

Dear Crewmembers,

Just as we turn the corner on COVID, a new threat to our recovery is mounting: surging fuel prices. Our fuel costs are running about 70% higher than they were at the end of 2021. And now with the U.S. banning oil imports from Russia because of the war on Ukraine, we expect costs to go even higher.

This is probably no surprise to you. You've seen first-hand how prices at the pump have shot up, and you might be thinking about how you can cut down on your own gas usage by driving less. At JetBlue, we need to be thinking about our business the same way. We were already unprofitable, and now we are spending almost \$2 million more per day than we planned, thanks to the high price of fuel. That adds up fast. Fuel is one of our biggest operating costs and while we remain hopeful that the current high prices will come down some, the reality is that costs are very likely to remain high into 2023.

We have to act quickly and aggressively to protect our company. In 2008, we faced a similarly challenging fuel environment during the financial crisis, and the actions we took then set JetBlue up for success for years to come. Similarly, we need to stay in front of this, and we are asking for your help. We know what we need to do to survive high fuel, and we need your help to keep our airline running efficiently and ready to pivot whenever we need to.

We have four major actions underway to get ahead of this challenge:

#### **Reviewing and reducing our schedule**

The best tool to fight high fuel costs is to reduce our flying. When fuel is over \$100 a barrel, some of our flights and even entire routes no longer make financial sense. We need to reduce our worst performing flying where we can. We've already reduced our April capacity by 4 percentage points and are moving swiftly to reduce our May capacity by 6-8 percentage points. You should expect to see reductions continue into the summer that will help us reduce fuel consumption and provide relief to our operation. I know these close-in schedule changes are disruptive to our Customers and add stress for Customer Support, but we simply have no choice but to respond.

#### **Cutting back and reviewing all discretionary spend**

Given the amount of cash we're burning each day on both fuel and our business, we are immediately cutting back and reviewing all discretionary spending, including Business Partners. We're also delaying and pausing most non-critical hiring – this does not include IT, safety and frontline hiring as we make sure we're fully staffed for the summer.

#### **Bringing more revenue in the door**

We can offset higher costs by bringing in more revenue. The good news is that people want to travel again. Higher gas prices will also hurt our Customers' pocketbooks, but right now we still expect a strong spring and summer peak. We need to try to recover as much of the higher fuel costs in these peak periods. That means the peaks will be very busy. Crewmembers can help by coming to work ready to support the operation. You can also help us bring in extra revenue by promoting the benefits of our fare options and Vacations packages and promoting additional revenue opportunities like Mint and Even More Space upgrades, buy onboard products, and our co-brand credit cards.

#### **Using fuel wisely**

While it's impossible to eliminate the use of fuel – we burn roughly 2.5 million gallons of fuel on an average day – we need to make every gallon count. We need our Flight Ops, Tech Ops, SOC, Dispatch and Airports Crewmembers to help us implement best practices in fuel savings each and every day. Many of these are efficiency initiatives that are already in place, but we now need to double-down on them. This includes single engine taxiing, managing use of ground power, operational planning and following proper procedures. We'll also be reverting to old procedures on the turn in regards to APU usage. We have an incredible opportunity to save money at every aircraft turn. While each action may seem minimal, together they have an impact on our bottom line and will help us protect our business and Crewmember jobs. For example, if we are diligent about following procedures for APU usage we can save almost \$2 million over the course of a month.

Please watch for information from your workgroup leaders about actions you can take in the operation and how we'll be measuring compliance for our fuel savings initiatives.

Many Crewmembers ask about fuel hedges and if we could use them to protect us during moments like this. We do not have any fuel hedges in place currently and the ups and downs of the market have made fuel hedging very expensive. It just hasn't made sense for us to use hedging, but it's something we are always looking at.

I do not want to ring the alarm bells too soon – we hope this price surge will be short-lived – but this is an issue we must take very seriously. We spend over a billion dollars on fuel each year and this is adding hundreds of millions extra. Taking our eye off the ball could lead to serious consequences for our company.

Thank you for leaning in and stepping up to protect each other and our Customers day in and day out. Our Crewmembers have been working so hard to keep JetBlue flying during some very turbulent times. We love this industry but it is very dynamic and can feel challenging sometimes. Facing another roadblock to our recovery isn't easy but we have the best team in the industry and I'm confident we'll overcome this latest challenge. When we work together to tackle a challenge head on, we show that we can overcome just about anything.



Robin Hayes  
Chief Executive Officer