

Strategy Final:

Is JetBlue's strategy conducive to sustaining profitability?

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Introduction

In the April 1st, 2002 edition of *Barron's*, a tag line in the "Marketweek" column reads, "Airlines and other money-losing companies."¹ This tag line reflects the intense rivalry and the massive financial losses undergone in the airline industry in the past few months due to the economic recession and the 9/11 terrorists attacks. Amidst this airline industry malaise, however, JetBlue Airlines ("JetBlue") launched service in February 2000 and generated over \$41 million in profits in 2001.² In this report, we explore the question, "Is JetBlue's strategy conducive to sustaining profitability?" The answer is a resounding "Yes".

At the one thousand foot level, we believe that even in the unattractive airline industry in which companies try to differentiate on qualities other than price -- but in the end often compete on price -- JetBlue has a unique formula for success. It competes head-to-head with the majors, particularly Southwest Airlines ("Southwest"), on price, cost structure, features, and customer satisfaction. However, the company has carved a niche in which a "live and let live" strategy should prevail. Indeed, a rival attempting to bankrupt JetBlue may well cause more harm to itself than to its target.

Airline Industry Overview

Background

At one time the airline industry resembled the utility industry to the extent that regulators determined what firms could and could not do. In the 1970s, a time of runaway inflation, and rising unemployment, many agreed that something had to change. In 1978 Congress passed the Airline Deregulation Act, which facilitated the entry of new firms and freed them to charge whatever fares they wanted and fly whatever routes they liked.³ Many new entrants materialized, including new low fare airlines like Southwest, and cutthroat competition has been the rule since.

A decade after deregulation a wave of consolidation occurred. In the 1990s, a global economic recession and surging energy prices attendant the Gulf War severely crippled airline results. In the two years ended 1992, the U.S. airline industry lost approximately \$6 billion. Many carriers were dissolved. Venerable names such as Pan Am and Eastern disappeared, and TWA and Continental filed for Chapter 11 bankruptcy protection. Consolidation continued throughout the decade so that by the late 1990s the top six U.S. airlines accounted for three-quarters of all domestic air traffic.⁴ TWA has since been absorbed by American Airlines, further concentrating the dominance of major carriers. The industry today is a loose oligopoly.

Post 9/11

Compounding the problems described above, the airline industry has operated under extraordinary strain since the terrorist attacks. Demand and fares plummeted, and massive layoffs ensued, as the industry suffered its worst year ever. UAL (United parent), US Airways, and AMR (American parent) reported losses for 2001 of \$2.1 billion, \$2 billion, and \$1.7 billion, respectively.⁵ In addition to significant declines in demand and diminished traffic and yields, airlines must contend with increased insurance and security costs going forward. Recent figures

¹ Source: Barrons, Market Week Column, April 1, 2002.

² Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

³ Source: www.britishairways.com, North American Industry Overview.

⁴ Source: www.britishairways.com.

⁵ Source: BBC Online News, "United Posts Record Airline Industry Loss", Staff Writer, February 1, 2002.

indicate traffic is still down from last year. For example, American and America West reported March 2002 traffic declines of 9.6% and 8.2%, respectively.⁶

Competitive Analysis

Porter's Verdict

The Porter framework shows that the airline industry is exceedingly unattractive. Nevertheless, JetBlue has quickly attained profitability while maintaining its unusual low cost, low-fare, and high-quality service strategy.

Rivalry is High

Consolidation notwithstanding, rivalry is high as numerous competitors remain in the airline business. Major airlines such as Delta, United and American offer a substantially similar flying experience to the customer, even though they try to differentiate by focusing on features such as frequent flyer programs and legroom. Given their hub-and-spoke systems, these airlines tend to fly to the same cities and tend to appeal to business travelers who have the least price sensitivity. This commodity-like quality intensifies rivalry by engendering price-based competition. Additionally, the industry is extremely sensitive to economic cycles. When the economy contracts business travel declines, which is particularly adverse for airlines insofar as corporate travelers display relatively price-inelastic demand. Their comparatively price-sensitive counterparts, leisure travelers, also diminish booking flights when the economy slows.

Threat of New Entrants Is Low

As with most cyclical industries where rivalry is intense and profit margins are low and unsustainable, the threat of new entrants is low. Obviously JetBlue is an exception as a company that began service in February 2000, but it is pursuing a low-fare, point-to-point niche that is far less crowded. Assuming a potential entrant can arrange financing, lease a fleet of safe and reliable aircraft, negotiate reasonable gate access and landing fees, and survive high labor and fuel costs, the operating records of the overwhelming majority of airlines indicate high probability that a new entrant will be a money loser. So the question is not whether there are barriers to entry — though there are moderate ones — but would a new company want to enter?

Supplier Power is High

Since the combination of Boeing and McDonnell Douglas, Boeing and Airbus are the only two suppliers of new aircraft for commercial passenger airlines, giving them significant market power. Labor costs are substantial — on the order of 35% — for airlines.⁷ Airline workers often unionize, resulting in significant wage increases and other concessions by management. Fuel is another substantial input cost for airlines, ranging from about 8% to 10% of revenues. Airlines, like all energy consumers, are largely at the mercy of OPEC, as demonstrated starkly during the Gulf War. As of April 8, 2002, Crude Oil (WTI) is up 29.46%, to \$26.54 from a price of \$20.50 Feb. 25, 2002.⁸

⁶ Source: The Wall Street Journal, "America West Emerges as First Test of Bailout Plan for Struggling Airlines", Melanie Trotman, April 4, 2002.

⁷ Source: http://www.businessweek.com/magazine/content/01_41/b3752736.htm, October 8, 2001.

⁸ Source: www.bloomberg.com, www.nationalreview.com.

Buyer Power is Moderate to High

Price competition is an ongoing threat across the industry. Although American Airlines simplified its fare structure in the early 1990s, price competition persists. Though the industry has engaged, or tried to engage, in what amounts to tacit collusion, an omnipresent threat is the leisure traveler, who is so price sensitive that brand loyalty engendered by say, frequent flyer programs or other amenities, is generally eclipsed by the prospect of paying comparatively low fares. One bright spot for airlines has been the advent of online services such as Sabre and Apollo, which have accelerated reductions, begun in 1996, of commissions paid to travel agents. Yet the drive to appear first on a Sabre screen may well lead to enhanced price competition.

Substitutes are Moderate

Post-9/11 given fear of flying and the economic recession, the airline industry has increasingly sought substitutes for air travel. For example, for short-haul flights, the automobile is a ready substitute. Indeed, Southwest Airlines President Colleen Barrett said, “We have always seen our competition as the car.”⁹ Furthermore, the average Amtrak trip is approximately 260 miles.¹⁰ Faxes, teleconferencing and videoconferencing can also obviate the need for a businessperson to board a plane.

JetBlue Business Overview, Strategy & Analysis

JetBlue Airways is a low cost, low fare, high quality service domestic airline with point-to-point service on both short haul and long haul routes. It offers a differentiated flying experience that includes pre-assigned leather seats and free DirectTV© for every passenger. The company’s core values include safety, caring, integrity, fun and passion. The company has already won customer service distinctions by travel publications including the *Zagat Airline Survey* and *Conde Nast Traveler*.¹¹

Low Costs and High Quality

JetBlue has succeeded as both a low-cost and a high quality carrier. Traditionally, such a strategy would be considered “stuck in the middle”. However, JetBlue’s low cost structure results from operating one type of aircraft, offering one class of service, and supporting a ticketless reservation system. JetBlue’s operating expense per available seat mile of 6.98 cents was lower than that of any major airline¹². A primary operating challenge for JetBlue moving forward will be to continue growing while maintaining both high quality service and its leadership as a low cost carrier.

Single Aircraft Model

Offering a single class aircraft model increases the efficiency of operations. Major benefits to operating one type of aircraft include lower costs through simplified maintenance, reduced spare parts inventory, more efficient scheduling, lower training costs and reduced aircraft acquisition costs through a volume discount. JetBlue’s strategy of only supporting the Airbus A320 is instrumental to the company’s low cost initiatives.

⁹ Source: HBS Case Study, “Just Plane Smart” 12/17/93, Page 3.

¹⁰ Source: National Council for Science and the Environment, “Amtrak and Energy Conservation: Background and Selected Policy Issues”, Stephen J. Thompson.

¹¹ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

¹² Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Efficient Utilization & High Yields Per Passenger Mile

JetBlue aircraft operated an average of 12.6 hours/day in 2001, the highest in the industry. By comparison, 2001 utilization for Southwest, the second most efficient, was 11.1 hours/day. In addition, JetBlue's yields in 2001 were second in the industry, following Southwest.¹³ Utilization and high yields are key to generating revenues and high profits.

Everyday low fares

Low costs and high efficiency enable JetBlue to charge lower fares than its competitors. As an example, JetBlue's New Orleans to New York roundtrip fare is significantly cheaper than that of alternative carriers. JetBlue offers two nonstop flights per day both ways and a roundtrip fare of \$177. Southwest offers no nonstop flights and a roundtrip with one stop in each direction costing \$321. Additionally, the Southwest flight heads to Islip, Long Island, which is further away from Manhattan than John F. Kennedy International Airport ("JFK"). The closest price competition on this route is from US Airways. US Airways offers just one round trip per day but does at least offer nonstop flights. The cost of the roundtrip on US Airways is \$197, so JetBlue still beats the competition by \$20.¹⁴ Another, external reason that it can charge comparatively low fares is that its targeted areas have high average fares. This is a powerful advantage to the extent that it insulates JetBlue from future aggressive pricing by competitors.

Steering Clear of Heaviest Traffic

JetBlue serves under-served markets and major metropolitan areas that lack a meaningful low fare presence. JetBlue's flight schedule is depicted on the following page. To date the company has proven that it can stimulate substantial demand in the markets it has entered. A key element of the company's growth strategy is not only to establish a presence in underserved markets, such as Burlington, Vermont, but also to operate at underused airports of major markets. At first glance the geographically diversified strategy may seem incongruous. Though New York is the country's largest travel market, prior to the entry of JetBlue, it lacked significant low-fare domestic service – although Southwest flies into Islip, Long Island. The following excerpt from JetBlue's S-1 dilates on the managements decision to use JFK as its principal airport.¹⁵

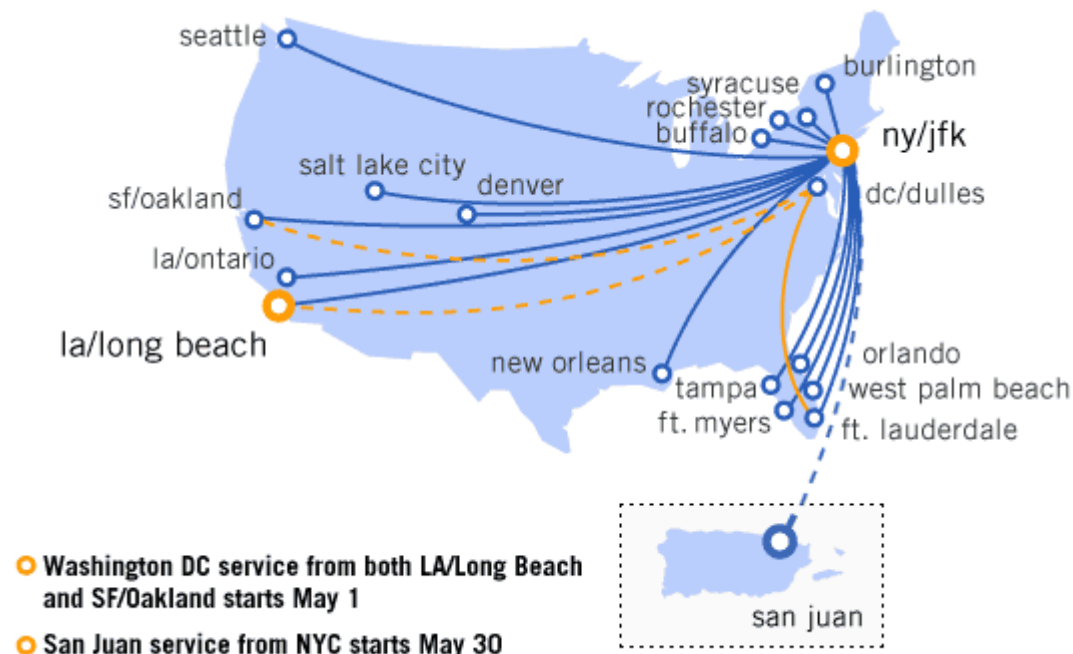
Our primary base of operations is JFK, an airport that has traditionally attracted considerably less attention from our competitors for domestic flight activity than either LaGuardia Airport or Newark International Airport because of an industry perception that JFK is primarily an international airport and that the commuting distance from Manhattan to JFK is too far, as compared to LaGuardia or Newark, to attract domestic travelers.

¹³ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

¹⁴ Source: www.jetblue.com, www.iflyswa.com, www.travelocity.com as of April 8, 2002 pricing on leaving New Orleans for NY on April 25, 2002 and returning on April 28, 2002.

¹⁵ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Exhibit 1: JetBlue's Flight Schedule¹⁶



Existing Routes & Growth Plan

By the end of 2007, JetBlue expects to have a fleet of 83 A-320 jetliners and plans to serve 44 American cities; today the company has a fleet of 23 and serves 19 cities. In 2002, JetBlue also opened the Long Beach Municipal Airport, which serves as JetBlue's West Coast base of operations.¹⁷ The interesting and appealing aspect of JetBlue's flight strategy is that the company offers multiple point-to-point flights per day to airports in which the majors, including Southwest don't adequately service like Fort Myers, Florida.

Build It & They Will Fly...

JetBlue's low fares, and differentiated product, are designed to stimulate demand. The company's target market is not the Fortune 500 traveler with the Amex Gold Card, but rather the price sensitive leisure traveler and small business traveler. Not unlike Southwest, JetBlue enters a market where it believes it can generate new demand. The following table from the DOT shows the year-over-year change in average number of passengers per day in each of the markets JetBlue entered prior to the fourth quarter of 2000. So far, JetBlue's strategy is working.

¹⁶ Source: www.jetblue.com.

¹⁷ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Exhibit 2: Average Customers Per Day¹⁸

LaGuardia, Newark, and JFK to	1999	2000	Increase
Buffalo	584	1,020	75%
Rochester	429	664	55%
Burlington	103	238	131%
Ft. Lauderdale	3,248	4,180	29%
Tampa	1,626	1,957	20%
Orlando	3,425	3,845	12%

Management Team Strength

The experiences of top management in dealing with and working for Southwest Airlines, a model of efficiency and sustained profitability, comprise a special competitive advantage for JetBlue. CEO David Neeleman was president and co-founder of Morris Air, a successful low-fare airline acquired by Southwest Airlines. CFO John Owen spent 14 years as treasurer of Southwest Airlines.

Imminent IPO

Over the past 12 months, the capital markets have been volatile. JetBlue had planned on pursuing an initial public offering in the fall of 2001 but postponed the deal after 9/11. JetBlue has raised \$175 million in equity financing but is also highly leveraged with \$345 million of debt. Book value of the company's equity at year-end 2001 was a deficit: negative \$32 million.¹⁹ The \$125 million IPO is planned to be executed in the second week of April. Given the tightness of the credit markets and limited availability of alternative sources of funds coupled with JetBlue's high financial leverage, it is especially important that the IPO is executed soon in light of its significant aircraft acquisition commitments and current growth plans.

Risk Factors

Although JetBlue has enjoyed early success, the company faces a variety of risks. However, the majority of these risks also threaten the competition. Industry risks include the prospect of future terrorist attacks, rising fuel costs, high insurance costs, low customer bookings, and government intervention, e.g., prohibiting ticketless travel. Company specific risks include:

- Risk of straddling different niches (high service, low cost).
- Increased pressure on prices and competition for slotting fees at second tier airports.
- Committed heavily to new planes.
- Highly dependent on the New York market.
- Dependence on a single type of aircraft. If the Airbus A320 is discovered to have flawed components or is grounded for any reason, business would halt.
- Unionization may be inevitable. JetBlue is a nonunion firm. As it grows, employees may unionize, resulting in materially higher wages and other increased expenses.

¹⁸ Source: Dept. of Transportation, "Survey of Origin & Destination of Passengers".

¹⁹ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Differentiation

Many people find flying an unpleasant experience. Under the best of circumstances, flying on any of the majors is a virtually identical experience. That is, the poor air quality, limited leg room, lack of nourishment, seat contours and fabric, and overhead compartments seem virtually identical from carrier to carrier.

JetBlue offers a meaningfully different experience, not only from the majors, but importantly also from Southwest, by providing leather seats and satellite TV for every passenger. And though it is low cost, offers single class service, and operates a single type of aircraft like Southwest, it eschews the arguably disorganized first-come-first-served seating arrangement by providing pre-assigned seats. JetBlue doesn't believe that a passenger should have to sit next to the lavatory simply because he failed to arrive at the gate as early as the other passengers.

For JetBlue to generate sustained profitability over the long term, it is vital that it differentiate itself from Southwest. In markets where they compete closely, JetBlue tends to have more flights, and many more nonstop flights than Southwest. Nonstop flights, even for long haul trips, are a key point of differentiation from Southwest in favor of JetBlue. On routes in which JetBlue and Southwest compete head-to-head, JetBlue offers an average of 39 more daily nonstops than Southwest (See Exhibit 5). For example, if one wanted to fly from New York City to Salt Lake City, he could do so on JetBlue *nonstop* for \$194 round trip²⁰. Southwest has no New York City presence. So one would have to fly from Islip, Long Island, to Salt Lake City. The passenger would not only have to have to change planes, but also would pay a higher fare.

Complements

In addition to its ticketless reservation system, JetBlue has a user-friendly website and generates a high percentage of website bookings. A key aspect of the user-friendly website is the simplified fare structure that JetBlue offers. A visit to the Southwest web site to make a reservation forces the customer to choose between up to 5 fares per flight. JetBlue's site offers one fare for each flight. Knowing that one is getting the best price is an important complementary benefit. Additionally, JetBlue participates in Sabre so customers can compare their fares to other airlines.

The company prides itself on flying brand new airplanes and is thus heavily reliant on the availability of new aircraft. Landing spaces are also a key complement to JetBlue, which has thus far enjoyed reasonable entry costs in establishing a presence at JFK and other airports where it operates.

Key Success Factors

Gain Consumer Trust

Consumers are generally disgruntled with the airline industry, as record high complaints showed in 2000 according to the DOT.²¹ The time is ripe, therefore, to ask travelers to try something new and different. If they enjoy it, it will stand out above the morass of mediocre service that generally characterizes the U.S. airline industry.

²⁰ Source: www.jetblue.com as of April 7, 2002.

²¹ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Benefit from Second Mover Advantage

JetBlue management has imitated key success factors for Southwest — low costs, high utilization, fast turns, fun culture, low fares — and also improved on Southwest’s major drawbacks, which include a no-frills flying experience and lack of nonstop service on long haul flights. This constitutes a special second mover advantage for JetBlue. Also, JetBlue plans to offer a frequent flyer program, which should further enhance brand loyalty.

Prevent a War of Attrition & Avoid Attacks from Southwest

The U.S. is the largest travel market in the world. Given historical growth (approximately 7% over the past decade) and chronic over-bookings, the market has room for another low-fare point-to-point alternatives.²² According to the Federal Aviation Administration, domestic travel is predicted to double between 1999 and 2025.²³ As a result, JetBlue and Southwest should agree on a “live and let live strategy” and differentiate based on the length of flights and availability of non-stop service. JetBlue should continue to focus on markets where average fares are high, whether in underserved markets or in major metropolitan areas. Avoiding a war is the wisest move for Southwest to the extent it cannot afford to stop JetBlue’s expansion. Southwest historically has added 2-3 cities per year; expanding more rapidly could harm core operations.

Avoid Attacks from the Majors

Given the intense rivalry of the airline industry, major players have typically worked to preempt start-ups by competing fiercely on flights and availability of flights. According to Daniel McKenzie, Airline Research Analyst at Salomon Smith Barney²⁴, American is in the process of expanding its flights out of JFK as well as consolidating its terminals as a response to JetBlue. Also, Delta through Delta Express, its low cost provider, is flying out of JFK to Miami, Florida. He claims that heretofore JetBlue has been too small to garner majors’ attention but as it continues to grow, the majors may drop prices to compete. The question then arises, is it in the majors’ best interest to drop flight prices and add point-to-point service by bypassing the hub-and-spoke system in JetBlue’s existing cities to bankrupt JetBlue? Might attempting to counter JetBlue pose excessive stress on the majors at a time in which they are losing billions of dollars annually? Would the majors’ usual tactics threaten JetBlue’s business model? Certainly we know that historically the business of operating an airline within an airline has failed.

Conclusion

JetBlue has entered the airline industry and offered customers a highly differentiated alternative. The airline’s focus on low cost, enjoyable, point-to-point travel in major metropolitans and underserved markets has created profitability to-date. Notwithstanding the need for financing, industry and company specific risks, and likely competitive responses, we believe JetBlue’s strategy will continue to yield sustainable profitability going forward.

JetBlue has proven it can stimulate new demand and turn a profit while pursuing a seemingly mutually exclusive strategy of low cost operations and high-end service. As it has grown it has won customers exasperated by the aggravation and austerity associated with flying other large carriers. The majors are hemorrhaging money and can scarcely afford a price war. In any case, JetBlue has entered a business whose buyers are starved for affordable service, and in JetBlue thousands of them have found just that. If it can maintain its formula of low costs,

²² Source: www.britishairways.com

²³ “FAA Aerospace Forecasts, Fiscal Years 2000-2011”, US Federal Aviation Administration.

²⁴ <http://www.apo.data.faa.gov>

²⁴ Source: Conversation between Andrea Kalmans and Daniel McKenzie, April 4, 2002.

comparatively low fares, and high quality service, its brand loyalty may soon match or even surpass that of another low fare airline, where leather seats and TV are unheard of.

Appendix

Exhibit 3: JetBlue Airways Vital Statistics²⁵

Born	February 2000
Types of Aircraft Flown	1
Make and Model	Airbus A320
Fleet size	23 (all aircraft are new)
Planned fleet size	83 by 2007
Cities served	19
Flights/day	102 (as of 12/31/01)
Capacity per aircraft	162 seats
Features	All leather seats, 1 TV per seat (direct 24-channel satellite TV service)
Classes of service	1 (coach only)
Ticketing	All electronic
Seating	Pre-assigned
Routes	Primarily point-to-point
Primary Base of Operations	John F. Kennedy International Airport, New York City

Exhibit 4: JetBlue Financial Data²⁶

JETBLUE

Select Statement of Operations Data

(in thousands, except per share data)

	1999	2000	2001
Operating revenues	----	\$ 104,618	\$ 320,414
Total operating expenses	14,216	125,806	293,807
Income (loss) before income taxes	(13,531)	(21,569)	41,915
Income tax expense (benefit)	233	(239)	3,378
Net income (loss)	\$ (13,764)	\$ (21,330)	\$ 38,537
Earnings (loss) per common share			
Basic	\$ (36.81)	\$ (26.66)	\$ 9.88
Diluted	\$ (36.81)	\$ (26.66)	\$ 1.14

Other Financial Data

Operating margin	----	-20.3%	8.4%
Net cash provided in (used in) operating activities	\$ (6,556)	\$ 2,824	\$ 111,279
Net cash used in investing activities	(67,452)	(241,130)	(289,855)
Net cash provided in financing activities	80,740	254,463	261,695
EBITDA	(13,781)	(4,166)	70,151

²⁵ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

²⁶ Source: JetBlue, S-1, Filed with the SEC on 2/12/02.

Exhibit 5: Comparison of JetBlue and Southwest in Head-to-Head Markets²⁷

JetBlue Flights				Southwest Flights				JetBlue Advantage / (Disadvantage)	
City 1	City 2	Average Daily Roundtrips	Average Daily Nonstops	City 1	City 2	Average Daily Roundtrips	Average Daily Nonstops	Average Daily Roundtrips	Average Daily Nonstops
DC/Dulles	Ft. Lauderdale	3.0	3.0	Baltimore	Ft. Lauderdale	10.0	2.0	(7.0)	1.0
DC/Dulles	LA/Long Beach	2.0	2.0	Baltimore	LA/Long Beach	15.0	-	(13.0)	2.0
DC/Dulles	SF/Oakland	2.0	2.0	Baltimore	SF/Oakland	16.0	-	(14.0)	2.0
NY/JFK	Seattle	1.0	1.0	NY/Long Island	Seattle	1.0	-	-	1.0
NY/JFK	Salt Lake City	1.0	1.0	NY/Long Island	Salt Lake City	2.0	-	(1.0)	1.0
NY/JFK	Denver	1.0	1.0	NY/Long Island	Denver	-	-	1.0	1.0
NY/JFK	SF/Oakland	4.5	4.5	NY/Long Island	SF/Oakland	3.0	-	1.5	4.5
NY/JFK	LA/Ontario ¹	1.0	1.0	NY/Long Island	LA/LAX	5.0	-	0.5	5.5
NY/JFK	LA/Long Beach	4.5	4.5						
NY/JFK	New Orleans	2.0	2.0	NY/Long Island	New Orleans	4.0	-	(2.0)	2.0
NY/JFK	Tampa	4.0	4.0	NY/Long Island	Tampa	5.0	2.0	(1.0)	2.0
NY/JFK	Ft. Myers	3.0	3.0	NY/Long Island	Ft. Myers	-	-	3.0	3.0
NY/JFK	Ft. Lauderdale	12.0	12.0	NY/Long Island	Ft. Lauderdale	7.0	2.0	5.0	10.0
NY/JFK	West Palm Beach	5.0	5.0	NY/Long Island	West Palm Beach	4.0	1.0	1.0	4.0
NY/JFK	Orlando	6.0	6.0	NY/Long Island	Orlando	5.0	2.0	1.0	4.0
NY/JFK	Buffalo	5.0	5.0	NY/Long Island	Buffalo	-	-	5.0	5.0
NY/JFK	Rochester	5.0	5.0	NY/Long Island	Rochester	-	-	5.0	5.0
NY/JFK	Syracuse	3.0	3.0	NY/Long Island	Syracuse	-	-	3.0	3.0
NY/JFK	Burlington	2.0	2.0	NY/Long Island	Burlington	-	-	2.0	2.0
NY/JFK	San Juan	2.0	2.0	NY/Long Island	San Juan	-	-	2.0	2.0
San Juan	Buffalo	1.0	1.0	San Juan	Buffalo	-	-	1.0	1.0
San Juan	LA/Long Beach	1.0	1.0	San Juan	LAX	-	-	1.0	1.0
San Juan	SF/Oakland	1.0	1.0	San Juan	Oakland	-	-	1.0	1.0
San Juan	Rochester	0.5	-	San Juan	Rochester	-	-	0.5	-
San Juan	Salt Lake City	1.0	1.0	San Juan	Salt Lake City	-	-	1.0	1.0
Totals		73.5	73.0			77.0	9.0	-3.5	64

¹ For comparison purposes, LA/Ontario and LA/Long Beach are combined and measured against LA/LAX.

²⁷ www.jetblue.com; www.iflyswa.com.