

August 10, 2009

Ladies and Gentlemen:

Our Contract becomes amendable in five months and our negotiations are moving to the next step in securing a new Contract. On Friday, August 7th we filed a joint petition with the Company to the National Mediation Board (NMB) to gain the assistance of a federal mediator in our discussions with management. Our Contract requires this joint filing as part of an agreement to begin negotiations nine months early and continue to progress in support of reaching a new agreement as soon as possible. We are focused on achieving an On-Time Agreement with the pay, healthcare, work rules and retirement security you determined was necessary when we created our Opening Proposal.

While we are making every effort to negotiate a fair and equitable Contract, the pace of negotiations has been slow. As you have seen in the Negotiation Updates, 28 of the 35 Sections of our Collective Bargaining Agreement have been discussed at the negotiating table. However, we have reached only 5 tentative agreements. We are now at the point where we can seek the assistance of a mediator for productive dialog on negotiations issues. Read more about federal mediation and the mediation process in this mailing and in the Negotiations Section of unitedafa.org.

In the last 25 years we have only had the opportunity to negotiate for improvements twice. Under the Railway Labor Act airline contracts do not expire; they remain in place throughout the negotiations process. Typically the process is long because management has no incentive to agree to improvements in a new Contract. The joint petition for federal mediation filed today keeps the process moving and puts us a step closer to securing a new Contract. The NMB takes over jurisdiction of the negotiations when the Board appoints a mediator to our case. At that point the mediator will determine where and when we will meet and generally how the negotiations will proceed. Even so, it is you and all of our flying partners who truly control the timing and tenor of these negotiations.

Your involvement in negotiations becomes even more important at this point. It is not only management who must recognize our Solidarity and collective commitment to achieve our goals, the mediator must also recognize that United Airlines Flight Attendants stand 100% behind our negotiators. Together, we bring power to the table when we display our Solidarity and make it clear that our Negotiating Committee speaks for us to achieve the improvements contained in our Opening Proposal.

We must continue to build our Flight Attendant Negotiations Network (FANN) for face-to-face communications that keep the lines of communication open between every Member and our Negotiating Committee. This structure will keep us focused and allow us to take collective action at the right time in support of our Contract goals. If you have not yet signed up to be a part of FANN do so now to get the most information about negotiations first and to take a leading role in improving your future. Ask yourself: what are you worth and what are you willing to do to make sure you get it?

It's a fact: to get the best you must pay the best. We will do **Whatever It Takes** and work with the mediator to achieve an on-time agreement that meets the needs of United Flight Attendants and returns our airline to its preeminent status in the industry.

In Solidarity,

Greg Davidowitch, President United Master Executive Council

Association of Flight Attendants-CWA, AFL-CIO United Master Executive Council

AFA and United File Joint Application for Mediation

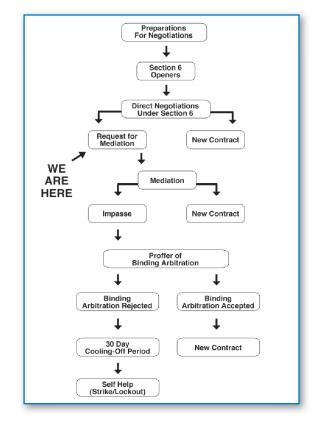
Together with the Company we have filed a joint petition to the National Mediation Board (NMB) to gain the assistance of a federal mediator in our negotiations for a new Contract. Our Contract required negotiations for a new Agreement to begin nine months early and continue to progress with this joint filing to the NMB in support of reaching a new Agreement as soon as possible. Our Contract becomes amendable in five months and already

our negotiations are moving to the next step. We are focused on achieving an On-Time Agreement with the pay, healthcare, work rules and retirement security you determined was necessary when we created our Opening Proposal.

Mediation & the National Mediation Board

The NMB, whose three members are appointed by the President of the United States, is the federal agency that appoints mediators to assist the parties with productive dialog on their negotiations issues. The mediator establishes when and where the parties will meet and may recess a case from time to time if it is deemed appropriate. There is no time limit for the mediation process although our Solidarity can encourage progress.

Mediation continues until an Agreement is reached or until the NMB determines that further mediation would be fruitless due to an impasse. Throughout the process and especially as the mediator evaluates the status of our talks it is critical that we make a public showing of our solidarity and insist upon achieving our collective goals as defined in our Opening Proposal. Through our collective action management and the mediator must understand clearly that we stand firmly behind our Negotiating Committee and that we expect fair pay, benefits and work rules for our contributions to United Airlines.



When the NMB believes that mediation efforts will not result in an Agreement, the Board makes a "Proffer of Arbitration" to the parties, proposing to resolve the remaining issues in binding arbitration.

During arbitration, hearings are held followed by an award made by the arbitrator. The award is binding and the new Contract is imposed upon both the Union and the Company, without a ratification vote. Since control is taken out of the hands of the parties, this option is rarely accepted. If either side rejects the "Proffer of Arbitration," the NMB releases the parties from mediation to enter a countdown to Self Help: the "30-day Cooling-Off Period."

The 30-Day Cooling Off Period

The NMB uses the mediation process to foster agreements and to avoid a resort to "Self Help" whenever possible. For the Union, Self Help means engaging in activities that may inflict economic harm on the Company, up to and including a strike. For the Company Self Help includes the right to unilaterally impose their changes to our Contract, or to lock us out. The end of the 30-Day Cooling Off Period is commonly referred to as the "strike deadline," which often provides the time pressure needed to resolve the remaining issues in negotiations.

During the cooling off period, the NMB invites the parties to further mediate the negotiations. These meetings are often referred to as "super mediation" and usually attended by one of the Board members of the NMB. Generally, the meetings are called at or near the end of the 30-day countdown to Self Help, with the Self Help deadline providing a new incentive for the parties to reach an agreement. Both parties feel the pressure of Self-Help because no agreement at the deadline means we would then be free to strike and management would have the right lock us out or impose work rules.

Presidential Emergency Board

The NMB has one additional means to try to resolve negotiations and avert a strike or lockout by notifying the President of the United States that, in its judgment, an agreement cannot be reached and this may threaten to substantially interrupt interstate commerce and transportation. The President may then interrupt Self Help and appoint a "Presidential Emergency Board" ("PEB"), which has 30 days to conduct hearings with the parties to develop a proposed agreement followed by another 30-day Cooling-Off Period. Finally, Congress may also intervene and mandate an Agreement legislatively. This is another reason we work to elect a President and members of Congress who understand the importance of providing an opportunity to negotiate fair wages, benefits, retirement and work rules.

Status of Negotiations at Mediation Filing

August 10, 2009

At the opening of our negotiations on April 6, 2009 we presented a 148-page Opening Proposal of the Contractual improvements you determined were our priorities through Member negotiations surveys, discussions at the Roadshow in the fall of 2008, feedback to your Local Council and direct interaction with our Negotiating Committee. On the same day management presented a 4-page letter of generalities with concessionary verbiage in reference to pay, healthcare, work rules, job security and quality of work life.

After 14 weeks of negotiations we have yet to receive a comprehensive proposal from management, although we have discussed 28 of the 35 Sections of the Contract. The following is a summary reminder of our proposal set in contrast to the proposals made by management. Keep in mind this is just a summary and may not include full review of our collective goals as contained in our 148-page Opening Proposal. View our Opening Proposal document and Video any time at: www.unitedafa.org/contract/negotiations.

Each Section of the Contract will achieve a "TA" or "tentative agreement" between the parties prior to a final agreement. Sections tentatively agreed (T.A.) upon are not final until a final agreement has been reached.

Book = Current Contract

Section 1 – Recognition		Section 2 – Definitions		
AFA • Book	 United Management Other employees or vendors to perform Flight Attendants' work 	 AFA Increase holidays Same day reassignment ("fake 3-day" fix) 	 United Management Decrease holidays CRAF, MAC, Hawaii, Caribbean, Canada, Mexico, Central and some South America domestic flying with domestic pay & work rules. HNL domestic domicile 	
Section 3 - Union Activity		Section 4 – General		
AFAIncrease FPLUnion office spaceNo use of disapproved hotels	 United Management Reduce FPL Restrict Union Travel Eliminate requirement for eating facilities to be on site at layover hotels (3.K. Layover Hotels) 	 AFA Increase PTO No fee for CJA Reciprocal Cabin Seat Agreements Recording of Crew Desk International domiciles direct deposit International On-Board rest facilities improvement Signature required mail 	 United Management Eliminate PTO Deny CJA on weight restricted flights Increase minimum amount of adjustment check to \$200 Eliminate flight crew lounges for sits over 3 hours Intentional selective deviation from staffing standards 	
Section 5 – Compensation	Section 5 – Compensation		Section 6 - Expenses, Transportation & Lodging	
 AFA Increase pay Increase reserve guarantee and override Merged pay scale Longevity Drafting pay Penalty pay 	United Management No proposal 	 AFA Increase expenses Downtown for layovers over 15 hours Increase crew meals Actual reimbursement for cab or transportation Increase parking reimbursements 	 United Management 32 hours – Downtown \$20 payment for not using layover hotel (contingent) Intl layover hotel room – wait 2 hours before self help Credit card or cash deposit at check-in at layover hotels No hotel for sits under 5 hrs Eliminate crew meals 	

Section 7 - Hours of Service & Contractual Legalities		Section 8 - Minimum Pay and Credit	
AFA • Increase RSV # of days off • Shorten duty day • Increase legal rest • Improve crew rest • Key-in-hand	 United Management Eliminate Quarter System Eliminate rest provisions: 8-in-24 30-in-7 1-in-7 Extend Maximum Duty Time to 17 hours, or more when last segment is Deadhead Reduce Legal Rest to 8 hrs Expand Field Layovers to a hotel within approximately 30 minutes of airport Weaken the limitations on Night-Into-Day Flying 	 AFA Increased duty rigs 8.J. reassignments Drafting pay Increase call out pay Full pay for holding 	 United Management Eliminate minimum duty rigs (5/10/15/20) Reduce trip rig – time away from home (1 for 4) No longer pay the greater of actual or scheduled Holding time paid after 1 hr
Section 9 - Flight Assignments	s & Scheduling Procedures	Section 10 – Reserve Scheduling Procedures	
 AFA Increase staffing Reassignment pay Trip trading improvements Lower line averages No conversion from DHD for service enhancement Eliminate required purser qualification for domestic 	 United Management Increase line of flying average Eliminate the printing of all bid materials Expand language qualified positions to domestic and double the number Restrict # of buddy bids Prevent trades that lower lines below 50 hours 	 AFA Improve Reserve Scheduling procedures - preferencing Improve Reserve trading procedures No more than 3 conversions to Ready per month No more than 3 STBY assignments per month Increase Reserve days off 	 United Management Eliminate Ready Reserve 4 hrs notice prior to departure Standby Reserves to be assigned to board/deplane flights and perform pre-departure duties when not assigned as a working crewmember
Section 11 - Deadheading		Section 12 – International	
 AFA Seating assignments and upgrade procedures Economy Plus and exit row seat booking for Economy 	 United Management ½ credit for DHD Booked in Economy for all DHD 	 AFA Reassignment & drafting pay Reduce duty day Increase legal rest West Coast and Hawaiian turn restrictions Eliminate selection and increase Purser Training Purser discretion for Onboard rest 	United Management No Proposal
Section 13 - Military Airlift Command		Section 14 - Temporary Duty Assignment (T.A.)	
AFA • Book	United Management MAC as domestic flying 	• Book	
Section 15 - Training and Meetings		Section 16 – Uniforms	
AFAFull pay for training and travelAFA approved hotelIncrease IST Training	 United Management Eliminate 3-hour min pay guarantee Flight Attendants removed from schedule subject to 8.J. reassignments. Eliminate 1-in-7 protection 	AFANo advertising on uniformsClarify uniform pointsClarify for wool allergies	 United Management Eliminate restriction on other employee groups wearing Flight Attendant uniforms

Section 17 - Seniority		Section 18 – Vacations	
AFA7 year accrual while on Medical Leave of Absence	 United Management Flight Attendants who transfer to Onboard Management to retain and accrue seniority indefinitely 	 AFA Increase vacation days Increase vacation pay Increase allocation for interim bids 	 United Management Decrease vacation days Withhold 25% of allocation during annual vacation bid process Eliminate vacation pay advance
Section 19 - Sick Leave		Section 20 - Physical Examinat	tions (T.A.)
 AFA Increase sick leave accrual Occupational continuance Direct deposit for Occupational reimbursement Cash out of sick leave bank at retirement or resignation Use of sick leave for family member 	United Management No Proposal 	• Book	
Section 21 - Reduction in Perso	onnel	Section 22 - Filling of Vacancies	
 AFA Clarify Probationaries' ability to participate in Voluntary Furlough 	 United Management Eliminate furlough rebid – prevent those on current voluntary furlough from participating in new furlough 	 AFA Increase COMAT Right of return to closed domiciles Right of return for surplus Ability to transfer while on leave Secure visas for Intl Domicile closure 	 United Management Eliminate settling time for all voluntary transfers including new domiciles Eliminate hotel for new hires or for newly established domiciles Eliminate annual BP-3 for Intl Domiciles
Section 23 - Leaves of Absence		Section 24 - Moving Expenses	
 AFA Medical Leave of Absence increase to 7 years Increase maternity, paternity, adoption leave to 180 days FMLA improvements Ability to be awarded new leave from leave status 	 United Management Eliminate military leave protection for non-US citizens. Elimination of 12 month minimum on LOA before Flight Attendant kept off pay status until re-qualified 	AFA •Book	 United Management Eliminate moving expenses for new domiciles
Section 25 - Personnel File (T.A.)		Section 26 - Grievance Procedures	
 All complaint letters/inflight observations removed after 12 months Extend time to place reports in Flight Attendants' Personnel File by 6 days after receipt at domicile 		AFA •Book	 United Management MEC grievance to be filed within 60 days (26.D.) LEC grievance to be filed within 60 days (26.E.)
Section 27 - System Board of Adjustment		Section 28 - Missing, Internme	ent, Prisoner of War Benefits (T.A.)
AFAProvision to ensure 80 days of System Board are used	United Management 3-person Board for discipline	•Book	



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Negotiations Next Step: Mediation

Section 29 - Worker's Compensation Benefits		Section 30- Union Security	
AFA • Book	United ManagementNo Proposal	AFAClarify dues collection	United ManagementModify Union Security and the processing of dues
Section 31 - Safety and Health and Security		Section 32 - Savings Clause (T.A.)	
 AFA Request for information Access to secure areas Fatigue protection Air quality protection Pesticide protection 	United Management • Book	• Book	
Section 33 - Benefits		Section 34 - Retirement	
 AFA Premiums lowered & capped Coordination of benefits Improve prescription drug program Modernize health and wellness charts Short term disability Lower retirement age to 50 	United Management • No proposal	 AFA Increase direct contribution and match to 401(k) or equivalent Roth IRA Annuity feature 	United ManagementNo proposal
Section 35 - Duration (and Letters of Agreement)		Hotel Standards	
• Parties have discussed only current Letters of Agreement without contemplated changes		AFA • Incorporate into Agreement	 United Management Lower overall standards Eliminate personal checks cashing at hotels Decrease in hotel safety requirements Eliminate requirement for eating facilities to be on site at layover hotels