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Spirit Airlines Shuts Down, Leaving USVI Without a Key Low-Cost Carrier

Spirit's closure strips the Virgin Islands of a visible budget airline presence at both Cyril E. King and Henry E. Rohlsen airports, with immediate fallout for booked passengers and broader questions about competition and pricing.

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Spirit Airlines is shutting down. On Saturday morning, the airline announced that it was winding down all operations effective immediately, cancelling all flights and ending customer service after failing to secure a \$500 million emergency government bailout by the May 1 deadline. For the U.S. Virgin Islands, the collapse means the sudden loss of a well-known low-cost carrier that had maintained service to St. Thomas and St. Croix, raising immediate questions about stranded travelers, replacement airlift, and the long-term effect on fares and access.

“All flights have been cancelled, and customer service is no longer available,” the company said on its website, adding, “We are proud of the impact of our ultra-low-cost model on the industry over the last 34 years and had hoped to serve our Guests for many years to come.” The shutdown followed a failed effort to secure backing for a White House rescue package after a Spirit board meeting ended without a deal.

President Donald Trump said his administration had made a final proposal to save the airline, but agreement could not be reached. The proposed financing package would have provided \$500 million and given the government warrants tied to as much as 90 percent of the airline’s equity.

The carrier’s financial position had already been weakened before the latest collapse. Rising jet fuel prices tied to America's and Israel's war against Iran dealt a major blow to Spirit’s outlook, with the airline’s restructuring plan having assumed fuel costs of about \$2.24 a gallon in 2026 and \$2.14 in 2027, only for prices to climb to roughly \$4.51 a gallon by the end of April.

Spirit had spent the past two years trying to stay alive. In March 2025, the airline announced that it had emerged from financial restructuring after equitizing roughly \$795 million in funded debt and securing a \$350 million equity investment from existing investors. The carrier had still been attempting to exit a second bankruptcy by late spring or early summer 2026 before fuel prices derailed those plans.

For the U.S. Virgin Islands, the shutdown's impact is direct and immediate. Spirit’s own airport support pages show the airline maintained active operations at Cyril E. King Airport on St. Thomas and Henry E. Rohlsen Airport on St. Croix. The airline had been a visible low-cost presence in the territory, with service from Florida gateways including Fort Lauderdale to St. Thomas and St. Croix and Orlando to St. Thomas, according to the material provided. That made Spirit part of the territory’s airlift picture for leisure travelers, visiting family members, and other price-sensitive passengers.

The airline had also continued highlighting the Virgin Islands in its own marketing even while under financial strain. Earlier this year, Spirit listed St. Thomas among its top-searched spring break beach destinations for 2026, underscoring that the territory remained an important leisure market in its network, according to the material provided. Spirit once accounted for about 5 percent of U.S. flights and played an important role in keeping fares lower in markets where it competed against larger carriers.

People holding tickets for upcoming flights can expect refunds in the coming days if their travel was paid for with a credit or debit card, according to the material provided. Those who booked through travel agents are being told to contact the agent directly to request refunds. Rebooking assistance is not available from Spirit. American Airlines and United Airlines have already been contacted about helping stranded Spirit passengers, and American capped fares on overlapping routes. Frontier also launched discounted rescue fares.

The longer-term question for the Virgin Islands is what happens to competition and pricing now that Spirit is gone. The shutdown is expected to benefit rival airlines such as JetBlue and Frontier, while the disappearance of a budget carrier could reduce low-cost competition and place upward pressure on fares over time. For a tourism-dependent destination such as the Virgin Islands, that raises broader concerns about affordability, access, and whether other carriers will move quickly enough to absorb lost capacity.

