



April 4, 2008

Ladies and Gentlemen:

Together, we have discussed the concept of consolidation in the airline industry for nearly four years. The possibility for a merger looms at the forefront of our minds as Merger Mania peaks and lulls in the media. We have always stated that AFA is prepared to address any challenge and that we will oppose any transaction that seeks to worsen the working conditions and job security for United Flight Attendants. We have also adamantly stated in recent months that we will oppose any transaction that seeks to disrupt our efforts to improve our pay and working conditions through Contract negotiations.

Consolidation is being driven by the forces of a competitive industry, economic strains, globalization and executive reward. Each of these factors has been growing in force in recent months, making some sort of consolidation scenario likely for United Airlines. Should there be a consolidation announcement involving our airline, the United Master Executive Council will meet to undertake a rigorous analysis of any deal. As we have done together in recent years of challenges, we will thoroughly assess all of the information with the assistance of our lawyers and professionals in order to determine our opposition or support of any proposed deal. And, we will enforce our rights under the law and our legally binding Contract which provides us significant protections within any business combination.

It is first important to recognize that in any merger scenario nothing will change immediately or even certainly. As the industry players, Departments of Justice and Transportation, financial institutions, shareholders, states, cities, Unions, alliances and the public review mergers many factors and ***deals may morph several times before anything is finalized.*** Any consolidation announcement would not change these basic facts:

- our Contract remains in full force and effect.
- any merger requires various approvals by the government and other constituencies.
- there would be no integration of inflight operations until much later, and only if we can support the deal with the protection of our jobs and the improvement of our careers.

We have been working with our professionals for years to review the potential for mergers and at the same time we've discussed with you the protections we have as AFA-CWA Members through our Union, the law and our Contract. It's important that we review these protections to understand the rights we have within any circumstance.

### **Contractual Protections**

Our Scope Letter of Agreement protects our flying and requires that the terms of our Contract shall continue to apply whether United or a successor of any kind controls the post-merger airline. Flight Attendant opposition to the United merger with US Airways in 2000 played a role in derailing that ill-fated deal. We threatened to strike if that merger, causing a unilateral change to our Contract, had been consummated. In addition, the first section of our Contract confirms AFA-CWA as our bargaining representative for all United Flight Attendants and maintains our right to perform all work customarily and traditionally performed by Flight Attendants.

## **AFA Seniority Protections**

We will utilize all of the tools that we have as AFA Members to vigorously defend the seniority of United Airlines Flight Attendants. In addition to our industry-leading AFA seniority merger policy and the protections AFA was able to achieve this past year under the law, there are means to protect seniority and maintain job security. During the course of Contract negotiations related to a merger, we can fight for fenced operations, buyouts from the combined group, and we have an industry-leading policy for merging seniority rights, along with Contractual furlough protections.

## **Seniority Protections with Two AFA Member Airlines**

AFA has an industry-leading policy for merging employee seniority lists. All AFA Members receive equal protection of their current seniority status in the event of a merger between two AFA airlines. The AFA “Merger Policy and Related Employee Protective Provisions” takes effect in the event of a merger, consolidation, acquisition of control, purchase, sale, lease or other similar transactions. The seniority merge is based on the date from which each Flight Attendant accrues bidding seniority as a Flight Attendant on her/his current seniority list. Flight Attendants take part in the exhaustive review and transparent seniority integration process.

## **Seniority Protections in Merger with Non-AFA Carriers**

While our seniority policy focuses on mergers between AFA carriers where we as a Union would have the greatest amount of situational control, it also covers mergers with carriers whose Flight Attendants are not represented by AFA. The policy states, “Seniority integration with a non-AFA carrier shall, to the extent legally possible, be accomplished by compiling an integrated seniority list in the same manner as provided for seniority integration between Flight Attendants on AFA carriers.” The full text of the policy is posted on our website. Disputes, if any, are resolved through negotiations with the other Union, or through arbitration if necessary.

And, this year AFA was successful in achieving seniority protections under the law that mirrors our policy as it relates to mergers with non-AFA carriers, providing a minimum standard for seniority protection. This new law and AFA policy for mergers with non-AFA carriers both rely on a “fair and equitable” standard with third-party arbitration if the parties cannot agree on how to merge the lists. While this is designed to prohibit one group being stapled to the bottom of the other group’s list, the “fair and equitable” standard is not perfect. It does not provide full protection for your current seniority like the AFA policy does for mergers involving two AFA represented groups.

## **AFA Seniority Protections Keeps Focus on Achieving Best Combined Contract**

Our Merger Policy was developed in the late 1980’s, after the turbulence that followed deregulation of the industry. This Policy is a powerful tool for protecting the seniority rights of Flight Attendants, and for easing the transition to newly combined work groups. It is designed to eliminate the disputes that too often have plagued other work groups in a merger.

Most importantly, our Union’s merger policy keeps our seniority out of the control of management and provides us with another tool at the negotiating table. Meanwhile, it frees the newly merged Flight Attendant work group to focus efforts on protecting jobs and winning a new Contract that includes the best protections combined from the previously separate agreements with the respective carriers.

## How Seniority Integration Works in the AFA Merger Policy

The AFA merger policy protects Flight Attendants by maintaining your current seniority. It could take a great amount of time, even years, before two seniority lists are finally merged. In any case, here's how it works under our Constitution and Bylaws:

1. Each affected MEC elects or appoints two Flight Attendants to serve on a seniority merger committee to review seniority records and prepare a preliminary, merged seniority list, giving each Flight Attendant full credit for her/his seniority.
2. Next, the merger committee notifies each Flight Attendant at both carriers by certified mail of her/his seniority date.
3. Each Flight Attendant in turn has an opportunity to question the results. Mistakes made by the seniority merger committee can be corrected, but other adjustments are only allowed to account for differences in how seniority was assigned at the time of a Flight Attendant's initial training (i.e., whether a seniority number was assigned at the beginning or upon completion of initial training, ranking within a class, etc).
4. If any adjustment for training date differences is made, such adjustments cannot result in a Flight Attendant changing relative seniority positions on her or his own (pre-merger) seniority list. This prevents anyone from jumping over someone on their own list as a result of such an adjustment for training dates. The effects of earlier furloughs, leaves of absence, mergers and other factors remain in place for both groups in the current seniority merger process.
5. Once corrections and adjustments are made, if any, then each Flight Attendant's date of hire is finalized and the seniority lists are then merged into one combined list. Once this process is finished, the list is then certified.
6. Upon reaching an agreement with the surviving company over a merged collective bargaining agreement, the list is delivered to the company for implementation at the time of the merger of operations.

As we stated earlier, this final step helps to insulate our seniority from the whims of airline management as they decide whether to buy, sell, merge or acquire the airlines where we work. The fate of our seniority should never hinge on a corporate decision that is outside our control – about which airline will survive and which will not in the event of a merger.

## We Will Capitalize on Any Opportunity for Improvements

There are many uncertainties associated with our industry in its current upheaval. It is also widely acknowledged that this can be a time of great opportunity for all of us. Unlike the bankruptcy where the laws, the courts and the union-busting lawyers employed by management were all stacked against the Unions, we can leverage this environment to benefit Flight Attendants. It is more critical than ever that we work together and remain focused on protecting our jobs as we capitalize on all opportunities for improvement.

## Merger Won't Fly Without Flight Attendants

Still, any consolidating scenario is inherently risky for all parties involved. There is one certainty that all parties involved must know: this business venture will work only with the support of the Flight Attendants. Again:

- We will oppose any business combination that threatens job security or worsens the terms of employment or working conditions for United Flight Attendants.
- And, we will oppose any transaction that serves to delay, disrupt or impede our efforts to improve compensation and working conditions.

## Informed Decisions, Flight Attendants Together Fighting for Flight Attendants

Stay tuned to all AFA communication channels; we will keep you closely advised as we determine our future together. The information contained in this letter is also posted in the "Merger Watch" section of our website along with the latest news about business transactions affecting United Airlines or consolidation throughout the airline industry. One of the best ways to make sure you have the latest news is to sign up for AFA E-lines newsletter through our on-line form available through a link on our [www.unitedafa.org](http://www.unitedafa.org) homepage.

We have tackled the most difficult of times and emerged stronger for the experience. Our preparation and experience provides us with the tools to address any challenges or opportunities we encounter. And, our collective resolve to stand together is powerful in the face of anyone who seeks to profit at the expense of Flight Attendants. Let's be clear that any concern we have with a merger is not about the Flight Attendants at another airline. We consider them our colleagues and will work closely with them to ensure that the interests of all Flight Attendants are addressed. 'No one knows Flight Attendants better than Flight Attendants, but others should know this: we will exercise our power to rebuild and advance our careers.

In Solidarity,

### *Your United Master Executive Council*




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MEC President



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MEC Vice President



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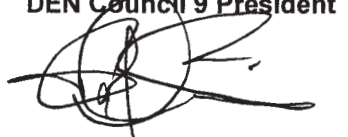
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