



**STATEMENT OF DAVE BARGER**

**CHIEF EXECUTIVE OFFICER  
JetBlue AIRWAYS**

**NOVEMBER 15, 2007  
10 a.m.**

**BEFORE**

**The Subcommittee on Aviation  
Committee on Transportation and Infrastructure**

**United States House of Representatives**

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JETBLUE AIRWAYS CORPORATION**

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Chairman Costello, Ranking Member Petri and distinguished members of the subcommittee:

I am grateful for the opportunity to submit this written testimony, on behalf of JetBlue Airways' 11,000 crewmembers, elaborating on our tremendous recovery efforts undertaken since last February and our crewmember's equally strong efforts to prepare for the approaching holiday travel season.

Introduction

JetBlue Airways, based at John F. Kennedy International Airport ("JFK") is *New York's low fare hometown airline*. Our goal has always been to bring humanity back to air travel. Since launching the airline in February 2000, JetBlue has brought affordable airfares and award-winning customer service to millions of customers. Some attribute our success and accolades to our new fleet of aircraft, everyday low fares, leather seats and free live television and XM radio. However, we believe our success is attributable to

the dedication of our crewmembers who deliver the JetBlue Experience each and every day, with a smile and an endless pursuit of customer service excellence.

JetBlue now operates 132 jets on 525 daily flights carrying more than 60,000 daily customers to 53 destinations. We also have firm orders for 145 aircraft and options for an additional 140 aircraft as we continue our growth. To accommodate our long-planned growth, we are on schedule and on budget to move into our new 26-gate, \$875 million terminal at JFK next fall. This project represents five years of careful and deliberate planning and investment in our future growth at JFK.

Despite all of our success to date, JetBlue had an awful week last February following the severe ice storm that impacted New York on Valentines Day. With the good intention to simply get our customers where they wanted to go for their holiday vacations, we failed to deliver on that basic promise, failed to take proper care of some of our customers and failed to recover our operation in an appropriate period of time which negatively impacted more customers. Rather than hire a public relations firm to work around the clock on our behalf to “spin” this reality into something more palatable, JetBlue instead worked tirelessly to fix our immediate operational problems, own up to our mistakes and apologize to our customers. We did so with a series of very public and repeated apologies, a great deal of compensation and then we issued the airline industry’s most comprehensive Customer Bill of Rights.

#### JFK’s Capacity Constraints:

The most effective means to prevent irregular operations from negatively impacting our customers with lengthy delays and air traffic congestion, especially in the busy northeast where the great majority of our flights operate, is to modernize the Air Traffic Control system (“ATC”). There will always be periods of extreme weather for airports and airlines to cope with, but increasing capacity at our airports and in our airspace is the single most effective means of ensuring smooth operations and minimal delays on our blue skies days. In this regard JetBlue continues to support an FAA Reauthorization

funding formula that is equitable amongst carriers as well as all aviation user groups, so that a long-term financing stream is available to successfully evolve our ATC system to a safe, satellite based, advanced technology system which achieves maximum efficiency for its all of its users.

Until such time as the various components of the FAA's modernized ATC system can be funded and implemented, congestion at key airports such as our home at JFK must be addressed. While expanding capacity remains the most effective means to reduce congestion, the reality is that JetBlue reluctantly requested and strongly supports temporary flight caps (slots) at JFK to ensure that no hour is oversubscribed such that scheduled operations vastly outpace known capacity. In this regard, JetBlue is an active participant in the FAA's ongoing Aviation Rulemaking Committee dealing with aviation congestion in the New York region.

JetBlue believes the FAA's benchmarking of capacity is too low and the threshold number of safe operations per hour should be higher than currently established (80/81). Further, JetBlue has urged the FAA to set prospective service levels for the largest carriers not by their presence in the midst of the record congestion at JFK last summer but rather to set service levels (and the "voluntary" flight reductions necessary to achieve these service levels) based on each carrier's year over year increase in operations. Only this latter benchmarking mechanism will fairly and proportionately address each carrier's contribution to JFK's congestion this past summer and ensure that it is not repeated during next summer's busy travel season.

#### Operational Readiness:

Last winter, once through our operational recovery, JetBlue initiated a deep-dive to examine our operational structure, our procedures, our processes and our infrastructure to ensure to ourselves and our customers alike that never again would we fail as we did last February.

As our Chairman and founder David Neeleman testified before this Subcommittee last April:

“I can inform you that during the past two months we have examined every aspect of our company, its culture, its leadership structure, its processes and its systems and we have learned a great deal which has enabled us to actively address and permanently rectify many shortcomings which lead to our terrible day.”

Since you last heard from David, indeed, JetBlue has undergone extensive self and external evaluation. Many of the changes that began last April are now complete and many more have been fully integrated into our operational structure.

To begin, we have restructured our entire leadership team. David relinquished the role of Chief Executive Officer in order to focus singularly on the future vision of JetBlue as Chairman of our Board of Directors. I was appointed CEO and my former role of President and Chief Operating Officer was filled by Russ Chew, formerly the Chief Operating Officer of the FAA’s Air Traffic Organization. Under Russ’s able leadership, JetBlue brought on a new Director of System Operations, Joe Bertapelle, an aviation professional with nearly two decades of experience in this unique field of work. Further, since last winter, JetBlue has hired experienced aviation leaders where strengthening was needed, including our JFK operations team, particularly in the areas of deicing and operations control, our dispatch team, our flight operations team and importantly, our crew services and crew scheduling department.

With a strengthened leadership team, JetBlue has undertaken many new internal process and procedural changes to ensure more operational reliability, especially during irregular operations. These include, but are not limited to:

1. Implementation of a comprehensive Onboard Delay Escalation procedure (now approved by FAA) that outlines JetBlue’s protocol and communications for *any customer delay over 59 minutes*. This policy outlines the proactive steps to be taken during increasing time increments by each crewmember involved in the operation of a delayed arriving or departing flight;

2. Creation of a policy where we deplane customers at the 5 hour point in nearly any operational circumstance;
3. Transforming our Operations Centers into sterile environments during non-routine operations;
4. Establishing programs that alert our controllers as we approach FAR/Crew legality limits; and
5. Creating recovery and emergency communication standards for any extended operational challenges at JFK with the goal of transmitting relevant operational data quickly to our frontline Crewmembers.

We have retooled our training as well. Some of these enhancements include:

1. Creating an open bridge of communication from key airports to the Systems Operations Center (“SOC”);
2. Developing a new training curricula for Operations Center and SOC Crewmembers, and training everyone in how to best utilize all the technology tools at their disposal;
3. Placing airport personnel in the SOC with 24/7 coverage to give direct feedback to leadership;
4. Redesigning, both physically and in workflow, our SOC and Operations Center at JFK to foster improved communications and
5. Creating pre-cancel plans 24 to 48 hours in advance of any major forecasted weather.

Finally, JetBlue has strengthened the resources available to us on the ground, including:

1. Parcel Z (former deice tarmac area at JFK), which can accommodate up to a dozen JetBlue aircraft, is now used regularly for deplaning customers to avoid long arrival (taxi-in) delays due to earlier delayed flights and gate congestion (up to 90 arriving flights were deplaned this way monthly during the summer);
2. New bus operation “rescues” flights deplaning at our remote pad (Parcel Z) to transport customers and baggage to the terminal;

3. Completely overhauled and enhanced our deicing operations at JFK to better align demand with supply while increasing throughput. This was achieved by adding 100 percent capacity our deicing program from four to eight simultaneously active deice pads, with twenty-five trucks, and expanding our qualified deicing crew population; and
4. JetBlue will operate the new, coordinated “snow desk” for all of JFK airport this winter, and all internal crew training has been completed for maximizing the use of the automated tool “irops.net”. This is the tool all airlines will utilize to communicate slot controls during major winter weather at JFK. This stems from efforts of the Port Authority’s Flight Delay Task Force and Customer Service Group.

As for the upcoming holiday travel season, JetBlue is confident that these many efforts undertaken thus far will prepare us well to weather any storm. Our reservations and airport staffing levels are higher than they have ever been, our customer communications enhancements are in place, including more extensive rebooking tools on our website, our operational contingency plans are in place, our training is complete and our leadership personnel will be augmenting our airport Crewmembers to assist our customers this holiday season.

#### Customer Commitments:

We believe the vast internal changes we have made at JetBlue over the course of 2007 position us to be a much stronger and more reliable airline to our customers. Still, these internal changes to leadership, processes and procedures were primarily focused on minimizing disruptions to our customers. In addition, JetBlue has undertaken a series of unprecedented steps to directly change our external relationship with our customers since last February’s disruption to our operations. The irony last winter of JetBlue being at the center of a debate on negative customer service is hardly lost on any JetBlue leader. Any airline can fly a customer from point A to point B, but the hallmark of JetBlue has always been excellent customer service.

JetBlue entered the competitive landscape at a time when customer service in the airline industry was perceived to be at an all-time low level. The industry had collectively, in response to this perception and a series of winter storm-related strandings in early 1999, issued its own Airline Customer Service Commitment, with individual carriers each issuing their own Customer Service Plans. These plans and the industry's collective commitments have been reviewed by the Department of Transportation's Inspector General. It is important that this subcommittee know that JetBlue was not a party to this industry Commitment as we were not a certified airline when it was crafted. However, since our first flight, we have complied with nearly all of the provisions of the initial Customer Service Commitment created by other carriers and we have regularly surpassed its commitments in other areas since our first flight.

Further, in the immediate aftermath of last February's storm induced operational failure, JetBlue created the most comprehensive set of customer service guarantees and compensatory guidelines ever issued by a U.S. airline.

Recognizing what we put our customers through and wanting to both make amends and ensure we always would keep their best interests in mind, JetBlue published a Customer Bill of Rights. An apology letter with a link to this document was emailed to all of our impacted customers as well as millions of other customers who had ever flown JetBlue. This document, our commitment to customers on how we would handle operational interruptions going forward, and made retroactive to cover those impacted by the February storm, was unprecedented in its scope. Further, it was incorporated into our Contract of Carriage.

Key commitments in JetBlue's Customer Bill of Rights include:

1. JetBlue will notify customers of delays prior to scheduled departure and, cancellations and diversions along with their cause;

2. If JetBlue cancels a flight, JetBlue will provide a refund or rebook the Customer. If the cancellation is due to events within our control and within four hours of the scheduled departure time, JetBlue will provide a \$100 voucher good for future travel on JetBlue;
3. If a JetBlue customer is involuntarily denied board (bumped), JetBlue will pay that customer \$1000;
4. If JetBlue delays a flight after its scheduled departure time for reasons within our control, starting at one hour, customers will be compensated with a \$25 travel voucher, between two and three hours and fifty nine minutes – a \$50 voucher, between four and five hours and fifty nine minutes a voucher in the amount paid by the customer for the one-way trip and for six or more hours a voucher in the amount paid by the customer for the roundtrip;
5. For all onboard ground delays, customers will have access to food and drink, restrooms and as necessary, medical attention. For ground delays of more than five hours, JetBlue will take the necessary action so that customers may deplane;
6. For arriving flights on onboard ground delays, starting at one hour after scheduled arrival time , customers will be compensated with a \$50 travel voucher, for two or more hours after scheduled arrival time, compensation will be a voucher in the amount paid by the customer for the roundtrip and
7. For departing flights on onboard ground delays, customers experiencing a three hour delay after scheduled arrival time will receive a \$50 travel voucher and for delays for four or more hours, compensation will be a voucher in the amount paid by the customer for the roundtrip.

Each of these commitments by JetBlue far supersede anything required by law or any level of commitment made by other carriers to their customers. Further, each of these carefully balances the operational realities and limitations of our ATC system and the strong desire of our customers to actually get where they desire to go.

Conclusion:

I am proud to submit this comprehensive outline of the many steps JetBlue has taken internally as well as externally with our crewmembers and customers alike to ensure that our operational reliability and focus on delivering the highest level of customer service remain second to none.

Thank you Mr. Chairman for the opportunity to present the views of JetBlue Airways to this Committee.