

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

DELTA AIR LINES, INC., et al.,

Debtors.

Chapter 11 Case No. 05-17923 (ash)

(Jointly Administered)

**SUMMARY SHEET ACCOMPANYING FOURTH INTERIM AND FINAL FEE  
APPLICATION OF DELOITTE TAX LLP FOR  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD  
FROM SEPTEMBER 14, 2005 THROUGH APRIL 30, 2007**

Name of Applicant: Deloitte Tax LLP

Time Period for Fourth Interim and Final Fee Application: September 14, 2005 through April 30, 2007

Authorized to Provide Services to: Delta Air Lines, Inc., et al.

Current Interim Application: Fees Incurred: \$995,500.75  
Expenses Requested: \$1,141.53

Aggregate Fees and Expenses: Fees Incurred: \$1,610,815.75  
Expenses Requested: \$3,886.52

The table below summarizes total fees and total expenses requested by Deloitte Tax LLP during the period encompassed by these Chapter 11 cases.

<b>Interim</b>	<b>Period</b>	<b>Fees Requested</b>	<b>Expenses Requested</b>
First Interim	09-14-05 to 01-31-06	\$174,508.50	\$535.35
Second Interim	02-01-06 to 05-31-06	\$311,519.50	\$1,426.03
Third Interim	06-01-06 to 09-30-06	\$312,312.50	\$783.61
Fourth Interim	10-01-06 to 04-30-07	\$1,026,456.75	\$1,141.53
Subtotal		\$1,824,797.25	\$3,886.52
Discount <sup>(1)</sup>		(213,981.50)	-
<b>Total</b>		<b>\$1,610,815.75</b>	<b>\$3,886.52</b>

(1) The discount noted above consists of the following: (i) as noted in Exhibit B of the Debtor's application for authority to employ Deloitte Tax LLP, dated November 4, 2005, Deloitte Tax LLP agreed to provide certain Internal Revenue Service audit defense services under specific terms and limitations outlined in the relevant engagement letter(s), at no additional charge to the Debtor, up to a maximum fee of \$150,000. Under this current arrangement, a portion of the above reduction represents fees associated with such audit defense services, for the period covered by the final fee application, which qualify for the agreed upon discount; (ii) under the

October 17, 2005 engagement letter of Deloitte Tax LLP for the 2005 tax return review, certain professional fees related to tax services and the tax return review currently have an agreed upon fee of \$150,000 with an allowance for additional amounts to be billed for out of scope services. Fees associated with the above reduction represent a discount for a portion of the fees associated with these referenced services for the period encompassed by the final fee application and detailed herein; and (iii) per the Order dated August 21, 2006 relating to the approval of certain fees and expenses of professionals, Deloitte Tax LLP voluntarily agreed to a reduction in fees of \$4,561.00.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

**In re:**

**DELTA AIR LINES, INC., et al.**

**Debtors.<sup>1</sup>**

**Chapter 11**  
**Case No. 05-17923 (ash)**

**FOURTH INTERIM AND FINAL FEE APPLICATION FOR ALLOWANCE OF  
FEES AND EXPENSES OF DELOITTE TAX LLP AS TAX SERVICE PROVIDERS  
TO THE DEBTORS FOR THE PERIOD FROM  
SEPTEMBER 14, 2005 THROUGH APRIL 30, 2007**

TO: THE HONORABLE ADLAI S. HARDIN, JR.  
UNITED STATES BANKRUPTCY JUDGE

Deloitte Tax LLP (“Deloitte Tax”) hereby applies to this Court for Allowance of Fees and Expenses of Deloitte Tax as tax service providers to Delta Air Lines, Inc., et al. (the “Debtors”), for the period from September 14, 2005 through April 30, 2007, pursuant to 11 U.S.C. §§ 330 and 331, Fed.R.Bankr Pro 2016. In support of this Application, Deloitte Tax states:

**Background**

1. On September 14, 2005, (the “Petition Date”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the

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<sup>1</sup> The Debtors are the following entities: Delta Air Lines, Inc.; ASA Holdings Inc.; Comair, Inc.; Comair Holdings, LLC; Comair Services, Inc.; Crown Rooms, Inc.; DAL Aircraft Trading, Inc.; DAL Global Services, LLC; DAL Moscow, Inc.; Delta AirElite Business Jets, Inc.; Delta Benefits Management, Inc.; Delta Connection Academy, Inc.; Delta Corporate Identity, Inc.; Delta Loyalty Management Services, LLC; Delta

“Bankruptcy Code”). The Debtors are authorized to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. This case is being jointly administered.

2. Additional information about the Debtor’s business and events leading up to the Petition Date can be found in the Declaration of Edward H. Bastian, Executive Vice President and Chief Financial Officer of Delta, and in the Informational Brief, both of which were filed with the Court on the Petition Date.

3. On September 28, 2005, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “Creditors Committee”) to serve in these cases pursuant to Bankruptcy Code section 1102(a).

4. On November 4, 2005, Debtor counsel filed an application for authority to employ Deloitte Tax as tax service providers to the Debtor.

5. On December 19, 2005, the Court authorized the employment of Deloitte Tax as tax service providers to the Debtors nunc pro tunc to September 14, 2005.

6. Under sections 330 and 331 of the Bankruptcy Code, Deloitte Tax is entitled to “reasonable compensation for actual, necessary services” and reimbursement for actual and necessary expenses.

7. Deloitte Tax has provided professional services to the Debtors from September 14, 2005 through April 30, 2007.

8. Pursuant to the *Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals*, Deloitte Tax submitted

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Technology, LLC; Delta Ventures III, LLC; Epsilon Trading, Inc.; Kappa Capital Management, Inc.; Song, LLC

twelve (12) monthly statements for the period from September 14, 2005 through April 30, 2007 detailing a total of \$1,824,797.25 in professional fees and \$3,886.52 in expenses.

9. Of the \$1,824,797.25 in professional fees earned by Deloitte Tax since the Petition Date, Deloitte Tax has received post-petition payments of \$1,079,528.00, and has applied additional credits of \$213,981.50<sup>2</sup>. Deloitte Tax is requesting final approval of fees incurred and payment of the balance of these fees to the extent such fees are not paid prior to the hearing of this fourth interim and final fee application.

10. Of the \$3,886.52 in expenses incurred by Deloitte & Touche since the Petition Date, Deloitte & Touche has received payments of \$3,809.14. The remaining unpaid balance of \$77.38 represents expenses incurred for the period from February 1, 2007 through April 30, 2007, which remain in the fifteen (15) day review process for monthly statements. Deloitte & Touche is requesting final approval of the expenses incurred and payment of the balance of these expenses, to the extent such expenses are not paid prior to the hearing of this fourth interim and final fee application.

11. Attached hereto as **Exhibit A** is a summary of total fees, total fee adjustments, and total expenses for the period from September 14, 2005 through April 30, 2007.

12. Attached hereto as **Exhibit A1** is a summary of total fees, total fee adjustments, and total expenses for the period from October 1, 2006 through April 30, 2007.

13. Attached hereto as **Exhibit B** is a summary of time and fees by individual for the period from September 14, 2005 through April 30, 2007.

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<sup>2</sup> This credit consists of \$106,777.50 in Internal Revenue Service audit defense fees which Deloitte Tax agreed to waive as part of certain engagement terms, as referenced in Deloitte Tax's application to employ dated November 4, 2005. An additional portion of this credit, in the amount of \$102,643.00, represents a reduction in fees for certain tax return review services per the terms of Deloitte Tax's engagement letter of October 17, 2005. The final portion of this credit, in the amount of \$4,561.00, represents fees Deloitte Tax LLP voluntarily agreed to reduce as noted in the Order dated August 21, 2006 relating to approval of certain fees and expenses of professionals.

14. Attached hereto as **Exhibit B1** is a summary of time and fees by individual for the period from October 1, 2006 through April 30, 2007.

15. Attached hereto as **Exhibit C** is a narrative description of the services rendered for the period from September 14, 2005 through April 30, 2007.

16. Attached hereto as **Exhibit C1** is a narrative description of the services rendered for the period from October 1, 2006 through April 30, 2007.

17. Attached hereto as **Exhibit D** is a summary of the time and fees by matter category incurred during the period from September 14, 2005 through April 30, 2007.

18. Attached hereto as **Exhibit D1** is a summary of the time and fees by matter category incurred during the period from October 1, 2006 through April 30, 2007.

19. Attached hereto as **Exhibit E** is a summary of the expenses incurred by Deloitte & Touche for the period from September 14, 2005 through April 30, 2007.

20. Attached hereto as **Exhibit E1** is a summary of the expenses incurred by Deloitte & Touche for the period from October 1, 2006 through April 30, 2007.

21. 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. This procedure has been discussed with the Office of the United States Trustee.

22. All professional services for which compensation is being sought in this application were performed solely for and on behalf of the Debtor.

23. Some services incidental to the tasks to be performed by Deloitte Tax in these chapter 11 cases have been performed by personnel employed by or associated with affiliates of Deloitte Tax, including Deloitte Financial Advisory Services LLP. The fees and expenses with respect to such services have been included in this fee application. Deloitte Tax has no agreement to share its revenues from the services for which it has been retained in these cases with any nonaffiliated entity.

WHEREFORE, Deloitte Tax requests that this Court (i) enter an Order awarding Deloitte Tax fees in the amount of \$1,610,815.75 and expenses of \$3,886.52 for a total amount of \$1,614,702.27 in connection with services rendered to the Debtors for the period from September 14, 2005 through April 30, 2007, and (ii) grant such other relief as is just and necessary.

Dated: June 22, 2007

Respectfully submitted,

Deloitte Tax LLP

Ann M. Scheuerman/s

Ann M. Scheuerman  
Partner



**Delta Air Lines, Inc., et al.**  
**Chapter 11 Case 05-17923 (ash)**  
**Deloitte Tax LLP**  
**Final Fee Application**  
**(9/14/05 - 04/30/07)**  
**Exhibit A - Summary of Fees and Expenses**

Fees	\$ 1,824,797.25
Less Reductions	
M&E IRS Defense Services <sup>(1)</sup>	\$ (106,777.50)
Tax Return Review Services <sup>(2)</sup>	\$ (102,643.00)
Voluntary Discount <sup>(3)</sup>	\$ (4,561.00)
Total Reductions	<u>\$ (213,981.50)</u>
<b>Total Adjusted Fees</b>	<b><u>\$ 1,610,815.75</u></b>
<b>Total Expenses</b>	<b>\$ 3,886.52</b>
<b>Total Due<sup>(4)</sup></b>	<b><u><u>\$ 1,614,702.27</u></u></b>

(1) As noted in Exhibit B of the Debtor's application for authority to employ Deloitte Tax LLP, dated November 4, 2005, Deloitte Tax LLP agreed to provide certain Internal Revenue Service audit defense services under specific terms and limitations outlined in the relevant engagement letter(s), at no additional charge to the Debtor, up to a maximum fee of \$150,000. Under this current arrangement, the reduction above represents fees associated with such audit defense services, for the period covered by the final fee application period, which qualify for the agreed upon discount.

(2) Under the October 17, 2005 engagement letter of Deloitte Tax LLP for the 2005 tax return review, certain professional fees related to tax services and the tax return review currently have an agreed upon fee of \$150,000 with an allowance for additional amounts to be billed for out of scope services. The above reduction represents a discount for a portion of the fees associated with these referenced services for the period encompassed by the final fee application and detailed herein.

(3) Per the Order dated August 21, 2006 relating to the approval of certain fees and expenses of professionals, Deloitte Tax LLP voluntarily agreed to a reduction in fees of \$4,561.00.

(4) 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 regard to this procedure.

**Delta Air Lines, Inc., et al.**  
**Chapter 11 Case 05-17923 (ash)**  
**Deloitte Tax LLP**  
**Fourth Interim Fee Application**  
**(10/01/06 - 04/30/07)**  
**Exhibit A1 - Summary of Fees and Expenses**

Fees	\$ 1,026,456.75
Less Reductions	
M&E IRS Defense Services <sup>(1)</sup>	\$ (30,851.00)
Tax Return Review Services <sup>(2)</sup>	\$ (105.00)
Total Reductions	<u>\$ (30,956.00)</u>
<b>Total Adjusted Fees</b>	<b><u>\$ 995,500.75</u></b>
<b>Total Expenses</b>	<b>\$ 1,141.53</b>
<b>Total Due<sup>(3)</sup></b>	<b><u>\$ 996,642.28</u></b>

(1) As noted in Exhibit B of the Debtor's application for authority to employ Deloitte Tax LLP, dated November 4, 2005, Deloitte Tax LLP agreed to provide certain Internal Revenue Service audit defense services under specific terms and limitations outlined in the relevant engagement letter(s), at no additional charge to the Debtor, up to a maximum fee of \$150,000. Under this current arrangement, the reduction above represents fees associated with such audit defense services, for the period covered by the fourth interim fee application period, which qualify for the agreed upon discount.

(2) Under the October 17, 2005 engagement letter of Deloitte Tax LLP for the 2005 tax return review, certain professional fees related to tax services and the tax return review currently have an agreed upon fee of \$150,000 with an allowance for additional amounts to be billed for out of scope services. The above reduction represents a discount for a portion of the fees associated with these referenced services for the period encompassed by the fourth interim fee application and detailed herein.

(3) 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 regard to this procedure.

**Delta Air Lines, Inc., et al.**  
**Chapter 11 Case 05-17923 (ash)**  
**Deloitte Tax LLP**  
**Final Fee Application**  
**(9/14/05 - 04/30/07)**  
**Exhibit B - Summary By Professional**

<b>Names Of Professionals/ Paraprofessionals</b>	<b>Hours</b>	<b>Rates</b>	<b>Fees</b>
<b>Partner/Principal/Director</b>			
Benstead, John C	21.7	525.00	11,392.50
Collins, Bryan P	6.0	525.00	3,150.00
Cotroneo, Nicholas P	21.5	525.00	11,287.50
Florness, Patricia A	0.8	525.00	420.00
Giannattasio, Jennifer B	4.5	525.00	2,362.50
Kelm, Jeffrey	30.2	525.00	15,855.00
Keenan, John R	0.4	525.00	210.00
Kilinskis, Robert A	6.4	525.00	3,360.00
Meleney, J Alexander	0.5	525.00	262.50
Safranek, Richard J	23.5	525.00	12,337.50
Scheuerman, Ann M	199.6	525.00	104,790.00
Stoddard, William H	27.5	525.00	14,437.50
Testoff, Robert A	0.5	525.00	262.50
Veal, Edward Thomas	0.5	525.00	262.50
Walker, Deborah	22.1	525.00	11,602.50
Zimet, Lee G	0.8	525.00	420.00
<b>Senior Manager</b>			
Beck, Ken G	6.8	445.00	3,026.00
Bowling, Karen M	2.1	445.00	934.50
Broomhead, Nicholas D	0.5	445.00	222.50
Brown, Jack Marvin Jr	226.8	445.00	100,926.00
Cohen, James N	2.5	445.00	1,112.50
Gillmarten, Mary Del Rey	21.2	445.00	9,434.00
Guske, Brad H	0.6	445.00	267.00
Harrison, Stephen C	0.4	445.00	178.00
Horner, Timothy J	45.7	445.00	20,336.50
King, Michael E	17.7	445.00	7,876.50
Shimkus, Kevin Peter	0.5	445.00	222.50
Tierney, Christopher J	2.7	445.00	1,201.50
Turner, Rebecca A	972.3	445.00	432,673.50

**Delta Air Lines, Inc., et al.**  
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**Deloitte Tax LLP**  
**Final Fee Application**  
**(9/14/05 - 04/30/07)**  
**Exhibit B - Summary By Professional**

<b>Names Of Professionals/ Paraprofessionals</b>	<b>Hours</b>	<b>Rates</b>	<b>Fees</b>
<b>Manager</b>			
Bent, Terryann Simone	48.6	395.00	19,197.00
Flammio, Danielle	1.0	395.00	395.00
Franklin, Eric L	1.0	395.00	395.00
Gareau, Matthew E	2.0	395.00	790.00
Kantor, Adam L	27.5	395.00	10,862.50
Kukoyi, Olayinka O	1.8	395.00	711.00
McArthur, David C	99.9	395.00	39,460.50
McKinstry, Cardell Demond	1.5	395.00	592.50
McWilliams, Lyla L	0.4	395.00	158.00
Peterson, John D G	146.0	395.00	57,670.00
Pinnel, Alison C	36.0	395.00	14,220.00
Prince, Carlette E	57.0	395.00	22,495.25
Turner, Rebecca A	566.0	395.00	223,570.00
<b>Senior Associate</b>			
Aycock, Lewis D	58.3	280.00	16,324.00
Berry, Tara R	43.1	280.00	12,068.00
Eberhart, Stacy L	5.0	280.00	1,400.00
Fleming, L Michael	14.6	280.00	4,088.00
McWilliams, Lyla L	640.4	280.00	179,312.00
Owens, Sandra Raye	121.8	280.00	34,104.00
Popaca, Kristen S	27.8	280.00	7,784.00
Ragan, Patrick D	2.0	280.00	560.00
Shrestha, Ashish A	14.5	280.00	4,060.00
White, Cynthia Annette	52.7	280.00	14,756.00
Wong, Stacey Loren	691.9	280.00	193,732.00

**Delta Air Lines, Inc., et al.**  
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**Final Fee Application**  
**(9/14/05 - 04/30/07)**  
**Exhibit B - Summary By Professional**

<b>Names Of Professionals/ Paraprofessionals</b>	<b>Hours</b>	<b>Rates</b>	<b>Fees</b>
<b>Associate/Staff Intern</b>			
Alford, Amber Spradley	280.0	220.00	61,600.00
Charlesworth, Sean Alan	0.8	205.00	164.00
Galan, Miguel A	1.0	220.00	220.00
Hu, Xiaoyu	162.4	220.00	35,717.00
Phan, Hong Thi Anh	10.5	220.00	2,310.00
Sonenshine, Stephen Harris	52.0	220.00	11,440.00
Stern, Stephen Patrick	0.9	220.00	198.00
Stubblefield, Africanus	2.0	220.00	440.00
Whiting, Aiko Ebata	14.8	205.00	3,034.00
Wong, Stacey Loren	364.3	220.00	80,146.00
	<b>5,215.7</b>		<b>\$ 1,824,797.25</b>

Note, individuals may be listed more than once in the above schedule due to promotion during the period of this Chapter 11 proceeding.

**Delta Air Lines, Inc., et al.**  
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**Deloitte Tax LLP**  
**Fourth Interim Fee Application**  
**(10/01/06 - 04/30/07)**  
**Exhibit B1 - Time Summary by Professional**

<b>Names Of Professionals/ Paraprofessionals</b>	<b>Hours</b>	<b>Rates</b>	<b>Fees</b>
<b>Partner/Principal/Director</b>			
Cotroneo, Nicholas P	21.5	525.00	11,287.50
Florness, Patricia A	0.8	525.00	420.00
Kelm, Jeffrey	17.2	525.00	9,030.00
Kilinskis, Robert A	4.4	525.00	2,310.00
Meleney, J Alexander	0.5	525.00	262.50
Safranek, Richard J	23.5	525.00	12,337.50
Scheuerman, Ann M	128.9	525.00	67,672.50
Stoddard, William H	3.3	525.00	1,732.50
Veal, Edward Thomas	0.5	525.00	262.50
Walker, Deborah	16.6	525.00	8,715.00
<b>Senior Manager</b>			
Beck, Ken G	4.3	445.00	1,913.50
Bowling, Karen M	2.1	445.00	934.50
Brown, Jack Marvin Jr	226.8	445.00	100,926.00
Cohen, James N	2.5	445.00	1,112.50
Gillmarten, Mary Del Rey	21.2	445.00	9,434.00
Harrison, Stephen C	0.4	445.00	178.00
Horner, Timothy J	45.7	445.00	20,336.50
Turner, Rebecca A	836.3	445.00	372,153.50
<b>Manager</b>			
Bent, Terryann Simone	48.6	395.00	19,197.00
Kukoyi, Olayinka O	0.5	395.00	197.50
McArthur, David C	30.5	395.00	12,047.50
McWilliams, Lyla L	0.4	395.00	158.00
Peterson, John D G	55.6	395.00	21,962.00
Prince, Carlette E	57.0	395.00	22,495.25
<b>Senior Associate</b>			
Aycock, Lewis D	58.3	280.00	16,324.00
McWilliams, Lyla L	2.9	280.00	812.00
Owens, Sandra Raye	121.8	280.00	34,104.00
Popaca, Kristen S	27.8	280.00	7,784.00
White, Cynthia Annette	29.2	280.00	8,176.00
Wong, Stacey Loren	575.1	280.00	161,028.00

**Delta Air Lines, Inc., et al.**  
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**Fourth Interim Fee Application**  
**(10/01/06 - 04/30/07)**  
**Exhibit B1 - Time Summary by Professional**

<b>Names Of Professionals/ Paraprofessionals</b>	<b>Hours</b>	<b>Rates</b>	<b>Fees</b>
<b>Associate/Staff Intern</b>			
Alford, Amber Spradley	280.0	220.00	61,600.00
Charlesworth, Sean Alan	0.8	205.00	164.00
Hu, Xiaoyu	162.4	220.00	35,717.00
Stern, Stephen Patrick	0.9	220.00	198.00
Stubblefield, Africanus	2.0	220.00	440.00
Whiting, Aiko Ebata	14.8	205.00	3,034.00
	<b>2,825.0</b>	<b>\$</b>	<b>1,026,456.75</b>

**Delta Air Lines, Inc., et al.**  
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**Deloitte Tax LLP**  
**Final Fee Application**  
**(9/14/05 - 04/30/07)**  
**Exhibit C - Professional Services Narrative**

This narrative describes the major areas addressed by Deloitte Tax LLP ("Deloitte Tax") during the period of this final fee application on behalf of the Debtors during these Chapter 11 proceedings.

**Tax Compliance Services:**

**Tax Return Review - 2005**

Deloitte Tax performed various tax compliance services related to Debtors' consolidated federal tax return to be filed with the IRS. Services included assisting Debtors in reviewing the book to tax differences (schedule M items) and taxable income calculations of selected Debtors subsidiaries. Deloitte Tax also assisted Debtors in various issues related to tax return reporting requirement and gain calculations on the sale of former nondebtor subsidiary Atlantic Southeast Airlines, Inc. and its Internal Revenue Code Section 338(h)(10) election.

**Tax Compliance - 2006**

Included in this category are services related to the preparation and first level of review of Delta's 2006 income tax returns for both the parent company and other subsidiaries within the consolidated group. This includes preparation / review of taxable income adjustments as well as the preparation / review of forms filed and attachments.

**Tax Audit Services:**

**M&E – IRS Defense**

Deloitte Tax provided IRS audit defense assistance relating to Debtors' tax position in the meals and entertainment recovery deductions. Services included preparation of protest letter to be submitted to the IRS and consultation to Debtors related to new findings on the meals and entertainment per diem issue.

**Federal Tax Audits**

Deloitte Tax provided tax consulting services related to Debtors' various IRS federal audit issues. Services included researching and providing responses to questions related to the computation of Delta's SRLY NOL calculations. Deloitte Tax also assisted Debtors in analyzing various property issues as requested by the IRS.



**Delta Air Lines, Inc., et al.**  
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**Exhibit C - Professional Services Narrative**

**Tax Consulting Services:**

**ASA Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in the assets of former nondebtor subsidiary, Atlantic Southeast Airlines, Inc., under Debtors' disposition planning. Services included reviewing prior year tax returns and analyzing the original acquisition document to determine tax basis in the assets.

**Comair Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in the assets of subsidiary Comair, Inc. under Debtors' disposition planning. Services included reviewing prior year tax returns and analyzing the original acquisition document to determine tax basis in the assets.

**Delta Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in assets of Delta Air Lines, Inc. and subsidiaries for purpose of calculating the Net Unrealized Built-In Gain/Loss under Internal Revenue Code Section 382. Services included reviewing prior year tax returns, including the CorpTax software application, to determine the tax basis in the assets.

**Case Administration**

Included in this category are services related to Deloitte Tax's retention such as the creation and review of affidavits and related documents. Also included in this category is time related to project staffing, project planning and budgeting, general engagement administration such as status reports, and the review of case relevant legal documents, such as orders issued by the Court in these matters.

**Preparation of Fee Applications**

Included in this category are services related to Deloitte Tax's preparation of monthly fee statements and interim fee applications for the period from September 14, 2005 through January 2007 in compliance with bankruptcy court reporting requirements.

**Project Planning, Supervision, and Administration**

Included in this category are services related to Deloitte Tax's retention such as the creation and review of affidavits and related documents. Also included in this category is time related to project staffing, project planning and budgeting, general engagement administration such as status reports, and the review of case relevant legal documents, such as orders issued by the Court in these matters. Note, this category was referred to as 'Case Administration' in the March monthly statement.

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**Exhibit C - Professional Services Narrative**

**FIN48**

Included in this category are services related to the implementation of accounting standard FIN48. A part of this implementation was a review of all tax returns filed during the 2001 through 2005 tax years (Delta and subsidiaries), SEC filings, committee compensation reports, board minutes, tax opinions, and IRS proposed settlements. These services also included a technical analysis of tax positions identified and preparation of documentation supporting the tax positions taken by Delta for the tax years 2001 through 2006. These services also included consultation on matters related to measurement and disclosure.

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**Exhibit C1 - Professional Services Narratives**

This narrative describes the major areas addressed by Deloitte Tax LLP ("Deloitte Tax") during the period of this interim fee application on behalf of the Debtors during these Chapter 11 proceedings.

**Tax Compliance Services:**

**Tax Return Review - 2005**

Deloitte Tax performed various tax compliance services related to Debtors' consolidated federal tax return to be filed with the IRS. Services included assisting Debtors in reviewing the book to tax differences (schedule M items) and taxable income calculations of selected Debtors subsidiaries. Deloitte Tax also assisted Debtors in various issues related to tax return reporting requirement and gain calculations on the sale of former nondebtor subsidiary Atlantic Southeast Airlines, Inc. and its Internal Revenue Code Section 338(h)(10) election.

**Tax Compliance - 2006**

Included in this category are services related to the preparation and first level of review of Delta's 2006 income tax returns for both the parent company and other subsidiaries within the consolidated group. This includes preparation / review of taxable income adjustments as well as the preparation / review of forms filed and attachments.

**Tax Audit Services:**

**M&E – IRS Defense**

Deloitte Tax provided IRS audit defense assistance relating to Debtors' tax position in the meals and entertainment recovery deductions. Services included preparation of protest letter to be submitted to the IRS and consultation to Debtors related to new findings on the meals and entertainment per diem issue.

**Federal Tax Audits**

Deloitte Tax provided tax consulting services related to Debtors' various IRS federal audit issues. Services included researching and providing responses to questions related to the computation of Delta's SRLY NOL calculations. Deloitte Tax also assisted Debtors in analyzing various property issues as requested by the IRS.

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**Tax Consulting Services:**

**ASA Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in the assets of former nondebtor subsidiary, Atlantic Southeast Airlines, Inc., under Debtors' disposition planning. Services included reviewing prior year tax returns and analyzing the original acquisition document to determine tax basis in the assets.

**Comair Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in the assets of subsidiary Comair, Inc. under Debtors' disposition planning. Services included reviewing prior year tax returns and analyzing the original acquisition document to determine tax basis in the assets.

**Delta Tax Basis**

Deloitte Tax performed tax consulting services in determining the tax basis in assets of Delta Air Lines, Inc. and subsidiaries for purpose of calculating the Net Unrealized Built-In Gain/Loss under Internal Revenue Code Section 382. Services included reviewing prior year tax returns, including the CorpTax software application, to determine the tax basis in the assets.

**Preparation of Fee Applications**

Included in this category are services related to Deloitte Tax's preparation of monthly fee statements for the period from June 2006 through January 2007 and preparation of the third interim fee application, in compliance with bankruptcy court reporting requirements.

**Project Planning, Supervision, and Administration**

Included in this category are services related to Deloitte Tax's retention such as the creation and review of affidavits and related documents. Also included in this category is time related to project staffing, project planning and budgeting, general engagement administration such as status reports, and the review of case relevant legal documents, such as orders issued by the Court in these matters. Note, this category was referred to as 'Case Administration' in the March monthly statement.

**FIN48**

Included in this category are services related to the implementation of accounting standard FIN48. A part of this implementation was a review of all tax returns filed during the 2001 through 2005 tax years (Delta and subsidiaries), SEC filings, committee compensation reports, board minutes, tax opinions, and IRS proposed settlements. These services also included a technical analysis of tax positions identified and preparation of documentation supporting the tax positions taken by Delta for the tax years 2001 through 2006. These services also included consultation on matters related to measurement and disclosure.

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**Exhibit D - Time Summary by Category**

<b>Category</b>	<b>Hours</b>	<b>Fees</b>
ASA Tax Basis	15.9	5,906.50
Case Administration	53.8	17,721.50
Comair Tax Basis	394.8	119,938.00
Delta Tax Basis	1,658.7	545,427.50
Federal Tax Audits	137.6	48,590.50
FIN 48	1,504.1	566,808.75
M&E IRS Defense	237.9	106,777.50
Preparation of Fee Applications	251.6	90,497.00
Project Planning, Supervision, and Administration	39.9	12,865.50
Tax Compliance 2006	147.6	45,334.50
Tax Return Review	773.8	264,930.00
<b>Grand Total</b>	<b>5,215.7</b>	<b>\$ 1,824,797.25</b>

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**Exhibit D1 - Time Summary by Category**

<b>Category</b>	<b>Hours</b>	<b>Fees</b>
ASA Tax Basis	4.1	2,152.50
Delta Tax Basis	988.7	333,550.50
Federal Tax Audits	33.9	14,149.50
FIN 48	1,504.1	566,808.75
M&E IRS Defense	63.6	30,851.00
Preparation of Fee Applications	80.0	32,622.00
Project Planning, Supervision, and Administration	2.8	883.00
Tax Compliance 2006	147.6	45,334.50
Tax Return Review	0.2	105.00
<b>Grand Total</b>	<b>2,825.0</b>	<b>\$ 1,026,456.75</b>

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**Exhibit E - Expense Summary**

<b><u>Category</u></b>	<b><u>Amount</u></b>
Meals	522.48
Mileage	2,629.02
Postage, Express Mail, and Courier Charges	557.68
Reproduction Services	125.54
Telephone and Conference Calls	51.80
<b>Total</b>	<b><u>\$ 3,886.52</u></b>

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**Exhibit E1 - Expense Summary**

<u>Category</u>	<u>Amount</u>
Meals	248.62
Mileage	546.62
Postage, Express Mail, and Courier Charges	270.95
Reproduction Services	69.54
Telephone and Conference Calls	5.80
<b>Total</b>	<b><u>\$ 1,141.53</u></b>