

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

---

<b>In re:</b>	)	<b>Chapter 11 Case No.</b>
	)	
<b>DELTA AIRLINES, INC., et al.</b>	)	<b>05-17923 (ASH)</b>
	)	
	)	<b>(Jointly Administered)</b>
<b>Debtors.</b>	)	

---

**FINAL APPLICATION OF NAVIGANT CONSULTING, INC. FOR INTERIM  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Name of Applicant(s):	<u>Navigant Consulting, Inc.</u>
Authorized to Provide Professional Services to:	<u>Section 1114 Non-Pilots Retiree Committee</u>
Date of Retention:	<u>June 29, 2006</u> <u>(nunc pro tunc to May 12, 2005)</u>
Period for which Compensation and Reimbursement is Sought:	<u>May 12, 2006 through October 31, 2006</u>
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$ 160,891.25
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 1,683.93

This is a: \_\_\_\_\_ Interim  Final Application

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

---

<b>In re:</b>	)	<b>Chapter 11 Case No.</b>
	)	
<b>DELTA AIRLINES, INC., et al.</b>	)	<b>05-17923 (ASH)</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

---

**FINAL APPLICATION OF NAVIGANT CONSULTING, INC. AS  
FINANCIAL ADVISORS FOR THE SECTION 1114 NON-PILOTS RETIREE  
COMMITTEE FOR INTERIM ALLOWANCE OF COMPENSATION FOR ACTUAL  
AND NECESSARY SERVICES RENDERED AND FOR REIMBURSEMENT  
OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED DURING**

**THE PERIOD FROM MAY 12, 2006 TO OCTOBER 31, 2006**

Navigant Consulting, Inc. ("NCI"), financial advisors to the Section 1114 Non-Pilots Retiree Committee (the "Committee"), hereby submits its Second Interim Application (the "Application") pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure, for an order authorizing compensation of \$160,891.25 for actual, reasonable and necessary professional services rendered and out of pocket expenses of \$1,683.93 during the period from May 12, 2006 through October 31, 2006 (the "Final Compensation Period"). NCI represents as follows:

## I. INTRODUCTION

1. On September 14, 2005 (the "Petition Date"), Delta Airlines, Inc. and certain of its debtor-affiliates (collectively, the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* The Debtors continue to operate their businesses and manage their properties as debtors-in-possession.

2. The Debtors' cases are being jointly administered pursuant to an Order of this Court dated as of the Petition Date.

3. At a hearing held on October 27, 2005, the Court ordered the formation of a non-pilot retiree committee and ordered the appointment of seven individuals to the Committee on November 10, 2005.

4. On May 15, 2006 the Committee filed an application for authority to employ NCI as financial advisors (the "Retention Application").

5. On June 29, 2006, the Court authorized the employment of NCI as financial advisors nunc pro tune as of May 12, 2006. A copy of the Order Approving the Retention of NCI (the "Retention Order") is annexed hereto as Exhibit A.

6. Under §§ 330 and 331 of the Bankruptcy Code, NCI is entitled to "reasonable compensation for actual and necessary services" and reimbursement for "actual and necessary expenses". Pursuant to the Order Pursuant To Sections 105(A) And 331 Of The Bankruptcy Code Establishing Procedures For Interim Monthly Compensation And Reimbursement Of Expenses Of Professionals (the "Administrative Order"), NCI will submit Monthly Fee Statements, and will file such interim and final applications for compensation and reimbursement of expenses, as the court shall request.

7. The hourly rates charged by NCI for the services provided by its personnel differ based upon, among other things, each professional's level of experience, geographic differentials, and types of services being provided. In the ordinary course of business, NCI periodically revises its hourly rates to reflect promotions and other changes in personnel responsibilities, increases in experience, and increases in the cost of doing business. At present, NCI's applicable hourly rates by classification are as follows:

<u>Classification</u>	<u>Hourly Rates</u>
Managing Director	\$600 to \$650
Director	\$350 to \$575
Senior Consultant	\$250 to \$350
Consultant	\$ 180 to \$275
Paraprofessional	\$75 to \$125

8. This Application is NCI's Final Application for approval and allowance of compensation. NCI makes this Application for approval and allowance of compensation pursuant to section 331 of the Bankruptcy Code and the Compensation Order.

9. During the First and Second Interim Compensation Periods, NCI has submitted five monthly fee statements for the periods May 12, 2006 through June 30, 2006 (the "First Fee Statement"), July 1, 2006 through July 31, 2006 (the "Second Fee Statement"), August 1, 2006 through August 31, 2006 ("the "Third Fee Statement"), September 1, 2006 through September 30, 2006 (the "Fourth Fee Statement") and October 1, 2006 through October 31, 2006 (the "Fifth Fee Statement"). NCI has requested compensation and reimbursement from the Debtor's estate in an amount equal to \$128,713.00 or 80% of the actual fees incurred. In the First Fee Statement, NCI has sought aggregate fees of \$59,370.00 and expenses of \$64.36 were incurred. In the Second Fee Statement, NCI has sought aggregate fees of \$15,710.00 and expenses of \$64.36 were incurred. In the Third Fee Statement, NCI has sought aggregate fees of \$33,388.00 and incurred aggregate expenses of \$523.97. In the Fourth

Fee Statement, NCI has sought aggregate fees of \$47,223.25 and incurred aggregate expenses of \$1,031.24. In the Fifth Fee Statement, NCI has sought aggregate fees of \$5,200.00

10. NCI has received all payments except for the 20% hold back fee associated with the Fifth Fee Statement, which totals to \$1,040.00.

11. NCI has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

12. No promises have been received by NCI or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

## **II. APPLICATION**

13. By this Application, NCI is seeking (a) allowance of reasonable compensation for actual and necessary professional services rendered by NCI, financial advisors to the Section 1114 Non-Pilots Retiree Committee, during the Compensation Period.

14. NCI seeks approval of the sum of \$162,575.18 for actual, reasonable and necessary professional services rendered. Such amount represents 100% of the actual time charges incurred of \$160,891.25 plus 100% of out of pocket expenses incurred of \$1,683.93. The

fees sought by the Application reflect an aggregate of 344.25 hours for financial advisory services time incurred and recorded in performing services for the Committee during the Final Compensation Period, at a blended average hourly rate of \$467.29 for professionals.

15. NCI rendered to the Committee all services for which compensation is sought solely in connection with these cases, in furtherance of the duties and functions of the Committee.

16. NCI maintains written records of the time expended in the rendition of the professional services required by the Committee. These records are maintained in the ordinary course of NCI's practice. Attached hereto as Exhibit B is a professional hourly billing summary for the First Interim Compensation Period. These exhibits set forth summaries including the name of each professional for whose work on these cases compensation is sought, the aggregate of the time expended by each such professional, the hourly billing rate for each such professional at NCI's prevailing current billing rates, and a total of the individual amounts requested as part of the total amount of compensation requested. The compensation requested by NCI is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under title 11 of the United States Code.

### **III. SUMMARY OF PROFESSIONAL SERVICES RENDERED**

17. To provide an orderly and meaningful summary of the services rendered on behalf of the Committee by NCI, in accordance with the Guidelines, NCI has summarized the services provided by the following project billing categories.



duplication of effort. In addition, the work involved, and thus the time expended, was carefully assigned in view of the experience and expertise required for a particular task.

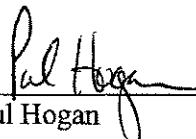
**VI. CONCLUSION**

WHEREFORE, NCI respectfully requests the Court to enter an order (i) approving and allowing NCI compensation in the amount of \$162,575.18 for actual, reasonable and necessary professional services rendered and out of pocket expenses incurred; and (ii) granting such further relief as is just and proper.

Dated: June 22, 2007

Navigant Capital Advisors, Inc.

**By:**

  
\_\_\_\_\_  
Paul Hogan  
Director

5215 Old Orchard Road  
Suite 850  
Skokie, IL 60077  
847.583.1618

Financial Advisors to the Section 1114 Non-Pilots  
Retiree Committee of Delta Airlines, Inc., et. al.



# Exhibit A

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

---

DELTA AIR LINES, INC., et .L,  
Debtors.

---

Chapter 11 Case No.

" . ^ ^ ( A g H )

· ,T· ” · , · · , ”  
(Jointly Adnnistered)

**ORDER PURSUANT TO SECTIONS 1114(b)(2) AND 1103 OF THE  
BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 2014(a) AUTHORIZING THE EMPLOYMENT AND  
RETENTION OF (i) NAVIGANT CAPITAL ADVISORS, LLC AS  
FINANCIAL ADVISORS FOR THE NON-PILOTS 1114 COMMITTEE  
AND (ii) ALVAREZ & MARSAL LLC AS FINANCIAL ADVISORS**

**FOR THE PILOTS 1114 COMMITTEE**

Upon (i) the application dated May 15, 2006 (the "**Navigant Application**") of the statutory committee of non-pilot retirees (the "**Non-Pilot 1114 Committee**"), pursuant to sections 1114(b)(2) and 1103 of title 11 of the United States Code (the "**Bankruptcy Code**") and rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") for an order (the "**Order**") authorizing the employment and retention of Navigant Capital Advisors, LLC ("Navigant") as financial advisors for the Non-Pilot 1114 Committee, pursuant to the terms of that certain engagement letter (the "**Navigant Engagement Letter**"), dated on or about May 2006, all as more fully set forth in the Navigant Application; and upon the Declaration of Kenneth A. Simon, a Managing Director of Navigant, filed in support of the Navigant Application and annexed to the Navigant Application as Exhibit 1 (the "**Simon Declaration**"), and upon the Supplemental Declaration of Kenneth A. Simon, a Managing Director of Navigant, dated

June 18, 2006 (the "**Supplemental Simon Declaration**" and, together with the Simon Declaration, the "**Simon Declarations**") and (ii) the application dated May 16, 2006 (the "**A&M Application**" and, together with the Navigant Application, the "**Applications**") of the statutory committee of pilot retirees (the "**Pilot 1114 Committee**" and, together with the Non-Pilot 1114 Committee, the "**1114 Committees**"), pursuant to sections 1114(b)(2) and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014(a) for an Order authorizing the employment and retention of Alvarez & Marsal LLC ("A&M" and, together with Navigant, the "**1114 Financial Advisors**") as financial advisors for the Pilot 1114 Committee, pursuant to the terms of that certain engagement letter (the "**A&M Engagement Letter**" and, together with the A&M Retention Letter, the "**Retention Letters**"), dated on or about May 2006, all as more fully set forth in the A&M Application; and upon the Declaration of Mark Dominick Alvarez, a Managing Director of A&M, filed in support of the A&M Application and annexed to the A&M Application as Exhibit A (the "**Alvarez Declaration**"); and the Court being satisfied, based on the representations made in the Navigant Application and the Simon Declarations, that Navigant is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and represents no interest adverse to the Debtors' estates with respect to the matters upon which it is to be engaged; and the Court being satisfied, based on the representations made in the A&M Application and the Alvarez Declaration, that A&M is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and represents no interest adverse to the Debtors' estates with respect to the matters upon which it is to be engaged; and the Court having jurisdiction to

consider the Applications and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Applications and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Applications and Order having been provided and it appearing that no other or further notice need be provided; and the Debtors and the official committee of unsecured creditors (the "**Creditors' Committee**") having filed a joint objection to the relief requested in the Applications; and the Debtors, the Creditors' Committee, 1114 Committees and the 1114 Financial Advisors having reached a compromise with respect to the modification of certain terms and conditions of the respective retentions of the 1114 Financial Advisors by the 1114 Committees; and the relief requested in the Applications (as modified by the parties' compromise) being in the best interests of the Debtors' estates, creditors and retirees; and the Court having reviewed the Applications and having held a hearing with appearances of parties in interest noted in the transcript thereof to consider the relief requested in the Applications (the "**Hearing**"), at which Hearing the Court was advised of the parties' compromise; and the Court having determined that the legal and factual bases set forth in the Applications (as modified by the parties' compromise) and at the Hearing established just cause for the granting of the relief requested in the Applications; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Applications are approved, as modified by this Order; and it is further

ORDERED that the Non-Pilot 1114 Committee is hereby authorized to employ and retain Navigant, effective as of May 12, 2006, as its financial advisors in the Debtors' chapter 11 cases, as contemplated by the Navigant Application and on the terms provided in the Navigant Engagement Letter, as modified by the terms and conditions of this Order; and it is further

ORDERED that the Pilot 1114 Committee is hereby authorized to employ and retain A&M, effective as of May 12, 2006, as its financial advisors in the Debtors' chapter 11 cases, as contemplated by the A&M Application and on the terms provided in the A&M Engagement Letter, as modified by the terms and conditions of this Order; and it is further

ORDERED that the aggregate fees of Navigant and A&M shall not exceed the amount of \$900,000 (the "**Fee Cap**") for services rendered in these cases through and including the date that is 120 days after the date on which the Debtors make a written proposal to the 1114 Committees (the "**Fee and Expense Cap Period**") pursuant to section 1114(f)(1) of the Bankruptcy Code, provided, however, that if the Debtors do not, on or before August 12, 2006, file a motion with the Court pursuant to section 1114 of the Bankruptcy Code, the Fee and Expense Cap Period shall be automatically extended by the number of days between August 12, 2006 and the actual filing date of such motion; and it is further

ORDERED that the aggregate expenses of the 1114 Financial Advisors shall not exceed the amount of \$20,000 (the "**Expense Cap**") for expenses incurred in these cases

during the Fee and Expense Cap Period, provided, however, that economy-rate airline travel on Delta to meet with Delta and its advisors at meetings scheduled by Delta in Atlanta shall not count against the Expense Cap; provided further, however, that any expenses incurred above the Expense Cap by either of the 1114 Financial Advisors may be applied by such 1114 Financial Advisor to its Fee Cap, and it is further

ORDERED that, in the event that the section 1114 issues with respect to either (or both) 1114 Committees are not resolved (either by settlement, litigation, or otherwise) within the Fee and Expense Cap Period, the parties shall negotiate in good faith the terms of a supplemental Fee Cap and supplemental Expense Cap (the "**Supplemental Caps**") for the applicable 1114 Financial Advisor(s); provided, however, that the Debtors, the Creditors' Committee, and the 1114 Committees each reserve the right to seek a Court determination of the appropriate terms of the Supplemental Caps (if any) in the event that an agreement with respect to same cannot be reached; and it is further

ORDERED that the Fee Cap and Expense Cap shall initially be divided equally between the 1114 Committees (i.e., \$450,000 per 1114 Committee for fees and \$10,000 per 1114 Committee for expenses), subject to adjustment by and between them based upon agreed work allocation, provided, however, that any such adjustment will be ineffective unless and until the 1114 Committees notify the Debtors, the Creditors' Committee, and the United States trustee, in writing of such adjustment; provided further, however, that if a resolution is reached (either by settlement, litigation, or otherwise) with one, but not both, of the 1114 Committees with respect to section 1114 issues, the "unused" portion of the Fee Cap and/or Expense Cap (if any) allocated to such 1114 Committee shall not be available to the other 1114 Committee; and it is further

ORDERED that, in the event that a settlement is reached with either or both 1114 Committees with respect to section 1114 issues during the Fee and Expense Cap Period, and/or in the event a contested matter is commenced against either or both 1114 Committees with respect to section 1114 issues and an evidentiary hearing in connection therewith is concluded during the Fee and Expense Cap Period, then the estates shall not be responsible for fees or expenses incurred by the financial advisor retained by such 1114 Committee after the earlier of (i) the date of the execution of a settlement agreement resolving the section 1114 issues with such 1114 Committee and (ii) the close of evidence in a contested hearing, which date shall be extended for 20 days following the close of evidence, provided that the parties continue to engage in good faith negotiations during such period to reach a consensual resolution; and it is further

ORDERED that 1114 Committees and their respective 1114 Financial Advisors shall cooperate with each other and coordinate their activities (including, but not limited to, making joint written discovery requests and participating in joint meetings with the Debtors and their advisors) so as to minimize expenses, the duplication of effort and the disruption of the Debtors' businesses; and it is further

ORDERED that, in connection with their obligations under section 1114(f)(1) of the Bankruptcy Code, the Debtors shall, where reasonably practical, furnish documents in spreadsheet or similar format that permits data to be manipulated (but only to the extent such documents are already maintained by the Debtors or their advisors in such format); provided, however, that the Debtors shall not be required to produce proprietary materials and/or work product and may furnish spreadsheets in a "values only" format in order to protect such proprietary information or work product; provided further, however, that the

terms of this Order in no way modify or expand the Debtors' obligations and duties under section 1114(f)(1) of the Bankruptcy Code; and it is further

ORDERED that 1114 Financial Advisors shall apply to the Court for allowance of compensation and reimbursement in compliance with this Order and in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Bankruptcy Rules, Local Rules and orders of the Court (including the Interim Monthly Compensation Order) and guidelines established by the Office of the United States Trustee, but subject to review under Section 328 of the Bankruptcy Code; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the Application(s), the Engagement Letter(s) or this Order, the terms of this Order shall govern.

Dated: June 29, 2006

White Plains, New York

/s/Adlai S. Hardin, Jr.

UNITED STATES BANKRUPTCY JUDGE



# Exhibit B

DELTA AIR LINES, INC. ET AL.  
 NAVIGANT CONSULTING, INC.  
 SUMMARY OF HOURLY FEES BY PROFESSIONAL  
 FOR THE PERIOD MAY 12, 2006 THROUGH OCTOBER 31, 2006

PROFESSIONAL	POSITION	HOURLY		FEES
		RATE	HOURS	
Simon, K.	Managing Director	\$650	106.70	\$ 69,355.00
Simon, K.	Managing Director	650	42.3	27,495.00
Simon, K.	Managing Director	650	8	5,200.00
Simon, K.	Managing Director	325	10	3,250.00
Miller, H.	Managing Director	600	17	10,200.00
Malek, K.	Managing Director	595	7	4,165.00
Peko, J	Director	500	32.9	16,450.00
Goodenow JR., M.	Associate Director	400	9	3,600.00
Goodenow JR., M.	Associate Director	375	9.7	3,637.50
Galimi, C.	Consultant	175	49.2	8,610.00
Maupin, R.	Consultant	200	4.2	840
Maupin, R.	Consultant	175	22.4	3,920.00
Kelly, M.	Managing Consultant	195	10	1,950.00
Barlarg, J	Senior Consultant	175	4.75	831.25
Shamian, A	Project Temp	125	11.1	1,387.50
Subtotal:			336.25	160,891.25
<b>Total Fees Requested</b>				<b>\$160,891.25</b>