



MERGER WATCH

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GVP Roach Discusses Northwest/Delta Merger

The corporate governance blog [GovernanceNotes.com](http://www.GovernanceNotes.com) interviewed IAM General Vice President Robert Roach, Jr. to discuss the union's opposition of the proposed merger between Delta Air Lines and Northwest Airlines.

On August 8, 2008 the two companies filed a joint proxy statement detailing the merger agreement. Shareholders of Delta and Northwest will be voting on the proposed merger at their upcoming shareholder meetings on Thursday, September 25, 2008.

“We believe this transaction poses serious risk for investors of both Northwest Airlines and Delta Air Lines and will harm long-term shareholder value,” said Roach “Airline mergers have a checkered past and we believe this merger is emblematic of the flawed logic of consolidation presently being pushed by industry lobbyists and executives.”

IAM International President Tom Buffenbarger sent two letters to the airlines’ shareholders raising several concerns regarding the combination, citing the impact to consumers by higher fares and poor customer service, questionable cost synergies, termination of pension and health benefits for Northwest workers and management's understating of the significant challenges involved in integrating the two large carriers.

“At this point, management at Delta has refused to engage with us regarding the future status of our members at Northwest and explain how this merger will impact their future employment,” says Roach. “We intend to fight for job security, affordable healthcare and secure pensions on behalf of our members. We will hold management of the new company accountable to the terms stipulated in our collective bargaining agreement with Northwest.”

The podcast of the interview is available at www.GovernanceNotes.com.