

JetBlue, Spirit Airlines cancel merger after blocked by US court

March 4 2024



JetBlue and Spirit Airlines formally called off their merger following an unfavorable January US court ruling.

JetBlue and Spirit Airlines formally pulled the plug Monday on their merger, about six weeks after a federal judge ruled it violated US antitrust law.

The companies had positioned JetBlue's \$3.8 billion purchase of Spirit as beneficial to consumers, but a [federal judge](#) in January sided with the US Justice Department, which had argued that the removal of the no-frills Spirit would lead to higher fares.

The companies decided after concluding that, given the legal situation, they were unlikely to meet the merger's deadline of July 24, 2024.

JetBlue will pay Spirit \$69 million as a termination fee.

"We believed this merger was worth pursuing because it would have unleashed a national low-fare, high-value competitor to the Big Four [airlines](#)," said JetBlue Chief Executive Joanna Geraghty.

"Given the hurdles to closing that remain, we decided together that both airlines' interests are better served by moving forward independently."

In a statement, US Attorney General Merrick Garland called JetBlue's decision "another victory for the Justice Department's work on behalf of American consumers."

"We will continue to vigorously enforce the nation's antitrust laws," he added.

Shares of Spirit slumped 14.5 percent in early trading Monday, while JetBlue rose 3.9 percent.

Spirit remains confident "in our future as a successful independent airline," said Chief Executive Ted Christie in a company statement.

"After discussing our options with our advisors and JetBlue, we concluded that current regulatory obstacles will not permit us to close this transaction in a timely fashion under the [merger](#) agreement," he

added.

"We are disappointed we cannot move forward with a deal that would save hundreds of millions for consumers," he said.

Spirit said it has enlisted advisors on efforts to refinance and reduce debt payments.

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