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Spirit Airlines Faces Potential Bankruptcy as Oct. 21 Deadline to Renegotiate \$1 Billion Debt Looms

The budget airline, known for its low-cost fares, faces growing financial pressure with a looming October 21 deadline to renegotiate over \$1 billion in debt. Mounting losses and the collapse of the JetBlue acquisition raise the specter of bankruptcy

Travel / **Published On October 06, 2024 07:31 AM /**

Staff Consortium **October 06, 2024**

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Spirit Airlines at the Henry E. Rohlsen Airport on St. Croix. By. ERNICE GILBERT, V.I. CONSORTIUM

Spirit Airlines has been facing severe financial difficulties, with shares dropping to an all-time low on Friday following reports that the airline may seek Chapter 11 bankruptcy protection.

The airline is grappling with over \$1 billion in debt, and a looming October 21 deadline to renegotiate that debt has sparked concern. These challenges come after the collapse of Spirit's planned acquisition by JetBlue, which was blocked by a federal judge earlier this year due to antitrust concerns.

Spirit Airlines, known for its low-cost, no-frills model, had grown popular for budget-conscious travelers, including routes to the U.S. Virgin Islands. The airline operates direct flights to St. Thomas from various U.S. cities, including Fort Lauderdale, Orlando, and Baltimore, as part of its Caribbean expansion strategy. Additionally, Spirit provides nonstop flights to St. Croix, enhancing connectivity between South Florida and the U.S. Virgin Islands. This service, essential for both tourists and residents, may be affected by Spirit's financial situation.

The airline has been struggling with losses since 2020 and has made efforts to reduce costs by cutting flights and deferring new aircraft orders. Despite these challenges, Spirit remains engaged in talks with bondholders to explore all options to avoid bankruptcy.

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