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Grave Concern for United Airlines Prompts Flight Attendants to Call for New Management

Flight Attendants have "No Confidence" in UAL Senior Management

CHICAGO — Committed to the success of United Airlines but frustrated with United's executives, flight attendants expressed grave concern over the continued reckless and incompetent strategies of United Airlines senior management. Leaders of the Association of Flight Attendants-CWA, AFL-CIO at United Airlines unanimously passed a resolution of no confidence in the senior management of United Airlines and vowed to take all necessary and appropriate legal steps to seek the failed executives' replacement. The full resolution is attached.

"United Airlines senior management has attacked our wages, benefits and work rules; they've attacked our retirees; and now they've attacked our pensions. Yet, they have failed to accomplish what employees have been working to achieve – a successful exit from bankruptcy," stated United Master Executive Council President Greg Davidowitch. "Senior management has squandered the extraordinary contributions of employees to the financial and operational turnaround that should have returned United Airlines to its former position as one of the world's pre-eminent airlines.

"We condemn United Airlines senior management for devising a business plan which, in addition to termination of pension plans, continues the failed strategy of seeking further concessions from employees who have already sacrificed so much," Davidowitch continued. "They need to attack the competition, not their own employees. They need to attack industry-high non-labor costs, not the people who make the airline run.

"This management has failed to recognize that a successful reorganization is impossible without the support of flight attendants and other workers. We have concluded that there is no choice but to seek new leadership possessing the competence necessary to prepare a workable and fair business plan for the successful reorganization of our airline," Davidowitch concluded.

"United management appears determined to run this proud airline into the ground, taking its workers and customers along with it," added AFA International President Pat Friend. "The court must recognize that the company's continued betrayal of its employees is the single largest obstacle to its recovery and emergence from Chapter 11."

"To say that airline workers have lost confidence in management is an understatement," stated Morton Bahr, President of the Communication Workers of America as he added 700,000 workers' voices to the call for new United Airlines senior management. "Instead of dealing with the company's problems, management continues to assault worker wages, healthcare and pensions. If United Airlines senior management is allowed to further dismantle its employees' professions, the destruction of worker jobs will spread like a cancer that American taxpayers will not be able to cure."

More than 46,000 flight attendants, including the 21,000 flight attendants at United, join together to form AFA, the world's largest flight attendant union. AFA is part of the 700,000 member strong Communications Workers of America, AFL-CIO. Visit us at www.unitedafa.org.

INFLIGHT SAFETY PROFESSIONALS



INTERNATIONAL TRANSPORT WORKERS' FEDERATION

Resolution of No Confidence in United Airlines Senior Management

WHEREAS, United Airlines Flight Attendants have demonstrated commitment and continue to wholly focus our efforts on the success of our airline; and,

WHEREAS, it has become all too apparent that the management at United Airlines has failed to accomplish what we have been working to achieve – a successful exit from bankruptcy; and,

WHEREAS, United Airlines through gross mismanagement and total disregard for the interests of employees has squandered over \$2 billion in sacrifices Flight Attendants made for the future of our airline and destroyed the good will and spirit of cooperation between labor and management necessary to successfully navigate bankruptcy; and,

WHEREAS, United Airlines senior management has failed, despite the best efforts of thousands of employees, to return our airline to its former status as one of the world's pre-eminent airlines; and,

WHEREAS, 97% of United Airlines Flight Attendants voting in a poll conducted on the AFA United Master Executive Council website voted that they have "no confidence" in senior management at United Airlines.

THEREFORE BE IT RESOLVED, that the United Master Executive Council of the Association of Flight Attendants-CWA, AFL-CIO:

Condemns United Airlines senior management for removing the corporate officers who served as fiduciaries to the employees' pension plans and replaced them, not with other executives, but with the bankruptcy protected entity of United Airlines. This action was a thinly veiled attempt to shield the corporate officers from potential personal liability as revealed by the fact that a week later, the Company announced it was going to stop payments mandated by law into the pension plans; and,

Condemns United Airlines senior management for actions termed "blatant" and a "hopeless conflict of interest" by the Department of Labor, by exalting the interests of these individual executives over the interests of the plan participants they had a duty to protect; and,

Condemns United Airlines senior management, and current CEO Glenn Tilton in particular, for increasing his salary by \$130,000 per year in May 2004 when, at the same time, management was seeking to slash the medical benefits of retired United Airlines employees; and,

Condemns United Airlines senior management for deciding not to make pension payments due on July 15, 2004; and,

Condemns United Airlines senior management for entering into a debtor-in-possession (DIP) Financing Agreement, initially described as effectively prohibiting United Airlines from making any pension contributions, contrary to its existing legal and contractual obligations; and,

Condemns United Airlines senior management for devising a business plan, without having first identified all non-labor cost savings that could be realized, and instead assumed that all its pension plans would be terminated; and,

Condemns United Airlines senior management for not seeking financing based on a business plan that would have permitted the pensions to continue; and,

Condemns United Airlines senior management for devising a business plan, which in addition to termination of pension plans continues the failed strategy of seeking further concessions from employees who have already sacrificed so much; and,

Condemns United Airlines senior management for the gross mismanagement, incompetence and dishonesty it has exhibited by taking these and other actions and thereby undermining the Company's attempts to successfully emerge from bankruptcy and return to profitability; and,

Condemns United Airlines senior management for poisoning the work environment and alienating the Flight Attendants by these and other actions; and,

Condemns United Airlines senior management for squandering the extraordinary contributions of employees to the financial and operational turnaround that should have returned United Airlines to its former position as one of the world's pre-eminent airlines; and,

BE IT FURTHER RESOLVED, that the above actions represent a continuation of the pattern of dishonesty and incompetence exhibited by United Airlines senior management in its dealings with employees; and,

BE IT FURTHER RESOLVED, that based upon all of the above findings, the United Master Executive Council declares that it has no confidence in the senior management to effectively operate the airline, to prepare a workable and fair business plan or to successfully reorganize; and,

BE IT FINALLY RESOLVED, that this Union shall take all necessary and appropriate legal steps to seek the replacement of senior management of United Airlines.

Unanimously Adopted.
August 31, 2004

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