

EXHIBIT A
MEMORANDUM

June 19, 2024

To: Delta Air Lines' Clayton County Working Group
From: The Office of Senator Reverend Raphael Warnock
CC: Delta Air Lines Government Relations Staff

Re: Inaugural Meeting

Happy Juneteenth! Thank you for convening this working group to address the needs of Clayton County, Georgia. In advance of the working group's inaugural meeting, the Office of Senator Reverend Raphael Warnock has compiled important data and perspectives to assist this working group. We encourage the working group to consider this information as it expeditiously develops strategies and recommendations for Delta Air Lines to demonstrate support for Clayton County.

Guiding Principle

The working group should focus its discussions and recommendations on how Delta Air Lines ("Delta") can reinstate meaningful and sufficient financial contributions to Clayton County. By doing so, Delta would not only support the financial health of Hartsfield-Jackson Atlanta International Airport (ATL) and Delta, but also uplift the county that hosts these industry leaders.

Delta CEO Ed Bastian's Commitment

On May 2, 2024, as the Federal Aviation Administration (FAA) Reauthorization Act of 2024 was pending on the floor of the U.S. Senate, Senator Warnock and Mr. Ed Bastian discussed Senator Warnock's work to champion Delta's FAA priorities, and his narrow amendment to reverse a 2014 FAA policy change that uniquely harmed Clayton County, which Delta opposed.¹ Following this call and Mr. Bastian's pledge to revisit Delta's financial commitments and general support to Clayton County, Senator Warnock did not call up his amendment for a vote.

Clayton County Needs

As host of both ATL, the world's busiest airport, and Delta, the world's largest airline, Clayton County is tasked with supporting both its communities and two aviation giants.² This responsibility includes providing the following services with direct and indirect benefit to Delta, the airport, and their employees:

- Educating 55,000 students at the fifth-largest school district in Georgia, including the children of ATL and Delta employees.
- Maintaining transportation infrastructure and services to and from the airport, including \$73 million in capital improvement projects since 2021.
- Unreimbursed costs related to law enforcement, prosecution, incarceration, and court services to ensure the safety of airline passengers and staff – a \$2 million annual expenditure.

Despite supporting ATL, Delta, and their employees' success in Georgia, Clayton County sees minimal positive economic benefits from hosting these entities. Instead, Clayton County faces

¹ S. Amdt. 1943 to S. Amdt. 1911 to H.R. 3935.

² Sabrina Guerrieri, *Top 10 Busiest Airports In the World Shift With The Rise of International Air Travel Demand*, Airports Council International (April 14, 2024), <https://aci.aero/2024/04/14/top-10-busiest-airports-in-the-world-shift-with-the-rise-of-international-air-travel-demand>; Andrea Murphy and Matt Schifrin, *The Global 2000 2024* (June 6, 2024), <https://www.forbes.com/lists/global2000/?sh=4ba7120d5ac0>.

significant challenges, including a **25% child poverty rate, the highest food insecurity in metro Atlanta, persistently high unemployment, and low per-capita incomes.**

Following a 2014 FAA policy change strongly supported by Delta, Clayton County became *the only local government in the country* responsible for the numerous costs associated with hosting a major airport and its operations, but unable to collect aviation tax revenues to offset those costs or even support the nearby airport.

This policy change financially devastated Clayton County and has cost Clayton County and Clayton County Public Schools (CCPS) nearly **\$15 million each in 2023** and over **\$74 million since 2020.**³ This has crippled Clayton County's ability to:

- Fund critical education capital projects for CCPS, like modernizing its bus fleet.
- Borrow funds through revenue bonds.
- Expand wages for CCPS's 7,300 teachers, administrators, support staff, and other employees.
- Support economic development programs.
- Fully staff local government positions, including law enforcement.
- Support career pathways for new air traffic controllers and other airport operations.

Delta's Support for Clayton County

Recognizing the harmful effects of this FAA policy on its host community, in 2018 Delta pledged to make contributions to CCPS through the Delta Foundation "due to the cessation of collections...on aviation fuel sales."⁴ As part of this pledge, Delta emphasized its "[keen] interest in the success of CCPS."⁵

These payments unfortunately ceased during the COVID-19 pandemic. However, due in large part to support from Congress, the airline industry has rebounded in full force with \$23.3 billion in net profit in 2023 and an anticipated 4.7 billion passenger trips in 2024.⁶ In 2023, Delta brought in a record \$58 billion in revenue and posted a \$4.6 billion net profit, following a \$54 billion taxpayer bailout across the industry during the pandemic.⁷

Therefore, we strongly urge Delta's Clayton County Working Group to recommend Delta reinstate financial contributions to Clayton County and CCPS, using the **approximately \$30 million (\$15 million each) in lost revenues experienced in 2023 as a baseline for discussions.**

³ Figures calculated by combining fuel usage and price data from the Bureau of Transportation Statistics at <https://transtats.bts.gov/fuel>, usage rates at Hartsfield-Jackson as reported by Delta Air Lines in a Delta Foundation Letter to Dr. Morcease Beasley dated June 18, 2018, and the 1% sales taxes imposed by CCPS and Clayton County.

⁴ Delta Foundation Letter to Dr. Morcease Beasley dated June 18, 2018.

⁵ Id.

⁶ Marisa Garcia, *IATA Eyes Airline Record \$964 Billion 2024 Revenue, As 4.7 Billion Fly*, Forbes (Dec. 6, 2023), <https://www.forbes.com/sites/marisagarcia/2023/12/06/iata-sees-airline-record-964-billion-2024-revenue-as-47-billion-fly>.

⁷ Kelly Yamanouchi, *Delta Reports Record 2023 Revenue, \$4.6 Billion Profit For The Year*, Atlanta Journal-Constitution (Jan. 12, 2024), <https://www.ajc.com/news/atlanta-airport-blog/delta-reports-record-2023-revenue-46-billion-profit-for-the-year/PC2BN3PHZJGMVDY0IFWUP4WPIE>; David Shepardson, *U.S. Airlines To Defend \$54 Billion COVID-19 Government Lifeline*, Reuters (Dec. 15, 2021), <https://www.reuters.com/business/aerospace-defense/us-airlines-defend-54-billion-covid-19-government-lifeline-2021-12-15>.

Delta proudly trumpets its support for “the communities where we live, work and serve” and its commitment to contribute 1% of its net income, including \$60 million in 2023 donations, to the communities on which it relies.⁸ We hope this commitment will extend to Clayton County.

⁸ See 2023 ESG Report, Delta Air Lines, <https://www.delta.com/content/dam/esg/2023/pdf/Delta-2023-ESG-Report.pdf> at 4 and 49.