

The Economic Club of New York

ESTABLISHED 1907

The Economic Club of New York

116th Year
699th Meeting

Robin Hayes
Chief Executive Officer
JetBlue Airways Corporation

March 29, 2023

In-Person/Hybrid Event

Moderator: Phil LeBeau
CNBC

Introduction

President Barbara Van Allen

Good afternoon and welcome to the 699th meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club. The Economic Club of New York is recognized as the nation's leading nonpartisan forum for discussions on social, economic, and political issues. As many of you know, we've had more than 1,000 prominent guests appear before the Club, and we have established a tradition of excellence in that regard. And, of course, that continues right up to today.

I know we have several members of the City Council here in the room as well as, I believe Kathryn Wylde is here of the New York City Partnership. So we'd like to give them a warm welcome. I'd also like to welcome students from Mercy College, Columbia Business School, Gabelli School of Business at Fordham, who are joining us virtually today, as well as members of our largest class of 2023 Fellows – a select group of diverse, rising, next-gen business thought leaders. This year we actually have 71 Fellows, a program that's in its seventh year, started with 20. And we just are so proud of these Fellows that we gathered together actually for the first time, this class, last night in person and it's really a remarkable group. If you're interested in '24, we'll be preparing for another class, so keep that in mind.

I'm honored to now welcome our special guest today, Robin Hayes. Robin is Chief Executive Officer of JetBlue Airways Corporation, which encompasses JetBlue as well as subsidiaries – JetBlue Ventures and JetBlue Travel Products. He joined JetBlue in 2008, served as the company's Executive Vice President and Chief Commercial Officer until becoming President of the airline in 2014. In 2015, he was appointed as JetBlue's third Chief Executive Officer, serving as President and CEO until 2018.

Prior to joining JetBlue, Robin was EVP for the Americas at British Airways. Over the span of a wide-ranging 19-year career with BA, he also served as Area General Manager for Europe, Latin America, and the Caribbean. He serves as Chair of the Board of Directors for America (A4A), past-Chair of the Board of Governors at the International Air Transport Association, and a member of the Board of KeyCorp, Make-a-Wish Connecticut, and the Wings Club Foundation.

We all know air travel has been in the headlines recently and JetBlue's recent announcement of its merger with Spirit Airlines and all that is around that, we expect today's discussion to be quite interesting and should shed some light for all of us.

The format today will begin with remarks by Robin followed by a fireside conversation. And we're delighted to have CNBC auto and airline industry reporter, Phil LeBeau, doing the honors of moderating. And as a reminder, this conversation is on the record

as we do have media in the room and quite a bit actually online. So, Robin, if you're ready, I'm going to move away from the podium and give it to you, sir.

Remarks by Robin Hayes

Alright, well, good afternoon everyone. Hello, Kathy. Where's Kathy sitting? You're with Doug. And then Donovan, thank you. I don't know if everyone knows Donovan. He's my good friend. He's the Queens Borough President. No one has fought harder to keep JetBlue in Queens as him over the years, so we're very appreciative as well.

Well, hello everyone. And to those of you online, good afternoon. And I'd like to thank The Economic Club of New York for inviting me here today, and it's a pleasure to speak with all of you. You know, just going off the record for a second, although it's all on the record, but we had a court case in Boston. We were sued by the Department of Justice last year and during the trial they were using a lot of my previous speeches because I put so much juicy content in them. So may that continue.

And then what I don't say, Phil, I'm sure will drag out of me. Anyway, as New York's hometown airline, which we're very proud of, we are deeply passionate about our city and our region. We have thousands of crew members that work here and live here. And our largest support center, we don't have a head office at JetBlue, is just across the

river in Long Island City, in Queens. For 23 years, our mission has been to inspire humanity and that's driven our passion for delivering both low fares and great service for all of those coming to New York City and, of course, New Yorkers traveling to other parts of the country.

Now, while we remain small – we are only 5% of the national market – much, much smaller than those big four legacy airlines – Delta, American, United, and Southwest – who have 80% between them. And, by the way, the rest of us, small airlines, have 20% between us, we certainly punched above our weight since day one. Of course, we're known as a low-cost or discount airline, but our onboard experience does not feel cheap.

We've got the most leg room of any airline in the U.S., the first airline to put seat-back TVs, the only airline to have free Wi-Fi on every flight, friendly snacks – friendly snacks...free snacks. And, of course, our amazing crew members. We strongly believe that in the JetBlue DNA, and by the way, we know we're not perfect, you shouldn't have to choose between low fare and great service.

We consider ourselves New Yorkers because we are disruptors, challengers, a bit feisty, but also we want to be better every day. When we enter a new market or route, customers benefit with better service and lower fares from JetBlue, and that is a fact,

using the Department of Transportation's own fare data. Also, one of my favorite comments when I go to a new JetBlue route is even if you're never going to fly JetBlue, we're saving you money because our competitors have just lowered all their fares to match JetBlue.

Our recent entry into Europe is the latest example of how we can disrupt the big airlines. We're shaking up the Trans-Atlantic market from New York to London and soon to Paris, and more European cities to follow, with our incredible Coach, we call it Core, and Business, we call it Mint experience. Since the industry was deregulated, air travel has become a way of life, an important engine for our economy. So we've got to continue to push for a more reliable and more competitive industry.

Now, it's no secret that New York is still recovering from the impact of Covid. And I was at an event last night and the mayor, Mayor Adams, came along and spoke for ten minutes. And it was one of the most incredible ten-minute speeches I've ever heard, like the passion and the commitment to bring New York back. And we want to be part of that.

We have staffed up at JetBlue for a very busy summer. We've hired more people than we've ever hired because we recognize that things kind of ramped up in 2022, and as an industry we weren't quite ready for it. But unfortunately, last week the FAA

announced what we've known for a long time, is that there is a significant shortage of air traffic controllers in the New York Center. In fact, the center that controls all flights in and out and through New York is only at staffing levels of 54% of what they need, against the national average of 81.

Unfortunately, the FAA has said to the airline industry that if we don't cut flights in and out of New York this summer, then delays will be 45% worse than last summer. And to put it in perspective, the FAA's own data has shown that on an average day in New York last year, 350 delays a day, I think it worked out, were due to, in some part, FAA staffing. So imagine that being 45% worse. It's just not feasible.

So regretfully and unfortunately, even though we're ready, we've got airplanes, we've hired pilots, we've rented the gates, JetBlue and other airlines are going to have to cut flights in and out of New York this summer in order to cope. It's frustrating because we want to have a vibrant tourism. We want to get the hotels full again. We want to get the restaurants and cafes, which are still adjusting to life where people are hybrid. We want to get them humming. We want to get the theater district and Off-Broadway full again. But this is going to be a significant step backwards in our ability to do that.

The shortage is something that has been ongoing for a while. It was certainly there before Covid, but really has been, I think, additional challenges since Covid. We didn't

train any air traffic controllers for a while. It takes a long time for a controller to be trained to come to New York Center, because it's probably the most complicated in the country. And it's not just New York, you know, we should continue to expect delays in other ATC centers across the country as well. It doesn't just affect New York either.

JetBlue is the largest airline in Boston, but every flight south goes through New York Center and also is going to be subject to similar challenges. And it affects JetBlue more than any other airline, just because 60%, nearly 60% of our flights are in and out of the New York area every day. So we are going to sadly have to reduce flying this summer in order to make sure we can fly. And even then, it's going to be challenging because last summer was also very challenging due to delays.

Now, what can we do about it? Well, we need to get the FAA really focused on hiring, which they're doing, training, which they're doing. And we also need to make sure on the FAA Reauthorization Bill this year that FAA is funded for both the technology enhancements they need to make but also the people that they need to continue to hire. And the good news is, early on at least, there seems to be good bipartisan support for that.

The other industry that is, the other issue that's plaguing us in the U.S. is the lack of meaningful competition. For years I've been going to the federal government and talking

about the power of these large four airlines, large airlines that they have enabled over the years by allowing them to merge. As I said earlier, 80% in the hands of four airlines and the rest of us have to make do with 20% between us. That is not sustainable over time. Anyway, despite our pleas and many speeches over the years, we've made very little progress. So we've unfortunately had to take, ultimately we've had to take matters into our own hands. And this is why we've moved forward with two efforts to give a serious boost to the competitive landscape here in New York as well as across the country.

The first is we entered into a partnership last year with American Airlines, which created the biggest transfer of slots from American to JetBlue, or into JetBlue, that I can remember. You know, we were still a fraction of the size of the other airlines and now we can be competitive with the likes of Delta and United. Because New York is congested, the slots and the gates just weren't there. So by partnering with American Airlines, we've significantly grown our footprint in New York. We've gone from about 150, 160 flights a day in JFK to nearly 190. We've quadrupled our presence in LaGuardia to 60 flights a day, and we've been able to grow our presence in Newark as well.

I do, by the way, want to give a shoutout to the Port Authority as well for what I think is a fantastic new terminal at LaGuardia and also all the improvements that are going on at

JFK. If we could now just get a single seat train ride from JFK into the city, we would be happy, although I'm very happy with the new connection from Jamaica to Grand Central, because I live in Connecticut. So I can now get the Air Train to Jamaica. I get that to Grand Central and then I can get on Metro North home.

So the other thing that we have done is obviously made a bid, which was accepted for a JetBlue-Spirit combination. Together with Spirit, we'll be flying more of the JetBlue much-loved experience with more low fares to customers across the country. And, by the way, even together we're going to be less than half the size of these big four airlines that are already out there today. But we can bring the JetBlue low fares and the JetBlue experience to more people across more cities and more communities in the United States.

Unfortunately, the Department of Justice is trying to block our efforts again, which just continues to further the power and the dominance of the big four. Our transaction, which, by the way, the nation's largest flight attendant union, the AFA, calls the anti-merger merger, will make a meaningful difference to fixing the very problem that the DOJ has helped create by approving all of these mega airline mergers.

So it's certainly a head-scratcher, the DOJ has two antitrust lawsuits underway against JetBlue, a 5% player, that I think is more committed to low fares and great service than

any other airline in the United States. This is not Pepsi merging with Coke. This is the number 6 player with 5% merging with a number 7 player with 4% to get 9%, still a fraction of the big four.

And we understand, by the way, that the administration takes an unfavorable view of consolidation in general. But you've got to look at the facts, and unless there is a solution to break away the power of the big four, which I see no path and no route to do, you have to think, what is the next most competitive thing that we can do? And I can tell you over time, having four airlines with 80% and the rest of us all sharing 20% between us is not going to be good for competition.

The good news is we've had amazing support from communities that we serve. For example, if there is any overlap at all, where there may be some questions, it is in Florida, where both Spirit and JetBlue have some operations. Well, we entered into an agreement with the state of Florida, where we guaranteed growth of both jobs and growth of flying in order to help make sure that we were growing aggressively in Florida. So we have commitments that we have made to take where Spirit is today, JetBlue is today, and increase that by 50% over the next seven years across Florida's airports.

And whilst the Spirit transaction does not bring incremental growth to JetBlue in the New York airports, because we have offered to divest the Spirit slots and gates in the

New York airports, it will make a more relevant and competitive JetBlue nationally, which is also good for New York because it makes sure that JetBlue will solidify its financial position, grow, which is good for New York as well. It also will help diversify JetBlue out of the Northeast. As I said earlier, we're going to remain with some very significant operational challenges here for, in my opinion, a number of years, and this will help managing our airline more easily.

So, for 23 years we've tried to do it differently. We're very proud of the fact that we've never furloughed a single crew member in our 23-year history. We're proud of what we do for our crew members. We're proud of what we do for our communities and for you. I know we're not perfect, but we try and get better every day. So with that, thank you, and I look forward to your questions, Phil.

Conversation with Robin Hayes

PHIL LeBEAU: You don't have anything on your mind, do you? (Audio Malfunction) A lot to chew on here. So let's start with the big one out there, which is a buddy that...(Audio Malfunction)...a buddy that I talked with in the New York area, including my daughter who lives here now, when they ask me about this summer and I say, well, yeah, I think it'll be okay when you're flying, everybody says, I dread that it's going to be a nightmare. What do you think this summer is going to be like for people flying in and out of New

York?

ROBIN HAYES: Well, it's always difficult...(Audio Malfunction) Okay, it's always difficult because I oversee an airline based in New York, we certainly don't want to discourage...

PHIL LeBEAU: You're not trying to discourage them but let's be realistic.

ROBIN HAYES: I think, look, I think that last summer was very challenging. And, you know, I think JetBlue, we went out of our way to invest to reduce the impact. Let me give you an example. We invested about tens and tens of millions of dollars in additional pilots. We took the number of spare airplanes we have and, you know, Phil, when an airplane is sitting there, spare, it's not making any money.

PHIL LeBEAU: Absolutely.

ROBIN HAYES: We nearly doubled that, the spare count. We made very significant investments to reduce the impact of delays. Because if an airplane is going from JFK to Florida twice a day and it's delayed one to two hours each time, either due to weather or ATC staffing, it drives a very significant impact. So, look, it wasn't, I was proud of how well the team did, but it wasn't something that I would want to say every summer should look like. I think the good news about what's happened is the FAA has now owned the

staffing issue.

We were talking to many reporters last year about this and we were highlighting that there were staffing challenges, and they would call the FAA, and the FAA would say, no, like we're managing it. And now it's going to say we are down to 54% in New York. At least we know what the issue is and we can work together in the industry to mitigate it. Less flying this summer in and out of New York, whilst very unhelpful to the economy, very unhelpful for people traveling, will make the experience mitigated for those that do.

PHIL LeBEAU: Mitigated, but overall, and I'm not trying to get you to say...

ROBIN HAYES: I'm going to be honest. It's still going to be challenging. It is. I mean the FAA has said that there were nearly 45,000 delays last summer in and out of New York linked to FAA staffing. These are now Robin Hayes' numbers. These are FAA's numbers. I worked that out to about 350 a day. The 10% that we're taking out is largely offsetting the growth that was due to happen. So you could say, you could say a good outcome is this summer feels like last summer.

PHIL LeBEAU: This is happening at a time today in Washington, as we speak, although they may have wrapped it up by now, the FAA along with representatives from JetBlue, all the airlines, are there, union groups, airports, general aviation, and the idea here is

let's come up with a solution similar to what we did in Florida to address congestion down there, which the FAA believes has been successful.

So a two-part question here. The first is, do you think that they've been successful in Florida with the steps that have been taken in terms of easing congestion down there?

ROBIN HAYES: Yes, so definitely. The FAA, after, actually it was about this time last year, we started seeing some really, really long delays because of staff shortages in Jacksonville, and they did make a number of changes to procedures and things that really did help. The problem is the industry continues to grow and people want to fly. So what worked last year isn't going to work this year unless you can hire more staffing and hire more controllers. I mean even this weekend and this week we've seen long delays in and out of Florida due to a combination of weather and staffing. And so it's not just New York Center. You know, this is something that we have to solve.

And I think what we welcomed about the FAA's approach last year is they were very transparent about the issues in Jacksonville and then we had a pretty good summer because we all, as an air industry, could work together. I think the good thing about what's happened in New York – as tough a pill as it is to swallow – it means we can now work together on, when we get into the summer and we have these issues, how do we want to handle it? Do we want airlines to cancel flights earlier in the day? Do we want to

delay airplanes but still try to get them operating?

PHIL LeBEAU: So are you confident that this meeting at least leads to some steps that will ease some of the problems that we might experience this summer?

ROBIN HAYES: I believe it should. I mean I feel that the history is when the FAA and the industry collaborate well together, we can make things better. But when you're down to 54% staffing, you can't make a magic wand and make all the problems go away.

PHIL LeBEAU: The other issue that comes up with the FAA and with staffing is you just can't hire somebody and say, well, I'm going to put you in the air traffic control center. You and I both know it takes years for the person to go through the process to ultimately be able to say I'm ready for New York City. They are making commitments to hiring. Do they need to do even more, the FAA?

ROBIN HAYES: So I think the FAA have done a really good job of late in terms of hiring controllers and getting them into the system. The problem is there's just such a long lead time before they become a controller in one of the more complicated centers like New York that could make an impact. I think what happened, unfortunately, is during Covid the FAA just stopped a lot of training whereas the industry, the airlines continued to find a way of training pilots, hiring pilots, training them in a Covid-safe way. And so

whilst we had, you know, look, we had some challenges as an industry last year, no doubt, ramping back up, we've now gotten on top of that.

I mean I'll give you a statistic at JetBlue. Before this, we were due to fly about 7% to 8% more capacity this summer than last summer, sorry 7% to 8% capacity more than 2019, which is the last normal year in airlines as you know, with about 7% to 8% more people. So we have significantly hired more people. Now, unfortunately, you know, we're going to have less flying but the costs are still there. So the other impact is something like this has a very significant impact, financial impact to JetBlue, because now there isn't the number, an amount of profitable flying that we had assumed we were doing, that we won't be doing anymore.

PHIL LeBEAU: Let me ask you about the two DOJ cases. Let's start first off with NEA, and we don't know when the judge will make the decision. It could be this week. It could be a couple of weeks. Who knows? Everybody's expecting it any day now. As I listened to that trial, I sat there and I said you're making a lot of very compelling – you, meaning you guys and American Airlines – making very compelling arguments and the numbers don't lie. Why do you think the DOJ is hell-bent on unwinding this?

ROBIN HAYES: Well, I think, look, reading the complaint, which the DOJ filed, by the way, which praise JetBlue's impact on low fares and improving service, which was

different to what they just said on the latest one, but anyway, I think the concern was, which was raised during trial as well, was that by partnering with American, are we going to turn into American Airlines? You know, are they going to exert their influence over us? Are they going to make us do things that we wouldn't do because we're concerned about upsetting American?

Unfortunately, there wasn't a single shred of evidence that they could present that showed that. We compete with American. You know, when we've started flying Mint from LAX to Miami, I don't imagine American was very happy about that. You know, I mean what this has done, I mean we would rather have grown JetBlue organically in New York. But, as you know, Phil, the slots are all full.

Taking off American regional jets with 70 seats and replacing them with airplanes with 100 to 200 seats, JetBlue, increased seats. It helps bring down fares. I mean New York fares have risen less in the last year than most parts of the U.S. largely because, in my opinion because of the NEA, and just having a lot more JetBlue capacity in the market. So we're waiting to see. Obviously, we hope we win. We're confident. But, you know, the judge has not ruled yet.

PHIL LeBEAU: Which then, by extension, leads to the next question. And I think I'm asking a question I already know the answer to. When they filed the suit to say you're

not going to be able to merge with Spirit, you guys basically came out and said, you know what, they made up their mind a long time ago. Despite all the trips you've made to Washington, it was fait accompli in terms of them saying we've made our mind up. We're going to not let this go through. Do you still feel that way? Or do you feel even stronger now?

ROBIN HAYES: No, I mean, look, I think that, I've been meeting with the Department of Justice for years. And I've been talking about what's going to happen as you allow these large airlines to combine, as you allow the combination between U.S. airlines and European airlines with these joint ventures. The power is massive. I mean the free cash flow that these large airlines can generate every year is greater than JetBlue's entire market cap. And just the ability for them to, if they don't like what one of the smaller airlines is doing, the ability for them to move 30 or 40 airplanes into that market and create a very challenging situation, they have all the power.

And so we felt very strongly that we had to take matters into our own hands. We want JetBlue to be around forever. We're proud of our roots in New York, but we need to be bigger, because that's another way we keep fares down. I mean, in this business, Phil, about 50% of your costs are fixed, about 50% are variable. Again, Delta can spread their, I'm just picking on Delta, any of these large airlines can spread their fixed costs over a lot more capacity. It helps bring unit costs down. We need to be able to spread

our fixed costs over more capacity.

PHIL LeBEAU: But their argument, and I've talked to other CEOs, they come back and they go, Robin says we're going to have low cost, don't buy it. When they get Spirit planes, they'll turn into JetBlue planes, they'll strip out seats. They will not keep the low fares that you see from Spirit.

ROBIN HAYES: Well, we will strip out seats because we think that people should not be flying in, you know, we're proud of our leg room.

PHIL LeBEAU: Understand. And I don't think anybody's going to argue with that.

ROBIN HAYES: You know, it's interesting again, because the government for the last couple of years has been talking about should we have a minimum leg seat pitch? And the President talked about junk fees in the State of the Union Address, and JetBlue has fewer ancillary fees than probably anybody. But I think to your question, what we've said is, first of all, we are going to be able to keep most of the seats, if not all of the seats that we're taking out because we are going to be upgrading aircraft, to bigger aircraft. We're going to, just by having a bigger network, just by flying airplanes 20 minutes a day more in the combined airline, we can replace all the seats that we've taken out. We've offered divestitures in congested airports. So that, you know, yes, at LaGuardia

Spirit would come out, but then another ultra-low-cost carrier would come in. There's a lot of interest. So there's no change really.

And then finally, you know, there are six or seven fast-growing ultra-low-cost carriers, so our commitment to keep prices low, our ability to save people money when you fly on other airlines, the divestitures and the vibrant ultra-low cost carrier segment means that overall people will benefit from this transaction. And the total amount that Americans will be paying on fares would be lower than if this transaction never happened.

PHIL LeBEAU: Obviously you're confident that it's going to, that you're ultimately going to prevail. But this has pushed back your plans in terms of when you could put this all together. Has it forced you to rethink or re-calibrate as you look out over the next couple of years?

ROBIN HAYES: Well, we said, you know, we've been asked at Spirit, because you remember the time we were on CNBC...

PHIL LeBEAU: Yes. We were talking about this upstairs...Ted Christie from Spirit...

ROBIN HAYES: So we actually said we expect to close in the first half of 2024, and we're still on course for that. We have a trial date in October. Let's say we get a verdict

by the end of the year, early next year. Assuming we're successful, we'll be able to close in the first half of 2024. But, you know, had the DOJ not sued us and had found a way of settling with us, we could have closed already or be close to closing and already delivering these benefits to consumers.

And we're going to lay out a very clear case at trial that the total amount of money that Americans will save flying across the United States is greater with this transaction than not. And, by the way, flying people, most Americans, they want to fly in good leg room. You know, they don't want to be nickel-and-dimed on their flight. We want to set the standard for everybody. I mean do you think any airlines, Phil, would have free Live TV in the U.S. without JetBlue? Do you think other airlines would have tried for ten years to get free Wi-Fi without JetBlue? So we recognize we're not perfect, but I think we've been a force for good in the industry.

PHIL LeBEAU: With the time that we have left, I want to touch on a couple of topics here, one of them being the safety summit that took place two weeks ago. At the end of it, I felt like everybody came out of it saying let's just be safer out there. I didn't feel any safer. I came away going, diligence, that's the answer, diligence. Why can't there be more technology? You've got technology in your planes to increase the safety in terms of what's out there? What's stopping that from happening on a broader industry-wide scale?

ROBIN HAYES: Yes, so I'd like to separate the safety from the technology, if I may, because I think despite what's happened – and it's true we've had more near-misses recently – the U.S. system is very safe. I mean there's great collaboration between the FAA and the airlines and we show a lot of data. And there's a lot of self-disclosure in our safety system.

PHIL LeBEAU: And I think everybody wants it to stay that way. I don't think anybody is saying it shouldn't stay that way.

ROBIN HAYES: We want it to stay that way. I think what we've had to do at JetBlue and I'm sure other airlines are doing the same, we've had to get much more aware of the fact that we have a lot more new people joining us. And we've seen that, right. We've had, in the last year or two, more aircraft damages than we've had historically. And what that means is someone driving like a baggage loader or something into the side of the airplane. And so, you know, we've put a lot of focus on making sure that when we have shifts where there's a lot of inexperienced people, we have experienced supervisors on, additional training, additional on-the-job training. And everyone is adapting to this new normal and that will help keep the system safe.

The technology piece you referred to really again is the FAA's commitment to upgrade the technology. I mean you go to London City Airport and they have digital control

center with no one there. It's controlled off-site. You go to Air Canada, sorry, Nav Canada, who control the air space in Canada, again very technology-advanced. You know, the FAA announced recently we're going to extend the time we're using paper strips and passing them between controllers.

And so we have a plan that, the FAA call it Next-Gen, it's been a multi-year plan. The airlines are equipped. You go in a JetBlue cockpit, we've got state of the art GPS navigation, SB. We've got satellite communication technology. We've got data communication technology so we can communicate with the FAA centers using data. We have to find a way of accelerating this transition to give the U.S., because that's going to allow us...and by the way, the other thing, we talk about climate change. You know, JetBlue was one of the first airlines to roll out science-based targets. We've got something like 10%, 12% in there for better ATC. If we move to GPS navigation, we can bring airplanes more closely together. There's less flying around at lower altitudes. We can reduce carbon emissions.

PHIL LeBEAU: All of that makes sense. And yet I come back to what the Head of the NTSB said at the very beginning of that meeting. Something as simple as what they've been pushing for eight years, a constant recording. I mean this is a no-brainer. Is the problem – I hate to say the umbrella, Washington – but is that the issue here?

ROBIN HAYES: I think, you know, we've got to find a way of accelerating this change. And we could look back and say, you know, there were different priorities or different people fought it or other people didn't want to do it. But, like safety has always been neutral. I mean, for example, we have a pilots union called ALPA, and on safety issues we work together. You know, there's no JetBlue in the union. We work, we share things together. And that's the way, and I'd say for the most part the U.S. has done a good job on this, but there's definitely more we can do. The near-misses, the numbers of near-misses we've had, I think, have given a greater awareness of this issue. And let's make sure we solve it before something happens that we'll all regret.

PHIL LeBEAU: Let me ask you about your foreign routes. You guys have been very successful as you've growing. Paris is next. And then beyond that?

ROBIN HAYES: Well, we've been having a bit of a fight. We do fight a lot.

PHIL LeBEAU: You do fight a lot.

ROBIN HAYES: We've been having a bit of a...

PHIL LeBEAU: But you embrace it.

ROBIN HAYES: I don't embrace it, but sometimes you have to do it, Phil.

PHIL LeBEAU: Okay.

ROBIN HAYES: You know, I feel that we've got to serve our 23,000 crew members and we expect them to fight every day for customers and giving great service so this is what we can do. So we were upset with the Dutch government because they, I mean can you think of a market in Europe that is more dominated by a high-fare legacy joint venture than Amsterdam with the Delta-KLM joint venture? I can't. Anyway, it was a rhetorical question.

So a little JetBlue-321 once or twice a day can make a huge difference to the pricing environment. So we're trying to get in. We sued the Dutch; we filed a complaint actually with the U.S. Department of Transportation. That's what we actually did. Other groups are suing the Dutch government. Then some slots appeared for the summer. We have to figure out how we can make sure we can stay there if we start the investment. So we'd like to get into a position where we can start flying to Amsterdam as well.

PHIL LeBEAU: Where do you see your Trans-Atlantic route network looking, or what do you see it looking like, let's say, six years, seven years from now, as we get close to the end of the decade?

ROBIN HAYES: Well, we should have about 26 airplanes by then. So we have less than we expected because of the delays that we've been finding, but we should have about 26 by...we should have 22, 23 departures a day to Europe. So think some 13 markets in southern Europe and some more in the northern destinations we don't fly to today.

PHIL LeBEAU: Let me ask one last question, then we'll wrap this up. And that's paint a picture of what you expect flying this summer to be like. Not just here in New York but overall. Because so many people, last summer was, hey, I gotta go. Now, this summer, okay, we're really taking a trip somewhere. What do you think flying for Americans will be like?

ROBIN HAYES: Well, it's going to be busy because there's still so much pent-up demand. And, you know, if you think about how much, some people call it pent-up demand, what I mean by pent-up demand is someone who didn't take a trip but they've now taken it. So you eventually say, well, that runs out, doesn't it, because now everyone's taken a trip. What people don't talk about is if you look historically over time, the best proxy for air travel growth was GDP. Well, we've had a lot, you know, we've had high double-digit GDP growth if you go back to 2019. I mean we had the '20 -'21 thing. But capacity is still below 2019 levels. So what we've had, we've had all this GDP growth, but the capacity hasn't kept up.

What that means is there's more demand than there are seats. And then you overlay the news that we've been talking about today with the changes in New York, well, I can only speak for JetBlue, but I would be surprised if other airlines aren't looking and saying, you know, this summer is going to be really hard again. We need to reduce flying. We need to kind of make sure we can operate what we've got. That means even less capacity. So it's going to be harder for people. So, look, I think it's going to be, you know, our job is to do everything we can to make it as good as we can. There's always weather. We've got these staffing issues, particularly in New York. But I want everyone in the room to know that JetBlue has been hiring like crazy and we are ready and we're good to go. Thank you.

PHIL LeBEAU: Thank you. Robin Hayes.

PRESIDENT BARBARA VAN ALLEN: That was terrific. Thank you so much for joining us today. So I just want to go through very quickly the upcoming calendar. On April 11th, we have a luncheon with General David Berger. He's the 38th Commandant of the Marine Corps and he will be talking about the Marine Corps' use of technology to transform their approach to war. On April 13th, we have a webinar with Dr. Ella Washington, who is an Organizational Psychologist and Professor at the Georgetown University's McDonough School of Business. And she will explore the components of inclusive leadership and the evolution of workplace cultures. On April 18th, we have a

luncheon discussion with Club member, Lee Ainslie, the Founder and Managing Partner of Maverick Capital. He'll be talking about where he thinks the markets are going as well as insights today on investing in emerging technologies. On April 25th, we have a webinar with the Chair and CEO of Merck, Robert Davis, to discuss the future of biopharmaceuticals. And on April 27th, we have a breakfast, as part of our Rebuilding New York City Series. We will be hosting Keechant Sewell, the commissioner of the police force. So that should be a great event for us. On May 9th, we'll host our Club Chair, the President of the New York Fed, John Williams. And new to the calendar for May, we're going to be hosting fellow Club member, Henry Kissinger on May 23rd at a Signature Luncheon, and we're also going to jointly celebrate his 100th birthday.

So finally, as always, we want to take just a moment to recognize those of our 361 members of the Centennial Society whose contributions represent the financial backbone that enable our programming now and into the future. So thank you to everyone attending today. For those of you who are participating online, goodbye, we'll see you at the next event. And for everyone in the room, please enjoy your lunch.

Thank you.