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JEFFREY M. BAUER

January 19, 2009

JetBlue Pilots Association
Attn: Captain Michael Sorbie
PO Box 150101
Kew Gardens, NY 11415-0100

Dear Captain Sorbie:

You have requested our views regarding the benefits of having pilot retirement benefits covered by a collective bargaining agreement. Having reviewed the retirement benefits provided by JetBlue on a companywide basis, we believe that having a collective bargaining agreement is essential to accomplishing the Association's goal of aligning JetBlue pilot benefits with the industry standard. Our views are based on several considerations, each of which is summarized in this letter.

First, and most importantly for JetBlue pilots, a collective bargaining agreement essentially provides an automatic pass on the Internal Revenue Code's rules that prohibit tax-qualified retirement plans from providing benefits disproportionately in favor of highly compensated employees. Because pilots, as a group, have a higher concentration of highly compensated employees than other work groups, the nondiscrimination rules limit the pilots' ability to increase retirement benefits. However, those rules generally do not apply to benefits that are covered by a collective bargaining agreement. In short, without a collective bargaining agreement, all retirement benefits and all future pilot benefit improvements would be subject to annual nondiscrimination testing. A collective bargaining agreement would allow pilot retirement benefits to avoid all but one annual discrimination test (discussed below) and would therefore greatly lessen the potential that changes in companywide demographics would lead to lower individual pilot retirement benefits.

The second advantage of a collective bargaining agreement affects elective contributions under the 401(k) plan. Those contributions are subject to another nondiscrimination test that can result in contributions by highly compensated pilots being returned to them at the end of the year as taxable income. This test sets limits on a highly compensated employee's contributions by comparing highly compensated employee contributions to contributions made by non-highly compensated employees. Although a collective bargaining agreement would not provide an automatic pass for this test, an agreement would mean that the test would only compare pilots to pilots, rather than comparing pilots to any other JetBlue employees.

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We believe that the difference in contributions by the two groups is likely to be larger when comparing pilots to all JetBlue employees than it would if pilots are only compared to other pilots. As a result, we would expect little or no cutback in pilots' 401(k) elective contributions (or return of contributions as taxable income) under a collective bargaining agreement; without a collective bargaining agreement, we believe that cutbacks of pilot contributions are almost certain if the Company does not correct failures by making additional employer contributions.

Third, it's our understanding of the benefit plans and the terms of individual employment agreements that JetBlue has the power to amend the current benefit programs at any time. A collective bargaining agreement could require union consent before JetBlue could make any discretionary changes to the plan, including those requiring employer contributions.

Fourth and finally, a collective bargaining agreement would provide increased benefit protection over the long term. In industries not governed by the Railway Labor Act ("RLA"), collective bargaining agreements end on a specific date. Under the RLA, however, which governs the commercial airline industry, collective bargaining agreements (with very narrow exceptions) continue in force even after they become amendable. This means that if the pilots and JetBlue are at a bargaining impasse after the agreement becomes amendable, JetBlue remains obligated to fulfill its obligations, including those relating to employee benefits, under the agreement until a new agreement has been ratified or the current agreement has been terminated or revised under one of the narrow exceptions.

In closing, we emphasize our belief that a collective bargaining agreement would be instrumental in increasing retirement benefits to, and sustaining them at, the industry standard.

We wish the JetBlue pilots the very best in deciding whether to organize as a certified bargaining agent, and we are honored to be one of the resources that the pilots are using in making that decision. Please feel free to give us a call with any questions or comments that you have regarding this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey M. Bauer". The signature is fluid and cursive, written in a professional style.

Jeffrey M. Bauer, Esq.