

Northwest Airlines, Inc.  
Department A4010  
2700 Lone Oak Parkway  
Eagan MN 55121-1534  
nwa.com

January 26, 2005

Ms. Peggy Ingison  
Commissioner  
Department of Finance  
Centennial Office Building  
658 Cedar Street, 4<sup>th</sup> Floor  
St. Paul, MN 55155

Dear Ms. Ingison,

Enclosed is Northwest Airline's Report to the State of Minnesota and the Metropolitan Airports Commission Concerning 2004 Compliance with Public Policy Covenants.

Sincerely,

Keith Bush  
Assistant Treasurer

KB/mjh

2004-MAC

cc: Peter Saussen, Minnesota Department of Finance  
Wendy Bartlett, Metropolitan Airport Commission

Enclosures



Northwest Airlines Report to the  
State of Minnesota and the Metropolitan  
Airports commission concerning 2004  
Compliance with Public Policy Covenants

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This Report on Public Policy Covenant Compliance for 2004 is mandated under three amended and restated lease agreements (collectively, the "Agreements") executed in January 2002 in connection with the issuance of \$287 million of general obligation revenue bonds by the Metropolitan Airports Commission ("MAC") on January 29, 2002. The parties to each are different, but include: MAC, Northwest Airlines, Inc. ("NAI") and two of NAI's affiliates: NWA Inc. ("NWA") and Northwest Aerospace Training Corporation ("NATCO").<sup>1</sup>

The Public Policy Covenants contained in the Agreements mandate performance by NAI, NWA and NATCO with respect to four general matters: (1) Employment, (2) Noise Abatement, (3) Headquarters and (4) Hub at Minneapolis-St. Paul ("MSP") Airport.

### EMPLOYMENT

1. Overall Employment. NAI, NWA, NATCO and their Affiliates were in compliance with these requirements, as outlined in Section 21.2 in each of the Leases. Under the terms of the Agreements NAI, NWA, NATCO and their affiliates including MLT (the "Companies") were required to employ persons in Minnesota at or above 16,094 individuals. As of December 31, 2004, the Companies employed 14,646 persons in Minnesota. This number is calculated annually and does not include Employees at the Duluth and Iron Range Reservation Center Facilities. This total was obtained using the method for calculation provided in the report to the Minnesota Department of Jobs and Training and as required under the terms of the Agreements. While the Companies' employment level does not meet the stated requirement by 1448, NAI remains in compliance with this requirement under the terms of Section 21.2(ii).

### NOISE ABATEMENT

1. Curfew. NAI complied fully with the curfew requirement in the Agreements. NAI scheduled no passenger Stage 2 Aircraft to arrive at or depart from the MSP Airport during the 11:00 p.m. to 6:00 a.m. curfew during 2004.

2. Proportional Utilization of Stage 2 Aircraft. NAI complied with the Proportional Utilization noise abatement requirement in the Agreements. NAI was required in 2004 to limit its Proportional Utilization of Stage 2 Aircraft at the MSP Airport to no more than the Proportional Utilization of Stage 2 Aircraft throughout NAI's domestic (US) system, and not increase its Proportional Utilization of Stage 2 Aircraft at the MSP Airport in 2004 over 2003. Applying the formula set forth under the Agreements, NAI's Proportional Utilization of Stage 2 Aircraft in 2004 throughout its domestic system was 0%. NAI's Proportional Utilization of Stage 2 Aircraft at the MSP Airport in 2004 was 0%. NAI's Proportional Utilization of Stage 2 Aircraft at the MSP Airport was 6.0% in 1999, 0% in 2000, and 0% in 2001 through 2004. thus meeting the second Proportional Utilization requirement.

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<sup>1</sup> Certain capitalized terms used in this Report that are not defined herein have the meanings given them in the Agreement.

## HEADQUARTERS

NAI's Corporate Headquarters was in Eagan, Minnesota throughout 2004. Therefore, NAI complied fully with the Headquarters requirement under the Agreements.

## HUB

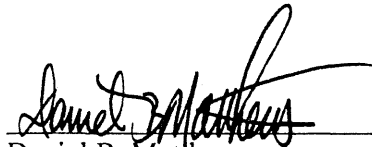
1. Connecting Flights. NAI was in compliance with the connecting flights Hub requirement. The proportion of such connecting passengers was 52.1% of all passengers whose travel involved an arrival at or departure from the MSP Airport for the 12 months ended December 31, 2004. NAI is required to maintain a sufficient proportion of Connecting Flights at the MSP Airport such that passengers whose travel includes a stopover at the MSP Airport (but whose travel neither originates from nor terminates at the MSP Airport) will be at least 30% of all passengers whose travel involves an arrival at or departure from the MSP Airport.

2. Departing Flights. NAI was in compliance with the departing flights Hub requirement. In 2004, the number of NAI departing flights for the MSP Airport (calculated annually) was 328 flights per day. NAI is required to maintain at least 187 departing flights per day from the MSP Airport, calculated annually.

This Report was prepared by NAI personnel with reference to the requirements of the Agreements based upon the information available as of the date of this Report.

Questions concerning this Report may be directed to Keith Bush at 612-726-7537.

Respectfully submitted,



Daniel B. Matthews  
Senior Vice President & Treasurer  
Northwest Airlines, Inc.

Date:

1/28/05