United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510–6125

WEBSITE: https://commerce.senate.gov

July 16, 2021

Mr. Robin Hayes
Chief Executive Officer
JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, NY 11101

Dear Mr. Hayes,

I am deeply concerned by recent reports highlighting JetBlue workforce shortages that have caused flight cancellations and generated delays for passengers. These shortages come in the wake of unprecedented federal funding that Congress appropriated, at the airlines' request, to support the airline industry during the COVID-19 pandemic. Congress issued this funding with the express purpose of keeping the workforce on payroll to ensure an easier ramp up when air travel returned. I am concerned that, at best, JetBlue poorly managed its marketing of flights and workforce as more people are traveling, and, at worst, it failed to meet the intent of tax payer funding and prepare for the surge in travel that we are now witnessing. In light of reported airline cancellations and delays, and recognizing that JetBlue was one of the largest recipients of payroll support funding, I write to request information regarding JetBlue' efforts to comply with the terms of its payroll support agreements with the federal government as well as the origin of recent workforce shortages and the subsequent effect on passengers.

Congress recognized the need to ensure that airline workers, including pilots, flight attendants, baggage crews, customer service professionals, contractors, and others could retain their jobs and, in turn, keep the airline industry operating safely for the American public. To accomplish this, Congress created the Payroll Support Program ("PSP") to protect the jobs of thousands of airline workers, ensure that essential travel would continue uninterrupted, and guarantee that the airline industry would remain viable not just for passenger flight, but for cargo flight as well. At the urging of industry, the PSP was initially created by the CARES Act to help the industry as air traffic sharply dropped and was subsequently extended by the 2021 Consolidated Appropriations Act and the American Rescue Plan Act, and provided $63 billion to passenger carriers, cargo carriers, and contractors, including $54 billion in relief to passenger airlines. Under the CARES Act, to further assist the airline industry, Congress also provided up to $46 billion in loans, including up to $25 billion for passenger air carriers.

In exchange for funding, aviation companies were required to refrain from conducting involuntary layoffs, furloughs, or instituting pay or benefit reductions. These companies were also required to file periodic reports with Treasury, documenting, among other things, the amount of PSP funds expended and any changes in employee headcount each quarter.[1]

Over the past year, there have been reports of U.S. airlines seeking to reduce the size of their workforce by encouraging employees to accept early retirements, voluntary furloughs, buyouts, and leaves of absence. This is in addition to reports projecting an impending, massive pilot shortage. As passenger travel has boomed in recent weeks, new reports also suggest that some airlines are now unprepared to meet the increased demand that they scheduled for, and have resorted to delaying or canceling flights. This reported workforce shortage runs counter to the objective and spirit of the PSP, which was to enable airlines to endure the pandemic and keep employees on payroll so that the industry was positioned to capture a rebound in demand. Additionally, these disruptions in air travel have harmed U.S. consumers just as the American economy is rebounding, and the existing airline workforce is being placed under immense pressure to meet demand.

To assist the Committee in examining these issues, please provide written responses to the following questions by July 30, 2021:

1. Did your company offer early retirement, leaves of absences, buyouts, or other benefits to induce employees to leave the company voluntarily?
    a. If so, please explain the company's reasoning behind this decision.
    b. How many employees elected one of these voluntary departure options?

2. Please provide a breakdown by month of the following information from March 1, 2020 to the present:
    a. Number of employees employed at the end of each month;
    b. Number of involuntary layoffs or furloughs;
    c. Number of voluntary departures, separated by early retirements, leaves of absence, buyouts, or any other reason, and broken down by occupation;

3. Has your company exhausted its PSP3 funds?
    a. If so, when were those funds exhausted?
    b. If not, how much funding do you have in reserve and when do you anticipate that the PSP funds will be exhausted?

4. How many employees was your company able to retain, who otherwise would have been furloughed or laid off, through the PSP?

5. Did your company apply for any state unemployment benefits on behalf of employees who left the company, or facilitate any such applications by employees themselves? If so, please detail the applicable states and the amount of unemployment benefits claimed in each one.

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[1] *See* Payroll Support Program 3 Agreement, Section 12, *available at* https://home.treasury.gov/system/files/136/Form-of-PSP3-Agreement.pdf.

6. Are there specific airline jobs or geographic regions that you have identified as having particularly acute labor shortage issues? What steps are you taking to address any anticipated or current labor shortages due to increased consumer flight demand this year, including workforce recruiting, hiring, and training?

7. Does your company anticipate any workforce or schedule changes in the coming six months? If so, please provide details on the expected changes and any mitigation efforts that your company plans to employ, including any workforce recruiting, hiring, and training?

8. Was your company aware of labor shortages, current and projected, when it submitted its schedules for the summer season? If so, why did your company nevertheless advertise these schedules?

9. What was your company's staffing needs projection at the time when it elected to offer early retirement, leaves of absences, buyouts, or other benefits to induce employees to leave the company voluntarily?'

10. Please describe your company's policy in providing refunds or credits to passengers whose flights were cancelled or rescheduled between March 1, 2020 and present and for passengers who voluntarily cancelled or rescheduled flights during the pandemic. How long do any credits last? For such passengers, please provide data regarding the number of passengers who were not provided a refund or credit.

11. From the PSP funds that your company received, what is the value of the notes and warrants held by the federal government?

I also request a staff briefing from JetBlue on these issues by July 30, 2021.

Thank you for your prompt response.

Sincerely

Maria Cantwell

Maria Cantwell
Chair