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JetBlue Airways Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions) Your first question comes from Michael Linenberg - BAS-ML.

Michael Linenberg - BAS-ML

Two questions here and I guess this is for Ed. The cash on hand, the \$634 million, just a clarification. Does that include the \$63 million that you posted as collateral with your counterparties for the fuel hedges?

Edward Barnes

It does not include any of our fuel hedging collateral. No.

Michael Linenberg – BAS-ML

And then my second question, and this is probably a question to Dave, you know we saw this morning Alaska come out and announce that they're going to now institute a first bag fee and you know now when I look across the industry I think it's just you guys and Southwest, and you know Southwest has actually given – they have a couple reasons, they think it's revenue dilutive and it's disruptive to their service. And I think there may be some technological considerations, so at this point they're not there but where are you guys on that front? What are your reasons or just your philosophy, etc., how you're thinking about it?

David Barger

Yes and good morning Mike. First bag fee, clearly we know that technically we can do that. We're doing that with the second bag fee today so, as we look at the landscape I think it's probably – there's a fine line between nickel-and-diming the customer and what's the core product. It's not a secret as well that we have a change to our reservation system or passenger service system that's taking place over the course of the next year or two, which I think will also allow us to the extent that we do go forward with this, maybe do it in a very thoughtful manner.

I mean, right now I think customers and part of our core brand they truly value the fact that the first bag is part of the purchase price. And so I think we're going to have much greater flexibility with the change to our PSS system and we'll continue to take a look at the landscape as well.

Operator

Your next question comes from William Greene - Morgan Stanley.

William Greene - Morgan Stanley

You know it seems like there is some movement within the industry here now to add wireless connectivity to flights and I wonder if you think that's going to put the value of live TV at risk? And I know you've looked at monetizing it, so can you talk a little about maybe should we monetize it now and perhaps try to do that faster, given this movement towards wireless?

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