

April 9, 2007

**RE: United Airlines CEO and executive compensation**

Dear Representative:

The alarming growth in wage disparity between executives and workers in this country is in critical need of Congressional attention. I call your attention to a gross example of this disparity that is emerging at United Airlines, where I represent 17,000 Flight Attendants in the Association of Flight Attendants-CWA.

United Airlines CEO Glenn Tilton received \$39.7 million in 2006, including salary, bonus, incentives, perks, above-market returns on deferred compensation and the estimated value of stock options and awards granted during the year. At the same time, United Flight Attendants continue to experience life-changing wage, healthcare and work rule concessions, along with termination of their pension plan. Incredibly, Tilton's 2006 compensation exceeded the airline's entire annual profit of \$25 million reported by United's parent company UAL, Inc (UAL).

The United CEO and senior executive compensation package outpaced other corporate executive compensation by large margins. The Corporate Library, a corporate governance watchdog group, surveyed the proxy filings of 1,000 large U.S. companies and found that overall CEO compensation increased at a rate of 16% in 2005 and 9.29% in 2006. By comparison, UAL Securities and Exchange Commission filings show Tilton and his suite of senior executives received increases in compensation equaling 40% on a year-over-year basis, as well as bonuses throughout the company's bankruptcy. This troubling trend continues post-bankruptcy, in addition to generous stock rewards. The Institute for Policy Studies – United for a Fair Economy, reported in 2006 that executive wages were 411 times the average pay of workers. At United, Mr. Tilton's executive compensation is 1,000 times what a Flight Attendant earns on average at the top of the pay scale, or over 2,000 the pay of a new hire.

The airline industry is expected to report record profits in 2007 after a traditionally slow first quarter. The Air Transport Association (ATA), an airline trade group, conservatively forecast industry annual profits to be \$4 billion this year, and some analysts predict that the industry could top the record profits of approximately \$5.4 billion set in 1999. The dedication, sweat and sacrifice of all United employees have led United Airlines on the road toward sustained profitability. Shared sacrifice must now equal shared rewards. We are insisting that United Airlines executives uphold this premise promulgated by them during the course of bankruptcy and share the financial rewards management currently enjoys.

The House Financial Services Committee proposed legislation (H.R. 1257) would let shareholders register disapproval of executive pay packages without the government directly regulating pay. This legislation is a step in the right direction and we encourage you to support it. We also believe that more must be done to provide solutions for workers who are suffering at the hands of executive greed.

We call on Congress to act and end the disparity that exists between worker and executive compensation.

Sincerely,

Greg Davidowitch, President  
United Master Executive Council