



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

January 24, 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 a Northwest Airlines' Report to the State of Minnesota and the Metropolitan Airports Commission concerning 2004 Compliance with Public Policy Covenants related to employment at our Duluth and Chisholm facilities.

Sincerely,

Keith Bush  
Assistant Treasurer

KB/mjh

2003409

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

Enclosure



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

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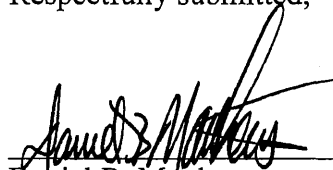
EMPLOYMENT

1. Duluth Employment. Except as otherwise provided under the terms of the relevant agreements, NAI was required to cause to be employed at the Duluth Facility not less than 90% of 350 Duluth Employees (or 315 Duluth Employees ) as of December 31, 2004. As of this date, 221 Duluth Employees were employed at the Duluth Facility, which fails to meet the requirement by 94.<sup>1</sup> This number was determined as required under the terms of the Amended and Restated Lease Agreement between DEDA and NAI dated December 21, 1994.
1. Chisholm Employment. Except as otherwise provided under the terms of the relevant agreements, NAI was required to cause to be employed at the Chisholm Facility not less than 90% of 571 Chisholm Employees (or 514 Chisholm Employees). As of December 31, 2004, 572 Chisholm Employees were employed at the Chisholm Facility, which surpasses the requirement by 58. The numbers were determined as required under the terms of the NAI Iron Range Reservation Center Facilities Agreement.

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: January 27, 2005

<sup>1</sup>While Northwest's employment level does not meet the stated requirement, Northwest remains in compliance per Section B(ii) of the Amended and Restated Lease Agreement between DEDA and Northwest Airlines, Inc.



Jeff N. Davidman  
Director Government Affairs

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January 28, 2005

Mr. Peter G. Sausen  
Assistant Commissioner  
Minnesota Department of Finance  
658 Cedar St.  
St. Paul, MN 55155

Dear Mr. Sausen:

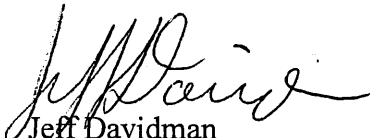
We appreciate the ongoing understanding and the support of the Pawlenty Administration during these past challenging years as NWA has struggled to return to profitability. I can assure you that we are very mindful of our obligations to the State of Minnesota as defined in the covenants pursuant to the 1991 Minnesota - NWA financing agreement. The aircraft maintenance base at Duluth is an important part of our system.

The establishment of the aircraft maintenance base at Duluth was an integral part of these covenants along with the retention of a specified number of employees subject to economic conditions impacting the industry. In this respect the base has generated over \$140 million dollars in wages alone for the Duluth economy since it opened in 1996.

We fully intend to restore employment at the Duluth aircraft maintenance base to the required level as soon as economic conditions allow. As of December 31, 2004, NWA had 221 people employed at the Duluth aircraft maintenance base and I am pleased to inform you that since the beginning of this month we have added approximately 100 technicians to our work force at the Duluth base. Given the severe challenges confronting the network carriers, restoration of employment at the Duluth base underscores our commitment to the state of Minnesota.

Again, thank you for your understanding. If you have any questions or need additional information please feel free to contact me at 612-726-2828.

Sincerely,



Jeff Davidman