

logo not found or type unknown

Spirit Airlines Files for Chapter 11 Bankruptcy Amid Financial Struggles and Increased Competition

Spirit Airlines enters Chapter 11 bankruptcy after failed JetBlue merger and intensifying competition; the low-cost carrier outlines a debt restructuring plan amid mounting financial challenges and regulatory setbacks

Travel / **Published On November 18, 2024 06:28 AM /**

Ernice Gilbert **November 18, 2024**

Image not found or type unknown



Four American Airlines and one Spirit Airlines aircraft at the Henry E. Rohlsen Airport (HERA) on Thursday, March 28, 2024. By. ERNICE GILBERT, V.I. CONSORTIUM

Spirit Airlines, Inc., a prominent low-cost carrier with multiple weekly flights to the U.S. Virgin Islands, has officially filed for Chapter 11 bankruptcy in a New York court, listing assets and liabilities valued between \$1 billion and \$10 billion.

The move follows mounting financial challenges and escalating competition from rival carriers, compounded by the collapse of its proposed merger with JetBlue Airways Corp.

The bankruptcy filing comes as Spirit grapples with the aftermath of a federal judge's decision to [block the airline's \\$3.8 billion acquisition by JetBlue](#).

The court ruled that the merger would likely harm budget-conscious travelers by inflating ticket prices across the airline industry. The federal government had opposed the merger on antitrust grounds, and the judge's ruling effectively terminated the deal, leaving Spirit to navigate its financial woes alone.

In addition to the failed merger, Spirit has faced increasing pressure from larger airlines offering affordable ticket options. This competition has undercut Spirit's market position and impacted its profitability. Amid these challenges, Spirit reached an agreement with a majority of its loyalty and convertible bondholders to implement a broad debt restructuring plan as part of its bankruptcy proceedings.