

**JetBlue Airways:  
Regaining Altitude after the Valentine's Day Massacre of 2007**

A Submission to the Arthur W. Page Society Case Study Competition

## Abstract

Valentine's Day 2007 changed the course of history for JetBlue Airways. The upstart low-fare airline – which had enjoyed unprecedented acclaim from customers and industry observers – suddenly found itself in the midst of its first major operational catastrophe. A winter storm that enveloped the New York metropolitan region and JetBlue's hub at John F. Kennedy International Airport left hundreds of the company's passengers stranded in the terminal, and worse, in planes on the tarmac. The flight disruptions at JFK plunged JetBlue's entire operation into chaos, forcing the carrier to cancel more than one thousand flights over a six day period. The cancellations cost the airline an estimated \$20 million in revenue and \$24 million in flight vouchers to customers who were impacted by the disruptions. JetBlue founder and CEO David Neeleman and his executive team knew they had to find a way to restore the company's once sterling reputation. This case study describes the corporate communication dilemma faced by JetBlue Airways in the wake of its 2007 winter storm-related crisis known as the "Valentine's Day Massacre."

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## Introduction

For JetBlue Airways, which prided itself on bringing the “humanity back to air travel,”<sup>1</sup> Valentine’s Day 2007 served as a stark reminder that every honeymoon eventually comes to an end. The New York-based airline began the year on a roll; growth both in terms of destinations and fleet size was far outpacing even the most ambitious projections. JetBlue enjoyed a cult-like following among its loyal customers, thanks in large part to uncommonly attentive service, generous legroom, free satellite television feeds in every leather seat, and of course, the company’s signature blue Terra potato chips. In fact, the airline ranked highest in customer satisfaction among low-cost airlines in 2006 and among all major airlines in the United States in 2005.<sup>2</sup>

Yet as a winter nor’easter barreled toward the New York metropolitan region on February 14, 2007, JetBlue leaders were blissfully unaware that the next seven days would be by far the most trying in the company’s eight year history. By February 19, the company had cancelled more than one thousand flights and incurred tens of millions of dollars in losses. Worse, JetBlue’s sterling reputation was now tarnished because of bad luck, flawed decision-making, and multiple systemic failures. As pressure mounted, JetBlue founder and CEO David Neeleman encouraged his executive team to search for bold and inventive solutions. If that meant parting with convention, then so be it, Neeleman told them. One thing was clear: JetBlue Airways needed a plan to win back customers, reassure employees and investors, and restore its public image.

## JetBlue Takes Off

The launch of JetBlue Airways in 1999 was never supposed to work. After all, of the 58 start-up jet airlines that had commenced operations since the U.S. government deregulated the industry in 1978, only two survived.<sup>3</sup> The prospect of making money in the airline industry is so exceedingly difficult that billionaire investor Warren Buffet once famously remarked that capitalism would have been better served had someone shot down the Wright brothers’ prototype airplane at Kitty Hawk, North Carolina, a century earlier.<sup>4</sup>

Airlines today face high fixed costs because scheduled flights have to take off whether they are full or empty.<sup>5</sup> Carriers also incur staggering expenses that are subject to market volatility, such as jet fuel, and are particularly sensitive to the ebbs and flows of economic cycles.<sup>6</sup> “It is a business whose margins are so razor thin that a couple of passengers on each plane can spell the difference between profit and loss and where a one-cent rise in the price of jet fuel can cost the industry an added \$180 million a year,” wrote industry expert Barbara Peterson.<sup>7</sup>

The pitfalls of the airline business were not always so apparent. Commercial aviation in the U.S. entered its heyday following World War II, a time when many

airlines enjoyed lucrative lease contracts from the military, and the demand for passenger and cargo transport soared. Industry behemoths like Eastern Air Lines, Trans World Airlines, United Airlines, American Airlines, Braniff International Airways, Northwest Airlines, and Delta Air Lines reaped enormous profits and ruled the skies until Congress and President Jimmy Carter passed the Airline Deregulation Act of 1978.<sup>8</sup> The primary purpose of the act was to eliminate government control over commercial aviation and encourage market forces to shape the industry's development.

While the Airline Deregulation Act ensured easier market entry for new carriers, success did not automatically follow for these start-ups. The cutthroat competitive tactics employed by the legacy airlines in the 1980s and 1990s caused most new companies to fail. Still, competition persisted and airfares dropped significantly during the 1990s and into the 21st century, leading to the rise of low-cost carriers such as AirTran Airways, Southwest Airlines, and JetBlue Airways.

JetBlue was the brainchild of David Neeleman, an industry visionary who promised to "bring humanity back to air travel."<sup>9</sup> Neeleman, who was born in Brazil but grew up in Utah as part of a large Mormon family, was no stranger to start-up airlines.<sup>10</sup> He helped to build Morris Air, a Utah-based airline that Southwest acquired in 1993 for \$129 million.<sup>11</sup>

Neeleman leveraged his industry experience and connections to create a company that would boast a fleet of brand new airplanes, low fares, and a host of customer-friendly embellishments that legacy carriers and other start-ups would be hard-pressed to match. Neeleman envisioned treating JetBlue's customers – never referred to as passengers – to comfy and wide leather seats, paperless ticketing, and exceptional service by flight crew members. Every seat would come equipped with a television that featured dozens of free channels provided by satellite signal. Finally, to keep costs down, JetBlue would offer a virtually unlimited supply of appealing in-flight snacks instead of soggy meals that no one really wanted.<sup>12</sup>

Backed by an impressive capital reserve, Neeleman's plan worked far sooner than even the most optimistic industry observers predicted. With its new airplanes and flights to and from previously underserved markets, JetBlue quickly shot to the top of J.D. Power and Associates' customer satisfaction surveys.<sup>13</sup> Based at New York's John F. Kennedy International Airport, the start-up soon expanded operations to Los Angeles (via Long Beach Airport), southern Florida, and a host of smaller markets, such as Buffalo, New York.

JetBlue's launch was particularly well-timed. Despite frequent pricing skirmishes resulting from increased competition between the low-cost and legacy airlines, the domestic commercial aviation industry as a whole started 2001 with 24 consecutive quarters of profitability.<sup>14</sup> Passenger volume had risen at an average rate of 3.6% per

year between 1990 and the end of 2000, and net profits for the industry totaled \$7.9 billion in 2000.<sup>15</sup> Despite these trends, many legacy carriers were struggling to maintain profitability due to the competition posed by low-cost carriers. Then the unthinkable happened.

The hijacking and downing of four U.S. jetliners in New York City, Washington D.C., and rural Pennsylvania by terrorists on September 11, 2001 crippled an already ailing airline industry. Consumer confidence in the safety and security of air travel plummeted, sending booking rates down by 70% when flights resumed after 9/11.<sup>16</sup> The industry, which generated 11 million jobs and constituted nine percent of the U.S. gross domestic product, saw more than 80,000 jobs eliminated during the two months immediately following the attacks.<sup>17</sup> Only three airlines managed to turn a profit in 2001: low-cost carriers Southwest, AirTran, and JetBlue.<sup>18</sup>

Due in large part to its size and flexibility, JetBlue continued to impress in the years that followed. In 2002, Advertising Age crowned JetBlue the “Marketer of the Year”<sup>19</sup> and claimed the company’s branding efforts gave it a singular identity in a crowded and often confusing marketplace.<sup>20</sup> JetBlue flights were among the most on-time in the industry in 2003, the same year the airline filled most of its available seats on planes – two feats that rarely go hand-in-hand.<sup>21</sup> By mid-2004, the company had turned a profit for more than 16 consecutive quarters.<sup>22</sup>

Although JetBlue reported a net loss of \$1 million in 2006 primarily due to soaring jet fuel expenses, the company’s operating revenue totaled \$2.36 billion, which constituted growth of nearly 39 percent over fiscal year 2005.<sup>23</sup> By 2007, the airline’s growing fleet of Airbus and Embraer jets served 52 destinations with more than 575 daily flights.<sup>24</sup> Even though an increasing number of critics forecasted growing pains for JetBlue after its meteoric rise, the love affair between the upstart airline and its faithful customers appeared to be as strong as ever.

### **The Perfect Storm**

Valentine’s Day 2007 got off to an inauspicious start in the New York metropolitan area. Bleak, gray skies blanketed the region and weather forecasters warned of a wintry mix of precipitation. JetBlue officials at JFK International Airport gambled that temperatures would warm up enough to change the snowfall and icy slush into rain. Six JetBlue planes – four bound for domestic destinations, one headed for Aruba, and another for Cancun, Mexico – were loaded early in the day with passengers, luggage, and cargo.<sup>25</sup> The planes pushed back from their respective gates and waited for word of a break in the storm. Meanwhile, several inbound flights landed, taxied, and filled most of the airline’s dedicated gates.

With no end to the freezing rain in sight, JetBlue and airport officials hatched a plan to allow planes stranded on the tarmac to ferry back and forth to the few remaining open gates for offloading. This strategy failed, however, when the runway equipment used to tow the planes froze to the ground. Said a JetBlue spokesman: "We had planes on the runways, planes arriving, and planes at all our gates... We ended up with gridlock."<sup>26</sup>

Meanwhile, almost all of the other airlines operating at JFK had called off their flights earlier in the day. Scores of JetBlue passengers in the terminal waited in vain to board flights that would inevitably be cancelled. "We thought there would be these windows of opportunities to get planes off the ground, and we were relying on those weather forecasts," said Sebastian White, a corporate communications manager at JetBlue.<sup>27</sup> Freezing rain continued to fall on New York, entombing hundreds of passengers inside JetBlue planes that were stranded on the runways at JFK. The worst, however, was yet to come.

### **On Thin Ice**

Deteriorating weather conditions at JFK and flaring tempers both inside JetBlue's terminal and aboard its planes only exacerbated the company's crisis. Nine of the airline's jets sat idle on the tarmac for more than six hours before passengers were successfully offloaded and taken to the terminal.<sup>28</sup> Passengers aboard one JetBlue flight that landed at the airport were trapped inside the plane for a full nine hours.<sup>29</sup>

Tensions inside the planes ran high during the seemingly interminable ground delays. The airline's pilots tried to provide frequent updates and apologies, while crew members in the cabins did their best to appease restless customers with snacks and beverages. It was not until 3 p.m. on Valentine's Day that JetBlue officials at JFK finally called the Port Authority of New York and New Jersey to request buses that the airline could use to shuttle passengers from the stranded planes back to the terminal.<sup>30</sup>

As the waiting continued, some passengers became reluctant to use the on-board restrooms. "I don't know what anyone else did, but I just held it," said a man who claimed the lavatories aboard his JetBlue flight stopped working.<sup>31</sup> Two puppies on the man's flight had no compunction about using the facilities; they were led to the rear of the cabin so they could relieve themselves on newspapers, he said.<sup>32</sup>

The crisis took a particularly troubling turn at Newark Liberty International Airport on February 15. Several passengers became unruly upon learning of additional flight cancellations, prompting JetBlue ticketing personnel to call in the police for protection.<sup>33</sup>

JetBlue customers found little solace in calling the airline's reservations hotline or visiting JetBlue.com on the World Wide Web. Even by Friday, February 16, many callers who dialed the company's telephone number were still greeted by a recorded voice that said, "We are experiencing extremely high call volume... We are unable to take your call."<sup>34</sup> Additionally, JetBlue's Web site listed flights as on schedule for departure when, in fact, the carrier had already cancelled many of those flights.<sup>35</sup>

Widespread instances of lost baggage further infuriated JetBlue's customers whose travel plans were disrupted by the Valentine's Day storm. Said one passenger at JFK: "We're staring at thousands of bags. We're in a sea of luggage, and [our bags] cannot be found."<sup>36</sup> Another customer described the company's efforts to sort through the mounds of luggage as "organized chaos."<sup>37</sup>

### **JetBlack and Blue**

JetBlue soon found that many of its planes and flight crews scattered across the rest of the country were now out of place due to the disruptions at its hub in New York. As a result, the carrier was forced to cancel more than 250 of its 505 daily flights scheduled for Valentine's Day.<sup>38</sup> JetBlue called off 217 of its 562 scheduled departures on February 15, as well.<sup>39</sup>

"We had a problem matching aircraft with flight crews," said Jenny Dervin, JetBlue's director of corporate communications.<sup>40</sup> Company leaders quickly settled upon a strategy designed to "reset" the airline's operations. "Sometime in the afternoon [of February 16], it just fell apart," said Dervin.<sup>41</sup> "The folks running the operation [were] just exhausted. We said, 'Let's stop the madness.'" The plan to reset operations, however, came at a steep price: JetBlue was forced to cancel approximately 1,200 flights between February 14 and February 19.<sup>42</sup>

David Neeleman cited multiple operational failures that compounded the crisis. Among the primary culprits: inadequate communication protocols to direct the company's 11,000 pilots and flight attendants on where to go and when; an overwhelmed reservation system; and the lack of cross-trained employees who could work outside their primary area of expertise during an emergency.<sup>43</sup>

"We had so many people in the company who wanted to help who weren't trained to help," Neeleman said.<sup>44</sup> "We had an emergency control center full of people who didn't know what to do. I had flight attendants sitting in hotel rooms for three days who couldn't get a hold of us. I had pilots e-mailing me saying, 'I'm available, what do I do?'"

As the crisis deepened, JetBlue leaders began to calculate the financial hit the company would take because of lost revenue from cancelled flights, as well as refunds

and vouchers issued to stranded customers. “It’s going to certainly impact us, and it’s going to be many millions of dollars that we’re going to lose from this,” said Neeleman several days after the winter storm.<sup>45</sup>

The cancellations during the five-day period cost the airline an estimated \$20 million in revenue and \$24 million in flight vouchers to customers who were impacted by the disruptions.<sup>46</sup> Within days of the storm, JetBlue lowered its operating margin forecast for the fiscal quarter and the year; investors immediately responded by selling off their shares of JetBlue stock.<sup>47</sup> As the losses mounted, Neeleman became obsessed with finding a way to restore JetBlue’s sterling reputation and win back disillusioned customers.

### Misery Loves Coverage

“Call it the perfect storm, the imperfect storm, the Valentine’s Day Massacre,” said one JetBlue vice president.<sup>48</sup> Regardless of the label that the public affixed to the crisis, JetBlue officials knew the media interest in the story would be sky high. The company’s corporate communications department fielded roughly 5,000 telephone inquiries from the media between February 14 and February 19.<sup>49</sup>

JetBlue’s reputation as a successful and offbeat upstart airline only seemed to invite sensational newspaper headlines during the crisis. The New York Post published an article under the banner: “Air Refugees in New JFKaos; Hordes Camp Overnight Before JetBlue Says: ‘Tough Luck, No Flights.’”<sup>50</sup> A New York Times story entitled “Long Delays Hurt Image of JetBlue” similarly predicted reputational damage for the carrier as a result of the crisis.<sup>51</sup> The headline of a Newsday article asked the question virtually every industry observer wanted to know: “Can JetBlue Recover?”<sup>52</sup>

Television and print news reports were equally harsh. For their part, angry JetBlue customers provided plenty of material. “They are right on the edge of human-rights violations,” said one passenger whose travel plans to attend his mother’s funeral in Baltimore were temporarily derailed.<sup>53</sup> “They have no contingency plan at all. When they say no frills, they mean it,” he said. Another JetBlue customer who spent nearly nine hours aboard the grounded Valentine’s Day flight bound for Cancun remarked: “It was like – what’s the name of that prison in Vietnam where they held [Senator John] McCain? The Hanoi Hilton.”<sup>54</sup>

With all eyes on the embattled company, JetBlue leaders knew they had to choose their public relations battles carefully. “It was a horrible situation,” said Todd Burke, vice president of corporate communications.<sup>55</sup> “However, we never had overflowing toilets on the planes. We never ran out of food and water like people said, but that was the customers’ perception.”

Although most of the media stories that began trickling out on February 14 and February 15 recounted tales of passengers' woes, several reports of creativity on the part of JetBlue employees emerged. Flight attendants aboard planes that were stranded on the tarmac at JFK on Valentine's Day kept children busy by allowing them to push beverage carts and serve snacks.<sup>56</sup> The crew members also invited passengers to recharge their mobile phones through electrical outlets on the planes.<sup>57</sup>

When the supply of snacks ran low aboard a JetBlue flight that was destined for Florida but marooned on the tarmac at JFK, pilots arranged for pizzas to be delivered to the plane.<sup>58</sup> The gesture, along with the satellite television access in every seatback, went a long way toward soothing frazzled nerves. "The TVs were a saving grace," said one passenger.<sup>59</sup>

Perhaps the most remarkable story of ingenuity involved two JetBlue pilots who on February 16 paid a taxi driver \$360 to shuttle them from New York City to the upstate town of Newburgh, where one of the company's jets sat idle.<sup>60</sup> The pilots flew the plane to JFK, loaded it with passengers and luggage, and then continued on to Sarasota, Florida. The New York Daily News reported that the "passengers came off the plane cursing the airline but marveling at the flight crew."<sup>61</sup> One passenger on the flight to Sarasota remarked, "I've never experienced a pilot and a co-pilot getting in a taxi cab and finding a plane."<sup>62</sup>

### **Congress Comes Calling**

Just days after JetBlue's operational meltdown at JFK, members of Congress began calling for legislation designed to prevent air travelers from being held captive inside grounded airplanes for excessive amounts of time. Many suggested that the implementation of an industry-wide passenger bill of rights would be necessary to spur major airlines to action. These legislators argued that a bill of rights would entitle passengers to receive standardized compensation from carriers that fail to meet certain service levels, such as a flight that remains on the runway for hours after pushing back for departure.

David Neeleman bristled at the thought of government intervention. "We will change our operational strategy based on this [crisis]," JetBlue's CEO said.<sup>63</sup> "We would prefer to be in control of how we compensate customers we have inconvenienced."

Following Neeleman's lead, JetBlue tried to beat the zealous legislators to the punch. Late on February 14, the company issued a statement announcing that any customers who had been stranded aboard one of its planes for longer than three hours would receive a full refund and a free roundtrip flight.<sup>64</sup> Many industry experts suggested that this measure would do little to quell the groundswell of public support

for standardized service level benchmarks on domestic flights. Surprisingly, JetBlue's chief executive agreed.

In order for JetBlue to regain its former prestige, Neeleman knew he would have to propose that the airline do something novel, something impressive, something no competitor had ever done before. "I can flap my lips all I want," Neeleman said.<sup>65</sup> "Talk is cheap. Watch us."

### **Dilemma**

The winter storm that gripped the northeast United States on Valentine's Day 2007 set off a chain reaction of interdependent business problems and corporate communication quandaries for JetBlue Airways. Company leaders had already decided to "reset" flight operations, prompting the cancellation of hundreds of flights between February 14 and February 19. Passengers would have to be rebooked, lost pieces of luggage would have to be returned to their owners, and refunds would have to be issued to customers who opted to fly another airline or make use of alternate means of transportation. In such matters, David Neeleman and his leadership team had little choice.

Making amends with JetBlue's customer base was another issue entirely. Numerous public apologies and promises of corrective action had already been made by company representatives in the five days that followed Valentine's Day. Neeleman even starred in a video mea culpa posted to the company's Web site and YouTube.<sup>66</sup> "This was not acceptable," said JetBlue spokesman Bryan Baldwin in another such statement.<sup>67</sup> "We pride ourselves on being a customer service company and we failed to meet the needs of our customers.... We are going to go back and analyze what happened and make sure it never happens again."

By February 19, JetBlue leaders recognized that the company was at a crossroads. One option was to place a greater emphasis on the winter storm's role in the operational problems at JFK and across the country. The strategy of redirecting blame had certainly worked for other airlines in the past; after all, the public generally accepted that weather was a frequent cause of air travel disruptions.

The leadership team was mindful that other major carriers had experienced backlashes following weather-related crises. Northwest Airlines, for example, was vilified in 1999 when one of its flights from the Caribbean arrived in Detroit 22 hours late and then sat on the tarmac for 8 additional hours.<sup>68</sup> Northwest instituted and publicized a formal recovery plan that included the purchase of mobile staircases at a dozen airports so that passengers could deplane even if all the gates were occupied.<sup>69</sup>

JetBlue executives knew that such preventative measures could prove to be a very worthwhile investment and a good discussion point when addressing key publics. They feared, however, that these actions would not go far enough in reconnecting with customers like Patricia Fabricant, who told a New York newspaper, "This has been one of the worst experiences of our lives."<sup>70</sup>

The corporate communications team at JetBlue's Queens-based headquarters debated whether to put David Neeleman on the television news and talk show circuit. On one hand, JetBlue's charismatic and affable CEO could explain to the public what exactly had gone wrong. Neeleman could also tell a broad audience what the company was doing to prevent a repeat occurrence of the crisis. On the other hand, his presence on major network news programs might draw additional unwanted attention to an episode nearly every JetBlue employee wanted desperately to forget.

The biggest decision facing JetBlue's leadership team concerned a proposal set forth by Neeleman himself just days earlier. He suggested a gambit that was likely to garner much-needed positive attention for the beleaguered airline, but would also commit the company indefinitely to millions of dollars in potential losses. Neeleman's idea was a JetBlue Airways Customer Bill of Rights that would specify in no uncertain terms how passengers would be compensated if the company failed to meet certain performance standards. For example, customers would receive vouchers good toward future travel if their flight sat on the tarmac after landing for more than a certain number of minutes. The value of these credits would escalate the longer the passengers were forced to wait on board the plane. In essence, JetBlue would be putting its money in place of its mouth.

The idea was met with understandable skepticism by the members of Neeleman's executive team. The ongoing costs associated with such a groundbreaking program would be unpredictable at best and staggering at worst. Furthermore, a favorable reaction to the initiative by shareholders and Wall Street was far from a given. As the weekend progressed, Neeleman faced countless questions – and staunch objections in some cases – from the heads of JetBlue's legal, finance, flight operations, government affairs, and marketing teams, to name a few.<sup>71</sup> No other airline has ever committed to something like this, they argued.

Neeleman – who was known for personally answering every customer letter or e-mail he received – viewed the Customer Bill of Rights as absolutely vital to restoring JetBlue's image. He contended that the bill of rights would reaffirm the public's perception that JetBlue viewed air travelers as human beings, not cattle to be shipped from Point A to Point B. "This is going to be a different company because of this," Mr. Neeleman said. "It's going to be expensive. But what's more important is to win back people's confidence."<sup>72</sup>

A proposed JetBlue Airways Customer Bill of Rights was sure to catch the attention of not only employees, customers, and shareholders, but rival airlines as well. The major carriers had historically shied away from putting performance guarantees of this nature in writing.<sup>73</sup> Even if JetBlue pushed forward with this innovative but costly bill of rights program, Neeleman felt certain that the established industry heavyweights would be unlikely to follow suit.

In numerous interviews throughout the weekend, Neeleman promised that he would reveal JetBlue's redemption plan to the world by Monday, February 19. If a customer bill of rights was going to be part of that plan, the CEO still had to convince many influential people inside the company. As the weekend drew to a close, Neeleman and his leadership team needed to make some tough decisions - ones that would undoubtedly change the course of history for JetBlue Airways.

### Discussion Questions

1. What image restoration strategies should JetBlue Airways employ to rebuild its reputation as a customer-centric company?
2. If you were in charge of JetBlue's external communication effort, how would you try to make amends with customers who were delayed aboard planes or in terminals for hours?
3. How could JetBlue have better communicated with its internal stakeholders across the country on Valentine's Day and during the days that followed?
4. When addressing the company's stakeholders, how much blame for the crisis would you place on the inclement weather on Valentine's Day?
5. What is the best way to publicly explain the hundreds of additional flight cancellations that were necessary because of JetBlue's decision to "reset" its operations?
6. Should the corporate communications team at JetBlue arrange for CEO David Neeleman to appear on the national television news and talk show circuit following the crisis? What are the potential benefits and risks to the company's reputation?
7. What are the financial and reputational risks of publicly committing to an initiative like the JetBlue Airways Customer Bill of Rights?
8. What concerns might JetBlue's shareholders as well as members of its legal and finance departments have about a proposed JetBlue Airways Customer Bill of Rights?
9. Could JetBlue ever retract its Customer Bill of Rights once it is made public?
10. If implemented, how would you market the JetBlue Airways Customer Bill of Rights to external and internal stakeholders?

## Appendices

Appendix A – *JetBlue Airways News Release (February 14, 2007)*



### JetBlue Statement Regarding Operational Impact Today

NEW YORK, Feb. 14, 2007 (PRIME NEWSWIRE) -- JetBlue Airways issues the following statement regarding operational disruptions caused by a winter weather system:

JetBlue apologizes to customers who were impacted by the ice storm at our home base of operations in New York, specifically at John F. Kennedy International Airport. Of the 505 daily flights operated by JetBlue, more than 250 flights were cancelled, and approximately 10 flights were significantly delayed at JFK with customers on board. These flights were a combination of scheduled departures from JFK that were not able to take off due to the ever-changing weather conditions, and arrivals that we were unable to move to a gate within a reasonable amount of time, due to all gates being occupied.

This resulted in unacceptable delays for our customers. JetBlue sincerely apologizes to all customers impacted by today's weather and will be issuing a full refund and a free roundtrip flight to customers delayed onboard any aircraft in excess of three hours. JetBlue's customer commitment team will be contacting these customers as soon as possible.

Appendix B – *JetBlue Airways News Release (February 17, 2007)*



JetBlue Airways Pre-Cancels 23 Percent of its Scheduled Flights for Feb. 17 and Feb. 18, 2007

NEW YORK, Feb. 17, 2007 (PRIME NEWSWIRE) -- JetBlue Airways today announces that it has pre-cancelled 23 percent of its Saturday, Feb. 17 and Sunday, Feb. 18 schedule in order to reset the operation by positioning all aircraft and allowing flight crews to reset their operating clocks. Further cancellations may occur throughout the operating days.

The airline has canceled all flights to and from the following cities for Saturday, Feb. 17 and Sunday Feb. 18:

Austin, TX	Nashville, TN
Bermuda	Pittsburgh, PA
Charlotte, NC	Portland, ME
Columbus, OH	Raleigh/Durham, NC
Houston, TX	Richmond, VA
Jacksonville, FL	

Flights to other JetBlue destinations may be impacted as well. Customers are asked to check the status of their flight online at [www.jetblue.com](http://www.jetblue.com). Customers whose flights have been cancelled will be granted full refunds or JetBlue credit, or may choose to rebook their travel through May 22, 2007.

Refunds and credits may be obtained through [www.jetblue.com](http://www.jetblue.com). Customers may rebook their travel by calling 800-JETBLUE (800-325-2583). Call volume is high; customers may have difficulty getting through to reservations. Customers may rebook via 800-JETBLUE anytime through May 22.

JetBlue attempted to recover from the Feb. 14 ice storm by selectively canceling flights on Feb. 15 and Feb. 16 in order to help reset the airline's operation. The benefits of this action were mitigated by further operational constraints at JFK, including a one runway operation on Feb. 15, which resulted in long delays that flowed into Feb. 16.

JetBlue is taking this aggressive, unprecedented action to end rolling delays and cancellations, and to operate a new schedule reliably.

Appendix C – YouTube Video Featuring JetBlue CEO David Neeleman (February 18, 2007)

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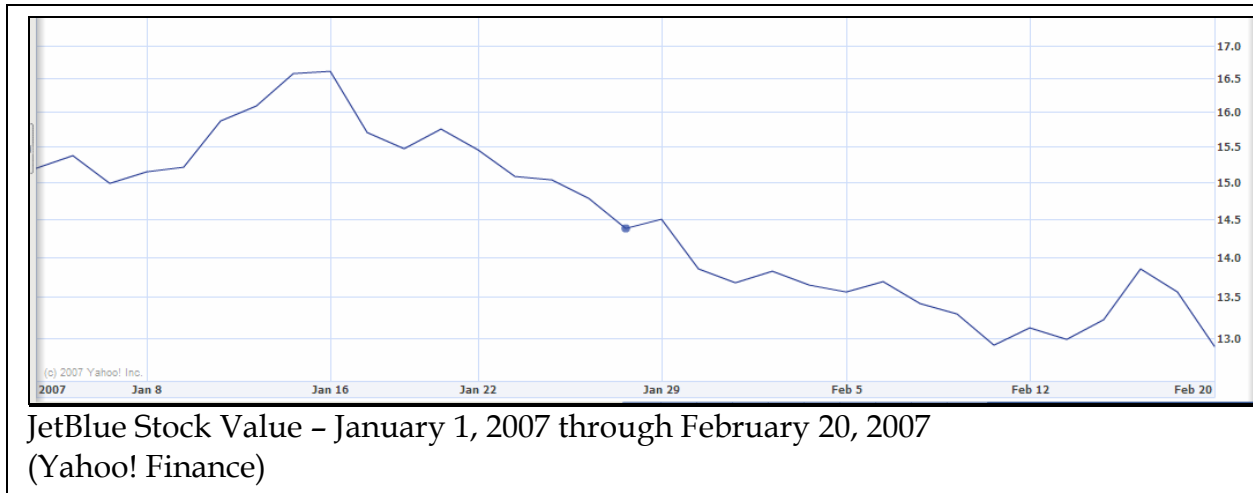
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Appendix D - *JetBlue Airways Stock Value (January 1, 2007 - February 20, 2007)*

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