



AIR TRANSPORTATION STABILIZATION BOARD

1120 VERMONT AVENUE, SUITE 970
WASHINGTON, DC 20005

Michael Kestenbaum
Executive Director

June 28, 2004

Mr. Frederic F. Brace
Executive Vice President
and Chief Financial Officer
United Air Lines, Inc.
1200 East Algonquin Road
Elk Grove Township, IL 60007

Re: Request for Reconsideration

Dear Mr. Brace:

We have received the materials submitted to the Air Transportation Stabilization Board (the "Board") on June 22, 2004, by United Air Lines, Inc. ("United"). In the materials, United requests reconsideration by the Board of its June 17, 2004, denial of United's application (the "Application") for a federal loan guarantee under the Air Transportation Safety and System Stabilization Act, Pub. L. No. 107-42, 115 Stat. 230 (the "Act") and the regulations promulgated thereunder, 14 CFR Part 1300.

All members of the Board and Board staff have carefully considered the additional financial information recently provided by United. As noted in the June 17th decision, the Board concluded that granting the loan guarantee is not a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States, as required by the Act. The Board noted the positive steps the company has taken "since entering bankruptcy in 2002 to lower its costs, strengthen its competitive position, and improve its governance structure. Moreover, the Board believes that airline credit markets have been improving since late 2001 and 2002, ... increasing the likelihood of United succeeding without a loan guarantee."

After carefully considering the additional financial information submitted as part of United's request for reconsideration, the Board determined that this information does not alter in a material manner the rationales underlying the Board's June 17th decision. Given these circumstances, all members of the Board join in the decision to deny United's request for reconsideration, and the Board's June 17th decision stands. The Board will not accept any further submissions from United with respect to the Application.

Sincerely,

Michael Kestenbaum