The Daily Dish

Evil Spirits

DOUGLAS HOLTZ-EAKIN | APRIL 23, 2026

Prologue

Remember Spirit Airlines? The Spirit Airlines that tried to merge with Frontier Airlines, received a hostile bid from Jet Blue Airlines, oversaw a bidding war between Frontier and Jet Blue, finally decided to accept a Jet Blue offer, had the merger blocked by the Department of Justice (DOJ), and is now in its second bankruptcy since 2024? *That* Spirit Airlines. That Spirit Airlines is bleeding cash due to the spike in jet fuel prices and may be facing liquidation.

Analysis

This week the news has been fast and furious. First Bloomberg reported:

> *The airline is seeking an infusion of cash from the US government during a spike in jet fuel prices, said the people, who asked not to be named given the discussions are confidential. The proposal comes after the White House brokered a deal last year to become one of the biggest shareholders in Intel Corp. in a bid to bolster the investment-grade chipmaker's domestic initiatives.*

Tuesday the president took to the airwaves and told CNBC's Squawk Box: "I don't mind mergers. I think I'd love somebody to buy Spirit, as an example. You know, Spirit's in trouble. … Maybe the federal government should help that one out." He then took a step from "maybe" to "perhaps" by ordering the Department of Transportation (DOT) to take a look at Spirit. Per Aviation Week: "President Donald Trump has asked U.S. Transportation Secretary Sean Duffy to 'take a look' at what might be done to help LCC Spirit Airlines, Duffy confirmed April 21."

This raises the obvious question: Is there a circumstance in which it makes sense for the taxpayer to aid Spirit, or even take an equity stake in the airline?

No.

Of course, there is the troubling fact that this administration has taken equity positions in more than a dozen firms after setting the precedent with MP Materials. Those stakes are hard to defend as anything other than the exercise of pure political power, but at least the industries involved are national-security adjacent. What is at risk with Spirit? The cheap Florida vacation market?

Secretary Duffy should just say no. If, God forbid, he twists reality enough to support the idea of taxpayer cash, the DOJ should step in and block the merger of DOT and Spirit. Someone needs to save the taxpayer from an economic policy platform devoid of principle and common sense.

Afterward

Of *course* they did it, and faster than Eakinomics could publish. *The Wall Street Journal* is now reporting:

> *The Trump administration is nearing a rescue deal for Spirit Airlines, people familiar with the matter said.*
>
> *Under the agreement being discussed, the U.S. government would loan the embattled discount carrier as much as $500 million, receiving in return warrants to take a potential significant stake in Spirit, the people said.*