

## **More Lawmakers Put Pressure on UAL**

Senators want Tilton to Maintain Retiree Benefits

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United Airlines is getting more heat from U.S. lawmakers who are urging the company not to cut medical benefits for its 35,000 retired flight attendants, pilots and other former employees.

In a Feb. 23 letter to United CEO Glenn Tilton, 19 Democrat Senators asked the company to reconsider the plan, which United says is necessary to successfully emerge from Chapter 11 this year.

Among those who signed the letter, authored by Sen. Edward Kennedy, D-Mass., were the two leading Democratic presidential candidates John Kerry, D-Mass., and John Edwards, D-N.C.

The changes United proposed "would require thousands of retired employees to pay as much as 10 times more for their coverage," the senators said in the letter. "Such increases in retiree health premiums would mean great hardship for many of our constituents and their families."

A United spokeswoman said Mr. Tilton plans to respond with his own letter, explaining retirees must shoulder more of the health-care cost burden if the carrier is to emerge from bankruptcy as a strong company.

"It's a difficult decision, but it's essential for us to achieve a competitive cost structure," she said.

### **Breaking promises?**

Earlier this month Mr. Tilton received a similar letter from a group of 100 members of Congress, also asking the company to back off its plan to boost retirees' health care costs (ChicagoBusiness.com, Feb. 13).

That letter, organized by U.S. Rep. Jan Schakowsky, D-Ill., and George Miller, D-Calif., focused on the plight of retired flight attendants who say United misled them into retiring early in exchange for an agreement to cap the cost of medical benefits.

More than 2,500 flight attendants retired by July 2003 under the impression their health care costs wouldn't rise, the Assn. of Flight Attendants said.

United officials, meanwhile, say they never promised to keep the cost of medical benefits the same.

A U.S. Bankruptcy Court judge on Friday appointed an independent examiner to get to the bottom of the matter. The examiner will issue a report to the Court in a month on whether United knew it would seek changes to retiree health benefits before those workers retired.

The judge on Friday also granted United a 30-day extension to file its reorganization plan. United, a unit of Elk Grove Township-based UAL Corp., has been operating under Chapter 11 since December 2002 and hopes to emerge from bankruptcy during the first half of 2004.