November 7, 2006, Hogan submitted its third interim fee application (the "Third Application") for the period from June 1, 2006 through September 30, 2006. On March 15, 2007, Hogan submitted its fourth interim fee application (the "Fourth Application") for the period from October 1, 2006 through January 31, 2007.

### **FEE PROCEDURE**

- As set forth in the certification of Robert E. Cohn, attached hereto as <a href="Exhibit A">Exhibit A</a>, this Application has been prepared in accordance with the Interim Compensation Order, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines") and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines", and, together with the Local Guidelines, the "Guidelines").
- 10. By this Application, filed in accordance with the Interim Compensation Order,
  Applicant seeks the entry of an Order (a) granting interim allowance of
  (i) compensation for the professional services rendered by Hogan as special counsel
  with respect to aviation regulatory, government procurement and securities law for the
  Debtors during the Fifth Interim Period (February 1, 2007 through March 31, 2007)
  in the amount of \$164,971.35 representing 401.00 hours in attorney and

paraprofessional services and (ii) reimbursement of actual and necessary expenses incurred by Hogan during the Fifth Interim Period in connection therewith in the amount of \$2,068.14; and (b) directing payment of amounts previously subject to a Holdback (as defined below).

11. Pursuant to the terms of the Interim Compensation Order, Applicant has submitted to the Debtors two monthly invoices for services rendered and expenses incurred during the Compensation Period as follows:

Hogan & Hartson L.L.P. February 1, 2007 through March 31, 2007

Account Nos. 25325-0002 through 25325-0114 (Delta Air Lines, Inc.) 25328-0001 (Delta-Securities Law Advice)

Periods Covered by Monthly Statements	Fees Requested	Fees Paid Or To Be Paid (80%)	Fees Holdback (20%)	Expenses Requested And Paid Or To Be Paid
February 1, 2007 through February 29, 2007	\$90,036.00	\$72,028.80	\$18,007.20	\$857.71
March 1, 2007 through March 31, 2007	74,935.35	59,948.28	14,987.07	1,210.43
TOTAL	\$164,971.35	\$131,977.08	\$32,994.27	\$2,068.14

- 12. As of the date hereof, Hogan has received, or expects to receive, payment from the Debtors in the aggregate amount of \$131,977.08, representing 80% of fees and \$2,068.14, representing 100% of expenses incurred during the Fifth Interim Period. In Accordance with the Interim Compensation Order, \$32,994.27, reflecting 20% of the amount of fees requested during the Fifth Interim Period, has been held back from payment pending further Court order (the "Holdback").
- 13. Hogan has maintained detailed written records of the time expended by attorneys and paraprofessionals in the rendition of their professional services to the Debtors. Such time records were generated contemporaneously with the performance of the professional services described therein and in the ordinary course of Hogan's practice. The individual time records were recorded by the attorney or paraprofessional who rendered the described service. Attached hereto as Exhibit B is a copy of the actual

time and expense records maintained by Hogan, along with summaries of the number of hours worked and the total charges of Hogan, separated into individual categories of services rendered during the Fifth Interim Period and the Final Application Period.<sup>2</sup> Attached hereto as Exhibit C are schedules consisting of the name, the hours worked, the hourly billing rates and the total charges of each attorney or paraprofessional rendering services in the Delta Chapter 11 Case during each of the interim application periods, as well as cumulatively for the Final Application Period. Attached hereto as Exhibit D are summary charts of the different matter headings under which time has been recorded in the aggregate amount of hours and fees expended by Hogan during the Fifth Interim Period and the Final Application Period.

- 14. The total time spent by Hogan attorneys and paraprofessionals providing legal services to the Debtors during the Fifth Interim Period was 401.00 hours for a total charge of \$164,971.35, calculated in accordance with Hogan's normal hourly rates applicable to Debtors in effect at the time the services were rendered. Such fees are reasonable and similar to the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.
- 15. The total time spent by Hogan attorneys and paraprofessionals providing legal services to the Debtors during the Final Compensation Period from September 15, 2005 through March 31, 2007 was \$871,788.33.
- 16. Hogan also maintains records of all actual and necessary out-of-pocket expenses incurred in connection with the rendition of its professional services. Schedules of the

Detailed time and expense records are not being filed but are being provided to the Debtors, the Court, the Office of the United States Trustee and the Official Committee of Unsecured Creditors. Parties in interest required to be served with monthly fee statements pursuant to the interim Compensation Order have previously received such records. Copies of these records will be made available to other parties in interest upon request. The office of the United States Trustee has been conferred with regarding this procedure.

expenses incurred during the Fifth Interim Period and the cumulative expenses for the Final Application Period for which reimbursement is requested are attached hereto as Exhibit E. Hogan incurred actual and necessary out-of-pocket expenses in connection with services performed during the Fifth Interim Period in the total amount of \$2,068.14.

17. The total of out-of pocket expenses incurred during the Final Compensation Period September 15, 2005 through March 31, 2007 was \$21,405.72.

### **FINAL APPLICATION PERIOD**

Throughout the Final Application Period, Hogan maintained written records of the time expended by professionals and paraprofessionals in the rendition of professional services to the Debtors previously referred to as Exhibit B. Additionally, Exhibit C contains schedules consisting of the name, the hours worked, the hourly billing rates and the total charges of each attorney or paraprofessional rendering services during each of the interim application periods, as well as cumulatively for the Final Application Period. Attached as Exhibit D are summary charts of the different matter headings under which time has been recorded in the aggregate amount of hours and fees expended by Hogan during the Fifth Interim Period and the Final Application Period. No agreement or understanding exists between Hogan and any other entity for the sharing of compensation received for services rendered in or in connection with these cases.

#### SUMMARY OF SERVICES RENDERED

19. Since the outset of the Delta Chapter 11 Case, Applicant has rendered professional services to the Debtors as requested by attorneys in Delta's Law Department and as

necessary and appropriate in furtherance of the interests of the Debtors and their estates and creditors.

20. The following summary of services rendered during the Fifth Interim Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in Exhibit B. Rather, it highlights certain of those areas in which services were rendered to the Debtors, as well as to identify some of the problems and issues to which Hogan was required to direct its attention:

### **DELTA MATTERS:**

### (A) <u>General (0002)</u>

During the Compensation Period, Hogan advised and represented Delta with regard to general DOT and related regulatory matters, including ongoing monitoring of DOT decisions and proceedings that have an impact on Delta, and the preparation and submission of motions for confidential treatment in connection with quarterly and annual reports Delta must submit to the DOT.

### (B) Codesharing (0026)

During the Compensation Period, Hogan provided advice to Delta regarding various applications, statements of authorizations, and related issues associated with international codesharing. Hogan prepared applications and notices before the DOT that were required to authorize Delta to introduce new international codesharing service with other airlines and to comply with the conditions of Delta's existing DOT codesharing authority. Hogan also worked with counsel for Delta's airline partners in connection with the required DOT filings.

### (C) DOT Enforcement/Consumer Issues (0028)

During the Compensation Period, Hogan provided Delta with advice regarding DOT advertising, reporting and enforcement issues and represented Delta in matters before the DOT's Office of Aviation Enforcement and Proceedings.

### (D) <u>EC-Alliance Issues (0041)</u>

During the Compensation Period, Hogan provided Delta with advice concerning airline ownership and control issues.

### (E) <u>High Density Airport Slot Exemptions (0046)</u>

During the Compensation Period, Hogan prepared an application of Comair and related pleadings concerning exemptions for Reagan Washington National (DCA) service, and provided advice and representation to Delta concerning a contested DCA proceeding before the DOT.

### (F) Mexico Matters (0047)

During the Compensation Period, Hogan provided Delta with advice regarding regulatory requirements in connection with proposed and existing U.S.-Mexico routes and codesharing service with foreign and domestic airline partners. Hogan prepared DOT applications for exemptions, codeshare authority and designations, and worked with other airlines' counsel regarding the DOT filings.

### (G) Compliance Issues (0060)

During the Compensation Period, Hogan provided Delta with advice regarding compliance with U.S. sanctions and restrictions under associated laws and regulations and disclosures of activities with respect to sanctioned countries in response to Securities and Exchange Commission and Office of Foreign Assets Control inquiries.

### (H) SkyTeam Alliance (0062)

During the Compensation Period, Hogan provided Delta with advice regarding international airline alliance issues and regulatory requirements in connection with proposed

and existing codesharing service with Delta's SkyTeam partners. Hogan prepared notices before the DOT that were required to authorize Delta to introduce new international codesharing service with SkyTeam airlines, and affidavits to comply with a DOT order concerning the review of documents submitted by a competing airline alliance. Hogan also worked with counsel for Delta's SkyTeam airline partners in connection with required DOT filings.

### (I) China Route Matters (0064)

During the Compensation Period, Hogan provided Delta with advice in connection with a contested U.S.-China route opportunity and prepared document in support of an Atlanta-Shanghai route award.

### (J) Miscellaneous Certificate and Exemption Applications (0065)

During the Compensation Period, Hogan provided Delta with advice regarding regulatory authority required to introduce and maintain certain international route services, and prepared a DOT application for EU-U.S. open-skies route authority.

### (K) Comair, Inc. ("Comair") Matters (0070)

During the Compensation Period, Hogan provided Comair with advice concerning compliance with environmental and FAA requirements in connection with new service to Trenton. Hogan also prepared materials for confidential treatment in connection with quarterly and annual reports Comair must submit to the DOT.

### (L) Answers to Miscellaneous OAL Applications (0071)

During the Compensation Period, Hogan provided analysis and advice to Delta regarding DOT decisions concerning other airlines and filings submitted by other airlines, and prepared answers and other pleadings in response to certain applications submitted by U.S. and foreign airlines.

### (M) ATI Pleadings (0111)

During the Compensation Period, Hogan provided advice to Delta and prepared an application for antitrust immunity concerning a joint venture with other airlines.

### (N) <u>Airport Lease Issues (0112)</u>

During the Compensation Period, Hogan provided Delta with advice concerning

Cincinnati and Los Angeles airport lease issues. Hogan also represented Delta and prepared

pleadings in connection with a Los Angeles airport rates and charges proceeding before the

DOT.

### **ALLOWANCE OF COMPENSATION**

- 21. The professional services rendered by Hogan were requested by the Debtors or necessitated by the demands of the Delta Chapter 11 Case, and have required the expenditure of substantial time and effort. Hogan respectfully submits that the services rendered to the Debtors during the Fifth Interim Period and the Final Application Period were performed effectively and efficiently, and have substantially benefited the Debtors' estates and restructuring efforts.
- 22. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the criteria prescribed in Section 330, which courts must consider when determining the reasonableness of the amount of compensation sought by a professional. 11 U.S.C. § 331. Congress enacted section 330 of the Bankruptcy Code to liberalize the practice of granting the allowance of compensation to professionals in bankruptcy cases in order to ensure that "attorneys be reasonably compensated and that future attorneys not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation." In re Ames Dep't Stores, Inc., 76

- F.3d 66, 72 (2d Cir. 1966) (quoting <u>In re UNR Indus., Inc.</u>, 986 F.2d 207, 208-10 (7th Cir. 1993)).
- 23. Specifically, section 330(a) of the Bankruptcy Code provides for the compensation of reasonable and necessary services rendered by professionals and reimbursement for actual, necessary expenses. 11 U.S.C. § 330(a)(1). With respect to the compensation criteria, section 330(a)(3) provides that:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

### 11 U.S.C. § 330(a)(3).

Thus, section 330 of the Bankruptcy Code requires that services for which compensation is awarded must be both necessary and reasonable. In re Keene Corp., 205 B.R. 690, 696 (Bankr. S.D.N.Y. 1977). The test for determining necessity is objective, focusing on what services a reasonable lawyer would have performed under the same circumstances. In re Angelika Films 57th, Inc., 227 B.R. 29, 42 (Bankr. S.D.N.Y. 1998). This test does not rely on hindsight to determine the ultimate success or failure of the attorney's actions. See id.; Keene, 205 B.R. at 696. Ultimately, "if the services of a debtor's attorney are reasonably likely to benefit the debtor's estate, they should be compensable." Angelika Films, 227 B.R. at 42.

- 24. Hogan respectfully submits that the services for which it seeks compensation in this

  Final Fee Application were necessary, reasonable and beneficial to the Debtors'

  estates. Applicant further submits that the expenditures for which it seeks

  reimbursement were actual, necessary and expended in the best interests of the

  Debtors' estates, and that the compensation sought is reasonable in light of the nature,

  extent and value of the services rendered to the Debtors, their estates, and all partiesin-interest.
- 25. As described above, Hogan has devoted a substantial amount of time and effort to the numerous and complex issues. In addition, by this Final Fee Application, Hogan seeks its customary fee at rates that are comparable to those charged by law firms of a similar size and expertise in Hogan's relevant market. Hogan's request for reimbursement of expenses also comports with its general policy of collecting in full all such expenses incurred on behalf of clients in non-bankruptcy cases, as modified by the Guidelines. Hogan has been engaged in the practice of law for more than 100 years, and has developed extensive experience representing clients in aviation regulatory, government procurement and securities law, particularly as they relate to aviation. The attorneys performing service for Debtors have represented Delta on such matters for upwards of 16 years.
- 26. Moreover, Hogan respectfully submits that a consideration of the factors enumerated in <u>In re First Colonial Corporation of America</u>, 544 F.2d 1291, 1298-99 (5th Cir. 1977), which have been adopted by most courts, including courts in the Second Circuit, <u>see In re Cuisine Magazine</u>, <u>Inc.</u>, 61 B.R. 210, (S.D.N.Y. 1986), should result in this Court's allowance of the full compensation and reimbursement sought herein.
  - (a) The Time and Labor Required. The professional services rendered by Hogan on behalf of the Debtors have required the expenditure of substantial time and effort, as well as a high degree of professional

competence and expertise, in order to deal with the many complex issues encountered by the Debtors with skill and dispatch.

Occasionally, Hogan has been required to perform these services under significant time constraints. Hogan respectfully represents that the services rendered by Hogan were performed efficiently, effectively and economically.

- (b) The Novelty and Difficulty of Questions. Complex issues have arisen in the course of representing Delta in DOT/FAA aviation regulatory matters, government procurement, and securities matters, and it can be anticipated that other such issues will be encountered. Hogan's effective advocacy and diverse experience with respect to aviation legal matters and problems have helped clarify and resolve such issues and will continue to prove beneficial to the Debtors' estates.
- (c) The Skill Required to Perform the Legal Services Properly. Hogan believes that its recognized expertise in the area of aviation law and its ability to draw from highly experienced professionals in other areas of Hogan's practice have contributed to the efficient administration of the Delta Chapter 11 Case.
- (d) The Customary Fee. The fee sought herein is based upon Hogan's normal hourly rates for services of this kind. Hogan respectfully submits that the fee sought herein is not unusual given the time expended in attending to the representation of the Debtors, and is commensurate with fees Hogan has been awarded in other Chapter 11 cases, as well as with fees charged by other attorneys of comparable experience.
- (e) Whether the Fee is Fixed or Contingent. Pursuant to sections 330 and 331 of the Bankruptcy Code, all fees sought by professionals employed under section 327 of the Bankruptcy code are contingent pending final approval by this Court.
- (f) The Amount Involved and Results Obtained. Hogan respectfully submits that through its efforts, Delta and Comair have obtained necessary authority and have had their aviation regulatory, government procurement and security law interests represented and advocated in an efficient and economical manner, thereby preserving the value of the Debtors' assets.
- (g) The Experience, Reputation and Ability of the Attorneys. Hogan has one of the most prestigious aviation practice areas in the nation and is consistently ranked as one of the top global law firms. Hogan's experience enables it to perform the services described herein competently and expeditiously.
- (h) Nature and Length of Professional Relationship. Hogan was retained by Delta prior to the commencement of the Delta Chapter 11 Case, and was retained as special counsel on aviation regulatory, government procurement and securities law issues for the Debtors pursuant to this

Court's Orders dated September 15, 2005 (Interim Order) and October 17, 2005 (Final Order). Hogan has rendered services continuously to Delta and Comair as special counsel on aviation regulatory, government procurement and securities law issues since the beginning of the Delta Chapter 11 Case as necessary and appropriate.

- 27. The professional services rendered by Hogan required a high degree of professional competence and expertise so that the numerous aviation regulatory, government procurement and securities issues requiring evaluation and action by the Debtors could be effectively addressed. Applicant's professional services, therefore, required the expenditure of substantial time and effort. Hogan respectfully submits that the services rendered to the Debtors were performed efficiently, effectively and economically, and the results obtained to date have benefited the Debtors, their respective creditor bodies and the Debtors' estates.
- 28. The total time spent by Hogan attorneys and paraprofessionals during the Fifth
  Interim Period was 401.00 hours, which services have a fair market value of
  \$164,971.35. Hogan respectfully requests that the allowance of such compensation
  for professional services rendered and reimbursement of actual and necessary
  expenses incurred be without prejudice to Hogan's right to seek additional
  compensation for services performed and expenses incurred during the Compensation
  Period which were not processed at the time of this Application.

### **NOTICE**

29. In accordance with this Court's **Interim Compensation Order**, dated October 6, 2005, establishing compensation procedures for these Chapter 11 Cases, notice of this Application has been given via overnight mail to (i) the Office of the United States Trustee, (ii) counsel to the Committee, (iii) counsel to the Debtors' post-petition lenders, and (iv) those persons who have requested notice pursuant to Bankruptcy Rule 2002 prior to the filing of this Application.

- 30. Hogan submits that such notice is adequate and appropriate and that no other or further notice need be given.
- 31. No previous request for the relief sought herein has been made to this or any other court.

### WAIVER OF MEMORANDUM OF LAW

32. This Application does not raise any novel issues of law and the authorities relied upon are cited herein. Accordingly, Hogan respectfully requests that the Court waive the requirement contained in Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York that a separate memorandum of law be submitted. Hogan reserves the right, however, to submit a reply memorandum of law in the event that objections to the Application are filed.

#### **CONCLUSION**

WHEREFORE, Applicant respectfully requests (i) allowance of compensation for the professional services rendered by Hogan during the Fifth Interim Period in the amount of \$164,971.35 and reimbursement of actual and necessary expenses Hogan incurred during the Fifth Interim Period in the amount of \$2,068.14; (ii) payment of the 20% holdback In the amount of \$32,994.27 withheld from Hogan's Fee Statements for the periods of February 1, 2007 through March 31, 2007 (the "Monthly Fee Statements"); (iii) allowance of the previously paid 20% holdback amounts related to the previously approved interim applications which as been applied to the unpaid balance for the Monthly Statements for the following Compensation Periods: September 15, 2005 through January 31, 2006, February 1, 2006 through May 31, 2006, June 1, 2006 through September 30, 2006 and October 1, 2006 through January 31, 2007; and (iv) allowance of all previously approved interim applications for compensation and for reimbursement of expenses for the following Compensation Periods: September 15, 2005 through January 31, 2006, February 1, 2006 through May 31, 2006, June

1, 2006 through September 30, 2006 and October 1, 2006 through January 31, 2007; (v) final approval and allowance of compensation for the professional services rendered during the Final Application Period in the amount of \$871,788.33 and reimbursement for actual and necessary expenses Hogan incurred in the amount of \$21,405.72 during the Final Application Period (September 15, 2005 through March 31, 2007); (vi) and granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York June 25, 2007

HOGAN & HARTSON L.L.P.

/s/ David M. Posner

David M. Posner (DP 6505) 875 Third Avenue New York, NY 10022 Telephone: (212) 918-3000 Facsimile: (212) 918-3100

Robert E. Cohn 555 13<sup>th</sup> Street, N.W. Washington, D.C. 20004 Telephone: (202) 637-4999 Facsimile: (202) 637-5910

## EXHIBIT A

HOGAN & HARTSON L.L.P. Counsel for Delta Air Lines, Inc. Debtors

Robert E. Cohn Columbia Square 555 13<sup>th</sup> Street, N.W., Washington, D.C. 20004 Telephone: (202) 637-4999 Facsimile: (202) 637-5910

David M. Posner (DP 6505) 875 Third Avenue New York, NY 10022 Telephone: (212) 918-3000 Facsimile: (212) 918-3100

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re:	) )	Chapter 11
	)	•
DELTA AIR LINES, INC., et al,	)	Case No. 05-17923 (ASH)
	)	(Jointly Administered)
Debtors.	)	•
	)	

CERTIFICATION IN RESPECT OF FIFTH AND FINAL APPLICATION OF HOGAN & HARTSON L.L.P. FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED DURING THE PERIOD FROM SEPTEMBER 15, 2005

THROUGH AND INCLUDING MARCH 31, 2007

I, Robert E. Cohn, hereby certify that:

- I am a partner with the law firm of Hogan & Hartson L.L.P. ("Hogan"), which maintains offices for the practice of law at 555 13<sup>th</sup> Street, N.W., Washington, D.C. 20004-1109 and elsewhere. I am a member of the Bar of the District of Columbia. I have personal knowledge of the facts set forth herein.
- I submit that this Certification in support of the fifth and final application dated June
   15, 2007 (the "Final Fee Application"), for interim and final compensation and
   reimbursement of expenses for the period commencing September 15, 2005, through

and including May 21, 2007 (the "Final Application Period"), seeking the entry of an Order, pursuant to sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") granting interim and final allowance of compensation for services rendered and expenses incurred as special counsel with respect to aviation regulatory, government procurement and securities law matters to Delta Air Lines, Inc. ("Delta", and, together with those of its subsidiaries that are debtors and debtors in possession in these proceedings, the "Debtors") during the period from September 15, 2007 through and including March 31, 2007 (the "Final Compensation Period"), and directing payment of fees and expenses that were not paid or which were previously subject to a Holdback.

- 3. I submit this Certification pursuant to the Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. Section 330 (collectively, the "Guidelines"), Rule 2016 of the Federal Rules of Bankruptcy Procedure and this Court's Order, dated October 6, 2005 (the "Interim Compensation Order"), establishing procedures for monthly compensation of, and the reimbursement of expenses to, professionals in these Chapter 11 cases.
- 4. I am the professional designated by Hogan with the responsibility of compliance with the Guidelines in these Chapter 11 cases. I have read the Application and, to the best of my knowledge information and belief, formed after reasonable inquiry (i) the Application complies with the Guidelines; (ii) the fees and disbursements sought therein (a) fall within the Guidelines, except as specifically noted herein and described in the Application, and (b) the fees and expenses requested therein are

billed at rates and in accordance with practices customarily employed by Hogan and generally accepted by Hogan's clients; (iii) in providing a reimbursable service billed as an expense or other charge, Hogan bills for such services amounts which Hogan reasonably believes reflect the cost of providing such service, where the service is performed by Hogan in-house; and (iv) in seeking reimbursement for a service which Hogan justifiably purchased or contracted from a third party, Hogan has requested reimbursement only for the amount billed to Hogan by the third-party vendor and paid by Hogan to such vendor.

- 5. To the best of my knowledge, information and belief, formed after reasonable inquiry, ordinarily hourly charges for word processing are not included in Hogan's overhead for the purpose of setting billing rates.
- During the Compensation Period, the Debtors, counsel to the official committee of unsecured creditors ("Creditors' Committee"), and the Office of the United States Trustee have been provided with each of Hogan's monthly statements of fees and expenses in accordance with the terms of the Interim Compensation Order. Each such statement contained a list of those professionals and paraprofessionals that provided services, their respective billing rates, the aggregate hours spent by each professional and paraprofessional, a general description of services rendered, a reasonably detailed breakdown of the disbursements incurred and an explanation of Hogan's billing practices. No objections to any of the monthly statements were received.
- 7. There is no agreement or understanding between Hogan and any other person, other than the members of Hogan, for the sharing of compensation to be received for services rendered or to be rendered in these Chapter 11 cases.
- The Office of the United States Trustee, the Debtors, counsel to the Creditors'
   Committee and counsel to the Debtors' post-petition lenders will be provided with a

copy of the Application at least (20) days before the date set by this Court for a hearing on the Application.

WHEREFORE, I declare that the above is true and correct to the best of my information, knowledge and belief.

Dated:

Washington, D.C. June 25, 2007

Robert E. Cohn

## EXHIBIT B

Detailed time and expense records are not being filed but are being provided to the Debtors, the Court, the Office of the United States Trustee and the Official Committee of Unsecured Creditors. Parties in interest required to be served with monthly fee statements pursuant to the interim Compensation Order have previously received such records. Copies of these records will be made available to other parties in interest upon request. The office of the United States Trustee has been conferred with regarding this procedure.

## EXHIBIT C

# TIME SUMMARY TO FIRST INTERIM FEE APPLICATION OF HOGAN & HARTSON

### September 15, 2005 through January 31, 2006

Name	Bar Admission Date	Hours	Rate	Amount
Partners				
Banks, James T.	1979	1.80	\$ 550	\$990.00
Cohn, Robert E.	1969	96.70	528 (2005)*	45,951.84
Cohn, Robert E.	1969	49.25	550 (2006)*	24,378.75
Dye, Alan L.	1980	5.50	650 <b>(2005)</b>	3,575.00
Dye, Alan L.	1980	5.75	695 (2006)	3,996.25
Friedman, Scott	1986	.50	528*	237.60
Parrino, Richard J.	1980	.50	575	287.50
Romeo, Peter J.	1968	.75	900 (2005)	675.00
Romeo, Peter J.	1968	.50	950 <b>(2006)</b>	475.00
Counsel				
Israel, Sheryl R.	1987	11.30	417 (2005)*	4,240.89
Van der Bellen, Alexander	1996	184.90	417 (2005)*	69,392.97
Van der Bellen, Alexander	1996	88.60	435 (2006)*	34,686.90
Associates				
Bahn, C. Alexander	2004	7.0	240*	\$ 1,680.00
Dukić, Aleksandar	1999	.30	375*	101.25
Gomez Abero, C. Sebastian	2004	1.40	240 (2005)	336.00
Gomez Abero, C. Sebastian	2004	8.0	285 (2006)	2,280.00
Montague, R. Latane	1998	1.80	450*	729.00
Paraprofessionals				
Daguiso, Ildefonso M.	N/A	1.00	95*	85.50
Defendeifer, Linda M.	N/A	.50	165*	74.25
Echmalian, Jonathan D.	N/A	88.40	180 (2005)*	14,320.80
Echmalian, Jonathan D.	N/A	16.65	185 <b>(2006)*</b>	2,772.22
Klinger, Mary K.	N/A	.50	135*	60.75
Randolph, Reed W.	N/A	1.50	85*	114.75
TOTAL		573.10		\$ 211,442.22

<sup>\*\*10%</sup> discount from listed hourly rate

### First Interim Fee Application

TOTAL PARTNERS	\$80,566.94
TOTAL COUNSEL	108,320.76
TOTAL ASSOCIATES	5,126.25
TOTAL PARAPROFESSIONALS	<u>17,428.27</u>
TOTAL	\$211,442.22

# TIME SUMMARY TO SECOND INTERIM FEE APPLICATION OF HOGAN & HARTSON

## February 1, 2006 through May 31, 2006

Name	Bar Admission Date	Hours	Rate	Amount
Partners			·	
Cohn, Robert E.	1969	107.15	550*	53,039.25
Edward C. Dolan	1979	1.50	575	862,50
Dye, Alan L.	1980	3.25	695	2,258.75
Peters, M.E.	1992	.80	500*	360.00
Romeo, Peter J.	1968	.50	950	475.00
Counsel				
Israel, Sheryl R.	1987	.30	435*	117.45
Patrick R. Rizzi	1994	14.00	435*	5,481.00
Van der Bellen, Alexander	1996	110.20	435*	43,143.30
Associates				
Dukić, Aleksandar	1999	5.30	375*	1,788.75
Paraprofessionals				8996
Echmalian, Jonathan D.	N/A	68.50	185*	11,405.25
TOTAL	<del>                                     </del>	311.50		\$118,931.25

<sup>\*10%</sup> discount from listed hourly rate

### **Second Interim Fee Application**

TOTAL PARTNERS	\$56,995.50
TOTAL COUNSEL	48,741.75
TOTAL ASSOCIATES	1,788.75
TOTAL PARAPROFESSIONALS	<u>11,405.25</u>
TOTAL	\$118,931.25

# TIME SUMMARY TO THIRD INTERIM FEE APPLICATION OF HOGAN & HARTSON

### June 1, 2006 through September 30, 2006

Name	Bar Admission Date	Hours	Rate	Amount
Partners				
Cohn, Robert E.	1969	126.00	550.00*	62,370.00
Dye, Alan L.	1980	2.00	695.00	1,390.00
Gardner, John M.	1967	2.30	460.00*	952.20
Lilienthal, Scott R.	1987	1.00	525.00*	472.50
Peters, M.E.	1992	.60	500.00*	270.00
Counsel				
Patrick R. Rizzi	1994	173.20	435.00*	67,807.80
Associates				
Johnson Billips, Nichelle Y.	1003	2.90	315.00*	822.15
Paraprofessionals				
Cenon, Edgar P.	N/A	1.00	105.00*	94.50
Echmalian, Jonathan D.	N/A	148.80	185.00*	24,775.19
Kelley, Christina R.	N/A	.30	175.00*	47.25
TOTAL		458.10		159,001.59

<sup>\*10%</sup> discount from listed hourly rate

### Third Interim Fee Application

TOTAL PARTNERS	\$65,454.70
TOTAL COUNSEL	67,807.80
TOTAL ASSOCIATES	822.15
TOTAL PARAPROFESSIONALS	<u> 24,916,94</u>
TOTAL	\$159,001.59

# TIME SUMMARY TO FOURTH INTERIM FEE APPLICATION OF HOGAN & HARTSON

## October 1, 2006 through January 31, 2007

Name	Bar Admission Date	Hours	Rate	Amount
Partners				
Archibald, Jeanne S.	1977	1.30	575.00*	672,75
Cohn, Robert E.	1969	128.60	550.00 ( <b>2006</b> )*	63,657.00
Cohn, Robert E.	1969	66.40	575.00 ( <b>2007</b> )*	34,362.00
Dye, Alan L.	1980	1.00	695.00 <b>(2006)*</b>	695.00
Dye, Alan L.	1980	4.25	725.00 (2007)*	3,081.25
Montague, Latane R.	1998	22.90	480.00*	9,892.80
Neff, William L.	1975	.50	600.00 <b>(2006)</b> *	300,00
Neff, William L.	1975	.75	650.00 (2007)*	487.50
Peters, M.E.	1991	9.40	575.00*	4,864.50
Rubin, Jeffrey W.	1978	1.80	575.00*	931.50
Traylor, Patrick D.	1994	1.50	495.00*	668.25
Counsel				
Bell, Julie A.	1996	1.25	475.00 (2006)*	593.75
Bell, Julie A.	1996	1.25	510.00 (2007)*	637.50
Rizzi, Patrick R.	1993	113.15	435.00 (2006)*	44,298.22
Rizzi, Patrick R.	1993	53.40	450.00 (2007)*	21,627.00
Associates				
Dukić, Aleksandar	1999	27.90	425.00*	10,671.75
Siegel, Adam J.	2002	3.00	315.00*	850.50
Paraprofessionals				
Echmalian, Jonathan D.	N/A	69.20	185.00 (2006)*	11,521.80
Echmalian, Jonathan D.	N/A	42.30	195.00 (2007)*	7,423.65
Huron, Benjamin W.	N/A	.80	185.00*	133.20
Williams, Elizabeth K.	N/A	.50	160.00*	72.00
TOTAL		551.15		217,441.92

<sup>\*10%</sup> discount from listed hourly rate

### Fourth Interim Fee Application

TOTAL PARTNERS	\$119,612.55
TOTAL COUNSEL	67,156.47
TOTAL ASSOCIATES	11,522.25
TOTAL PARAPROFESSIONALS	<u> 19,150.65</u>
TOTAL	\$217,441.92

# TIME SUMMARY TO FIFTH INTERIM APPLICATION OF HOGAN & HARTSON

### February 1, 2007 through March 31, 2007

Name	Bar Admission Date	Hours	Rate	Amount		
Partners						
Cohn, Robert E.	1969	151.40	575.00*	78,349.50		
Montague, Latane R.	1980	.50	525.00*	236.25		
Peters, M.E.	1991	10.50	575.00	5,433.75		
Counsel						
Rizzi, Patrick	1993	136.90	450.00*	55,444.50		
Associates						
Dukić, Aleksandar	1999	37.00	425.00	14,152.50		
Paraprofessionals				· · · · · · · · · · · · · · · · · · ·		
Echmalian, Jonathan D.	N/A	64.70	195.00	11,354.85		
TOTAL		401.00		164,971.35		

<sup>\*\*10%</sup> discount from listed hourly rate

### Fifth Interim Fee Application

TOTAL PARTNERS	\$84,019.50
TOTAL COUNSEL	55,444.50
TOTAL ASSOCIATES	14,152.50
TOTAL PARAPROFESSIONALS	11,354.85
TOTAL	\$164,971.35

# TIME SUMMARY TO FIFTH AND FINAL FEE APPLICATION OF HOGAN & HARTSON LLP FROM SEPTEMBER 15, 2005 THROUGH MARCH 31, 2007

TOTAL ALL PARTNERS	\$406,649.19
TOTAL ALL COUNSEL	347,471.28
TOTAL ALL ASSOCIATES	33,411.90
TOTAL ALL PARAPROFESSIONALS	<u>84,255.96</u>
TOTAL ALL INTERIM AND FINAL FEE REPORTS	<u>\$871,788.33</u>

## EXHIBIT D

Hogan & Hartson L.L.P. Fifth and Final Fee Application

Compensation by Matter Category for the Fifth Interim Period | February 1, 2007 through March 31, 2007

TOTAL FEES		3,013.65	4,304.70	23,260.50	517.50	9247.50	5,636,25	19,586.25	1,637.55	8,408.25	2,066.85	808.20	33,043.95	16,918.20	36,522.00	164,971.35
HOURS		12.30	12.00	50.10	1.00	22.40	25.00	47.50	9.20	18,40	10.60	2.20	78.00	37.00	75.30	401.00
MATTER CATEGORY		General	Codesharing	DOT Enforcement/Consumer Issues	ECA Alliance Issues	High Density Airport Slot Exemptions	Delta Aeromexico Codesharing Filings	Compliance Issues	Skyteam Alliance	China Route Matters	Miscellaneous Certification and Exemption Applications	Comair Matters	Answers to Miscellaneous OAL Applications	ATI Pleadings	Massport Issues	TOTAL
MATTER	DELTA	25325 -0002	-0026	-0028	-0041	-0046	-0047	0900-	-0062	-0064	-0065	-0070	-0071	-0111	-0112	

Hogan & Hartson L.L.P. Fifth and Final Fee Application

Compensation by Matter Category for the Final Application Period (September 15, 2005 through March 31, 2007)

MALLER CALEGORY
and Exemption Applications
,
Compliance Issues
TOTAL

## **EXHIBIT E**

# Hogan & Hartson, L.L.P. Fifth and Final Fee Application

## Disbursement Summary for the Fifth Interim Period February 1, 2007 through March 31, 2007

Account Nos. 25325-0002 through 25325-0112 (Delta Air Lines, Inc.)

	Amount
Messenger/Courier Service	71.80
Local Transportation	2.70
Telephone	104.78
Printing (Duplicating)	341.20
Postage	9.96
Word Processing/Secretarial	31.25
Computer Research	328.35
Air Freight	345.70
Photocopy	724.40
Outside Professional Services	108.00
TOTAL	2068.14

# Hogan & Hartson, L.L.P. Fifth and Final Fee Application

### Disbursement Summary for the Final Application Period September 15, 2005 through March 31, 2007

Account Nos.

25325-0002 through 25325-0114 (Delta Air Lines, Inc.) 25328-0001 (Delta Air Lines, Inc./Securities Law Advice)

	Amount
Messenger/Courier Service	318.33
Local Transportation	309.40
Telephone	724.47
Printing (Duplicating)	2,248.20
Postage	166.85
Filing Fees	7,345.00
Word Processing/Secretarial	445.65
Computer Research	3,317.87
Air Freight	1,842.17
Photocopy	4,376.40
Telecopy	162.00
Meeting/Refreshments	41.38
Outside Professional Services	108.00
TOTAL	21,405.72