

The Virgin Islands Consortium

Spirit Pilots Urge Bondholders to Keep Airline Afloat as Bankruptcy Threatens USVI Air Links

With Spirit Airlines navigating Chapter 11 for the second time in a year, Pilots warned creditors that cutting off funding could force liquidation, jeopardizing jobs, South Florida's economy, and vital low-cost air service to St. Croix and St. Thomas.

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

Spirit Airlines' pilots are appealing directly to the airline's bondholders to keep the carrier afloat as it navigates Chapter 11 bankruptcy. A loss of financial support could push the company into liquidation with far-reaching consequences for workers, South Florida, and

destinations such as the U.S. Virgin Islands, where Spirit plays a central role in air connectivity.

In an open letter published on January 13, the Air Line Pilots Association—which represents Spirit pilots—urged creditors, including Miami-based hedge fund Citadel, to continue funding the airline during its restructuring. The letter warned that withdrawing support could force Spirit into liquidation, putting thousands of jobs at risk and inflicting severe economic damage on South Florida, where the airline is headquartered.

The letter was signed by ALPA President Jason Ambrosi and Spirit pilots' chairman Ryan Muller. While noting progress in the restructuring process, they noted that the airline remains in a precarious position, with creditors ultimately holding the power to decide whether Spirit survives or collapses.

The appeal comes as Spirit works through its second Chapter 11 bankruptcy filing in less than a year, having sought protection on August 29, 2025, in the U.S. Bankruptcy Court for the Southern District of New York. The case is proceeding under Case No. 25-11897, as the airline grapples with heavy debt, intensified competition, and ongoing operational challenges.

Key dates loom in the process. A bankruptcy hearing was scheduled for January 21, and creditors must file proofs of claim by January 27 at 4:00 p.m. ET. In the meantime, Spirit has taken multiple steps aimed at preserving its viability.

In December 2025, Spirit's pilots ratified a restructuring agreement that included approximately \$100 million in concessions over two years, encompassing temporary pay cuts and reduced retirement contributions. The airline also secured an additional \$100 million in debtor-in-possession financing, though only \$50 million was initially disbursed, with the remaining funds contingent on meeting milestones tied to a standalone reorganization or a potential sale.

Despite those measures, Spirit has continued to implement cost-cutting actions. The airline has furloughed up to 365 pilots, downgraded 170 captains, and closed maintenance facilities at Chicago O'Hare and Baltimore airports as of January 1, 2026. It has also exited its Phoenix hub and reduced routes across its network. Those cuts contributed to disruptions earlier this month, including January 3, when Spirit accounted for nearly one-third of all U.S. flight cancellations.

Operations are continuing for now, with Spirit maintaining flights across its network. Still, the uncertainty has led industry observers to draw comparisons with past airline failures. The carrier is also seeking court approval to pause a securities lawsuit against its executives, arguing that suspending the case would allow management to focus resources on the bankruptcy process.

Beyond its Florida base, Spirit's future has implications well beyond the mainland. The airline plays a significant role in connecting the U.S. Virgin Islands to the continental United States, providing low-cost options that support the territory's tourism-dependent economy. Spirit currently operates flights from Fort Lauderdale to Henry E. Rohlsen Airport on St. Croix, along with multiple weekly services to Cyril E. King Airport on St. Thomas.

Those routes have been particularly important in the territory's recovery from natural disasters and the Covid-19 pandemic, with Spirit's low fares helping draw budget-conscious travelers to St. Croix and St. Thomas.

Bondholders are weighing their next steps as Spirit Airlines' fate remains uncertain, with pilots, employees, investors, and island communities all watching closely.

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