

Lorne Steipness

10:30am class

From: James J. Hartigan, President

To: Employees of United Airlines

Dear team members,

75/75 ✓

I have worked alongside many of you over the last 30 years. In that time, we grew from a small, regional airline into one of the biggest and best in the industry. We accomplished this feat by recruiting the most dedicated and skilled workforce, and by offering unparalleled safety and service. ✓

While the last 30 years have been great for our company, we are starting to feel the effects of a weak economy and fierce competition. The recent fare wars have forced us to reduce our prices to an unprofitable level. In the last year, we lost \$81 million. Without immediate cost cutting measures, United Airlines will no longer be a viable enterprise. ✓

In order to return to profitability, we will

examine all expenditures. We will cut any costs that can be reduced without sacrificing safety or service. Management salaries are also being frozen.

Unfortunately, these cost cutting measures will not be enough on their own. Next week, we will begin laying off 1,000 non-union employees at our Chicago headquarters. This has been a difficult decision, but I assure you that all possible alternatives have been explored.

Laid off personnel will be notified in person in the coming weeks. We are offering a generous severance package to the affected individuals. This package will include ~~also~~ assistance finding new jobs.

I thank all of you for your service and dedication over the years. We feel these changes will return United Airlines to a state of profitability. Further, we are optimistic that, in time, we can begin hiring at our headquarters once again. When we do, we will actively seek to rehire those who have already contributed to the success of United Airlines.

Sincerely,

James J. Hartigan