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WORKFORCE TRANSITION

December 30, 2002

Mr. James Houck, Director
Workforce Transition Unit
Michigan Department of Career Development
201 North Washington Square
Victor Building, 5th Floor
Lansing, MI 48913

Dear Mr. Houck:

Re: Conditional "WARN Act" Notice

As you know, since the tragic events of Sept. 11, 2001, United has faced significant challenges. With our Chapter 11 filing, we have begun the effort to transform our company. Through this process, United must implement a durable, compelling business plan that will help us emerge successfully from bankruptcy and build a cost structure that will allow the Company to compete for years to come. To meet the financial requirements set forth in the debtor-in-possession (DIP) financing, we must lower our costs quickly and significantly. As a result, workforce reductions will be necessary for the Company to restructure and emerge from bankruptcy as a strong and viable airline.

The difficulty facing the Company is that complex and difficult workforce and operational determinations must be made that on the one hand will enable costs to be cut, while at the same time permitting the Company to maintain its essential services to the public. These complex judgments cannot be made quickly, but when they are made, given the Company's financial challenges must be implemented without delay. Accordingly, since federal labor law (the Worker Adjustment and Retraining Notification Act, better known as the "WARN Act") requires that notice be given whenever employees may reasonably expect to experience a permanent employment loss as a consequence of a proposed plant closing or mass layoff, out of an abundance of caution the Company must give you that notice now since it is realistic to believe that some significant layoffs will occur in the next few months at the following United location(s):

- 17501 Michigan Ave., Dearborn, MI 48126
- Detroit Metropolitan Airport, Detroit, MI 48242

This notice is being issued even though it has not been, and cannot be, finally determined at this time exactly which employees will be laid off in the coming months.

This notice, then, is in compliance with the WARN Act (and any other applicable state or local law). This notice is conditional, in that it is being sent to all United employees and/or their union representative in the event the number of United employees permanently laid off early

next year at any particular location results in a covered layoff under the WARN Act or any similar applicable state or local law. Accordingly, please be advised that as a consequence of the recent bankruptcy, the Company's restructuring efforts, the recent financial constraints imposed upon the Company, and in compliance with the WARN Act, it is necessary to advise you that United employees may reasonably expect an employment loss as described by the WARN Act (and any other applicable state or local law) some time during the two-week period beginning as early as January 19,2003. Attached is a list of the job titles at each of the above-listed locations from which we expect employees to be laid off. This list includes the number of people in each job title at each location(s). Also attached is a list of the union representing United employees who hold some of the listed job titles. This list includes the name and address of the chief union official.

Needed layoff determinations will be made in the next few weeks and affected employees will be notified as soon as those decisions can be finalized. Transfer, bumping or reassignment rights will be governed by any applicable collective bargaining agreement. Because of the uncertainty as to the timing and scope of these layoffs, lists identifying the affected employees will be supplied as that information becomes available.

If you have any questions, feel free to contact Randy Rotondo at 847.700.6062. We appreciate your patience and continued efforts during this difficult period.

Sincerely,

A handwritten signature in black ink that reads "Randy Rotondo". The signature is written in a cursive, flowing style.

Randall T. Rotondo
Director – Human Resources

Attachment

As explained in the accompanying letter, attached is a list of the job titles at each of the above-listed locations from which we expect employees to be laid off. This list includes the number of people in each job title at each location(s). Also attached is a list of the union representing United employees who hold some of the listed job titles. This list includes the name and address of the chief union official.

Captain Paul Whiteford
Chairman – United Airlines/ALPA MEC
6400 Shafer Court, Suite 700
Rosemont, IL 60018

Duane Woerth
President – International
Air Line Pilots Association
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Patricia Friend
President - International
Association of Flight Attendants
1275 K Street NW, 5th Floor
Washington, D.C. 20005-40006

Greg Davidowitch
President - MEC
Association of Flight Attendants
6400 Shafer Court, Suite 250
Rosemont, IL 60018

Robert Roach
General VP of Transportation
International Association of Machinists
and Aerospace Workers
9000 Machinist Place
Upper Marlboro, MD 20772

S.R. Canale
President and General Chairman
International Association of Machinists
and Aerospace Workers – District Lodge 141
50 West Oakton Street
Des Plaines, IL 60018

Scotty Ford
President and General Chairman
International Association of Machinists
and Aerospace Workers – District Lodge 141
321 Allerton Avenue
So. San Francisco, CA 94083-3141

Mikel Alpers
International Chairman
Professional Airline Flight Control Association
1623 Brentwood Crossing
Conyers, GA 30013

Dennis Young
President
Professional Airline Flight Control Association
11719 Mark Lane
Orland Park, IL 60462

David Durkin
President, Local 540
Transport Workers Union of America
421 N. Northwest Highway
Suite 201
Barrington, IL.60010

Location	Job Title	Number of Employees
Detroit, MI	Act Exec	1
Detroit, MI	Admin Asst	2
Detroit, MI	Air Frt Rep	3
Detroit, MI	Air Frt Rep-Sv Dir	1
Detroit, MI	Auto Spec-Res Sls	2
Detroit, MI	Avn Mtc Tec-Ln	8
Detroit, MI	Cab Svm	11
Detroit, MI	Cmp Tech	1
Detroit, MI	Cust Sv Rep	41
Detroit, MI	Facs Svs Coord	1
Detroit, MI	Gen Mgr-Cust Sv-H	1
Detroit, MI	Instr-Fld Svs-A	1
Detroit, MI	Instr-Fld Svs-B	1
Detroit, MI	Ld Avn Mtc Tec-Ln	1
Detroit, MI	Ld Cab Svm	1
Detroit, MI	Ld Rmp Svm	9
Detroit, MI	Mech-Ln Bldg Mtc	1
Detroit, MI	Mgr-Res Ops & Adm	1
Detroit, MI	Pa Procg Coord	1
Detroit, MI	Regl Mgr-Res Sls	1
Detroit, MI	Res Ops Spec	12
Detroit, MI	Res Sls & Svs Rep	493
Detroit, MI	Res Supt Clk	14
Detroit, MI	Res Svs Schedr	1
Detroit, MI	Rmp Svm	34
Detroit, MI	Spec Svs Asst	2
Detroit, MI	Sr Instr-Fld Svs	1
Detroit, MI	Stn Ops Rep	4
Detroit, MI	Stn Supt Clk	1
Detroit, MI	Supvr-AP Ops	2
Detroit, MI	Supvr-Res	16
Detroit, MI	Sv Dir-Cust Sv	7
Detroit, MI	Sv Dir-Res	60
Detroit, MI	Tkt Sls Rep	2