



December 27, 2002

Dear AFA Members:

Our airline filed for Chapter 11 bankruptcy protection on December 9th and it is now under the jurisdiction of the Federal Bankruptcy Court with hundreds of creditors seeking to recover money owed to them. Stipulations placed on the debtor-in-possession ("DIP") financing that United obtained to allow it to continue to operate during the bankruptcy requires very significant reductions in costs between now and May 1, 2003 and thereafter.

Failure to achieve these stipulations in the "DIP covenants" could mean that our airline moves into Chapter 7 liquidation, which would mean the loss of jobs for 80,000 employees. This is the severity and reality of the obstacle we face.

Shortly after filing for bankruptcy United management presented term sheets to each labor group detailing extensive proposed cuts to our collective bargaining agreements. Last week, United management announced that a motion under Sec. 1113 c. of the Bankruptcy Code would be filed on December 26, 2002. That process begins with negotiations but, if the parties fail to reach an agreement on a package of cost reductions, ends with the Company asking the court to reject our Contract in its entirety and impose on us the entire package of cuts they have proposed. Absent some interim cost cuts we would be faced with having to reach agreement on the Company's larger package of cuts, or risk having the court impose such cuts, by mid-January for implementation in mid-February.

With the stakes this high it is imperative that we make every effort to reach agreement on Contractual changes in order to cushion the blow when compared to the Company's proposed extensive package of cuts. AFA has worked voluntarily and collaboratively to negotiate in good faith to provide United the savings needed for a successful reorganization. Given the depth and breadth of the cuts the Company is seeking, time is needed for both parties to negotiate an agreement that protects Flight Attendant jobs and minimizes the impact on our quality of life.

Our goal continues to be to have control and influence over changes to our Contract and to prevent United from obtaining a Court order to change our pay, benefits, and work rules unilaterally.

The AFA United Master Executive Council today accepted an interim agreement, subject to Membership ratification, to maintain control over modifications to the agreement rather than leaving it in the hands of the court.

Along with other Unions at United, AFA has been persistent in demanding information and time for fair negotiations. Due in large part to this consistent message, United management and their bankruptcy attorneys have recently recognized that an alternative to the strict mid-February deadline should be offered to provide employees and their Unions the opportunity to take part in deciding the details of our collective future. More negotiations are needed to resolve many of the issues raised by the Company's bankruptcy and their proposed cuts in labor costs.

We now have the opportunity to ratify by January 8, 2003, an interim tentative agreement, that would be effective starting December 31, 2002 to contribute our share of the cost cuts required by the "DIP" financiers. This interim agreement would include an 8.16% cut in base wage rates and in all pay factors, as well as forfeit of COLA for the period of this interim agreement. The interim agreement would only become effective with participation by all other Unions through ratification or emergency order through the court. In exchange, United would postpone the full 1113 c. motion until March 15, 2003, and allow us the additional time to negotiate a fair agreement over which we have better control and influence. The larger cuts proposed by the Company earlier would be delayed pending the outcome of those negotiations.

If faced with defending our Contract in court, AFA would vigorously argue to discredit an 1113 c. motion in hopes of forcing the court to rule that the motion be denied. However, success in this course of action could preserve each section of our Contract but fail to provide the cost cuts needed to meet the stipulations of the DIP loan covenants, with the possible result that United would fail to access the cash required to operate.

Each of the options we face fails to provide a result that is entirely satisfactory. That is the unfortunate reality, and must not discourage us from making the best decision in the midst of the worst of circumstances. In these impossible times we must cut through the emotion and shock to determine first that we are ensuring the viability of our jobs and second that the job we are preserving is worth working in the end.

Ratifying this interim agreement will allow us the time to negotiate the details of what will become permanent to us in our new Contract. Ratifying the interim agreement will also allow the company to meet the cost cutting required by the DIP loan covenants, without which United will be forced to liquidate. United does not "want" the money -- United "needs" the money. We do not want to give concessions, but the circumstances we face require cost cutting to ensure the survival of our company.

The United Master Executive Council urges you to vote "FOR" this interim agreement as our best course of action and vote FOR ratification. Once all of the Unions participate through ratification or court order, implementation of this agreement will afford us the time to gather the information and facts that will allow us to negotiate and influence the balance of the agreement while providing United the savings required to continue the operation of the airline. If this interim agreement is ratified, the larger cuts proposed by the company will be delayed from February until at least May, to be worked out through negotiations or in an 1113 c. proceeding at that time if we cannot reach an agreement. Ratification may also provide the court with a consistent example of our willingness to participate voluntarily in the reorganization and will avoid any negative impression that rejecting such voluntary participation might produce. In short, this deal allows us the time to negotiate an agreement that will successfully restructure United Airlines and give us influence over the form our participation takes in the restructuring.

Our situation is precarious, but not insurmountable. Together, we will make the most informed and prudent decisions for our future. Please exercise your right as an AFA Member to participate in the Interim Relief Letter of Agreement ratification vote for this tentative interim agreement. All ballots must be executed between December 30, 2002 at 1200 EST and January 8, 2003 at 1200 EST.

In Solidarity,

The United Master Executive Council

Greg Davidowitch MEC President	Helen McArdle MEC Vice President	Shirley Barber MEC Secretary-Treasurer	
Dianne Tamuk Council 5 – JFK	Karen Mazuer Council 6 – EWR	Kevin Creighan Council 7 – LHR	Dianna Rushing Council 8 – ORD
Sheri Meehleis Council 9 – DEN	Diane Tucker Council 10 - SEA	Dawn Marie Bader Council 11 - SFO	Ralph Barbosa Council 12 – LAX
Ed Kalahiki Council 14 – HNL	Ellie Larson Council 15 – TPE	Lesly Adams Council 20 – FRA	Michael Ely Council 21 – DCA
Moe Kerrigan Council 22 – MIA	Terry Knoy Council 23 – PHL	Sharon Benjamin Council 24-CDG	Mary Anne Houser Council 25 - LAS
Linda O'Connor-Jennings Council 26 - HKG	Karan Scopa Council 27 - BOS	Marc Zehr Council 38 – NRT	