



ASSOCIATION OF FLIGHT ATTENDANTS - CWA, AFL-CIO
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January 13, 2006

Ladies and Gentlemen:

Efforts to preserve the value of our pension benefit through our three-track fight, including legal, legislative and collective bargaining or CHAOS™ are on-going. Today, the District Court for the District of Columbia issued a ruling against our motion and found that the Pension Benefit Guaranty Corporation complied with the Employee Retirement Income Security Act of 1974 (ERISA) and other applicable laws in terminating our Pension Plan.

In this ruling, the same statute designed to protect employees' pensions is turned on its head as the basis for terminating pensions. Here, the District Court ruling first says that AFA was correct and that it was improper for the PBGC to rely on its Settlement Agreement with United as a basis for terminating our plan. But then, the Court goes on to forgive the agency for that violation by finding other, independent reasons to support the PBGC's decision to terminate our plan. If the PBGC considered the Settlement and the Court said that was wrong, that should have been the end of it. Instead, the Court aligned itself with the position that the financial interests of the agency are more important than the interests of the pension plan participants the agency was created to protect.

The ruling from the Court today does not change the fact that United Airlines needs to address our retirement security. During the course of our three-track fight, we have been meeting with United Airlines in an effort to negotiate a replacement pension plan that would preserve the retirement security earned by Flight Attendants. During the course of our three-track fight, United Airlines' public proposal for a Flight Attendant pension plan replacement has changed from a 3% defined contribution plan to 4%. We are calling on management now to redouble its efforts to reach an agreement that meaningfully addresses our retirement security.

As executives of United look forward to a bonus program that will award them with 8% of the equity in the newly organized airline, there must be a consideration of shared sacrifice and shared success as management promised when United first entered Chapter 11. If United Airlines is to preserve and attract the talent of the front-line employees and the Flight Attendants who have ensured our airline's success, it is imperative that this management address the value of our pension benefit. The long-term success of our airline is seriously in doubt as employee morale is stung by the disparity of treatment that exists today.

Events promise to move very quickly as the Plan of Reorganization Confirmation hearings begin next Wednesday and United steps closer to exiting bankruptcy next month. We encourage all Members to remain closely tuned in to AFA communications throughout this process. Attend the Confirmation Hearings, be in touch with your Local Council and check our website, Dear AFA or AFA E-lines regularly.

We will continue to review all of our options as we fight to preserve our retirement security.

In Solidarity,


Greg Davidowitch, President
United Master Executive Council

INFLIGHT SAFETY PROFESSIONALS

