

April 24, 2026

The Honorable Sean P. Duffy
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
District of Columbia, 20590

Dear Secretary Duffy,

Recent news reporting has indicated that the federal government is close to providing \$500 million in public money to assist Spirit Airlines. Several Republican Members of Congress have expressed concern at the prospect, including Senators Tom Cotton,¹ Ted Cruz,² Mike Lee,³ and Ted Budd.⁴ Public interest organizations are also apprehensive of a potential bailout of the carrier. Such action would be just the latest in a decades-long pattern of consolidation, bankruptcy, and failed competition in this industry. If the government decides to proceed with financial assistance to the carrier, it should implement the following conditions, at a minimum:

1. Protections for Spirit workers, including a moratorium on reductions in force and incentivized departures.
2. Reining in fraud, waste, and abuse, including a prohibition on stock buybacks and excessive executive compensation.
3. Requiring a contingency plan for passengers in the event Spirit is unable to continue operations.

Carriers operated under similar conditions to receive assistance under the Payroll Support Program during President Trump's first term. That program's standards should serve as a baseline for further aid.

Importantly, the administration should ensure that consumers are protected should any disruptions to flight operations occur as a result of Spirit's bankruptcy. Travelers should receive refunds for purchased airfare if Spirit is unable to continue flying and the airline should be ready to facilitate alternative transportation. Spirit should be required to provide a detailed contingency plan to the U.S. Department of Transportation stipulating how they will accomplish these objectives in such an event.

¹ Online post on X by @SenTomCotton, *U.S. Senator Tom Cotton*, April 22, 2026.
<https://x.com/SenTomCotton/status/2047075850386804756>

² Online post on X by @tedcruz, *U.S. Senator Ted Cruz*, April 22, 2026.
<https://x.com/tedcruz/status/2047054442332029439>

³ Online post on X by @BasedMikeLee, *U.S. Senator Mike Lee*, April 22, 2026.
<https://x.com/BasedMikeLee/status/2047102059455926706>

⁴ Online post on X by @SenTedBuddNC, *U.S. Senator Ted Budd*, April 22, 2026.
<https://x.com/SenTedBuddNC/status/2047119058848362697>

The administration should also resist industry advocacy to suspend taxes that fund critical American infrastructure, like the excise and per-segment taxes.⁵ To avoid these taxes, carriers have reoriented to earn more of their revenue from ancillary fees—like baggage and seat selections—rather than base airfare that is subject to these duties. This strategy, famously used by Spirit Airlines, exploits a loophole that has cost the Airport and Airway Trust Fund an estimated 4.6% in lost revenue, as the excise tax contributes to the Fund.⁶ Suspending these taxes would do little to support low-cost carriers since they already avoid significant excise taxation via their reliance on fees. Waiving these taxes would, however, further harm efforts to modernize American air traffic infrastructure.

Thank you for your consideration of these important public interest issues.

Sincerely,

Consumer Federation of America
National Consumers League
Revolving Door Project

⁵ Struggling Spirit Airlines in Talks with Trump Administration on Government Investment,” *The Wall Street Journal*, April 21, 2026. https://www.wsj.com/business/airlines/struggling-spirit-airlines-in-talks-with-trump-administration-on-government-investment-0db4f169?eafs_enabled=false

⁶ Mumbower, Hotle, and Garrow. “Highly debated but still unbundled: The evolution of U.S. airline ancillary products and pricing strategies,” *Journal of Revenue and Pricing Management*, May 18, 2022. <https://link.springer.com/article/10.1057/s41272-022-00388-5>