

Spirit CEO Hails Aircraft Maker Competition, Will Look at Bombardier CS-100

Spirit CEO Bob Fornaro says the airline needs new airplanes to keep its growth rate high and will look at the Bombardier C-100.

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Spirit Airlines ([SAVE](#)) CEO Bob Fornaro said the carrier will look at **Bombardier's** C Series for its next aircraft order.

"Competition is good for consumers," Fornaro said Tuesday on the airline's third-quarter earnings call. "In this case, we're the consumer."

Spirit operates an all-**Airbus** ([EADSY](#)) fleet of 89 aircraft, while **Frontier**, the other principal ultra-low-cost airline, operates an all Airbus fleet of about 65 aircraft and has orders for 101 more. Additionally, **Allegiant** ([ALGT](#)) recently ordered 12 Airbus A320s.

"Look at North America and even South America, the true low-cost sector is largely Airbus," Fornaro said. "The other manufacturers are ultimately going to be pretty aggressive."

"You have to weigh the opportunities of a new airplane, whatever incentives you are going to get, vs. the inefficiencies of getting a new fleet type," he said.

Spirit is projecting capacity growth between 18.5% and 20% in 2017 and has aircraft deliveries scheduled through 2021.

However, "without an additional order in 2019, our growth will start dropping below 10%," Fornaro said. "The right thing to do is see what the competition will make available to us. Airplane manufacturers ... are just as aggressive as we are in the carrier space."

The C Series had been struggling, but in April **Delta** ([DAL](#)) placed a firm order for 75 of them.

In July, aviation consulting firm Airsight issued a report which concluded that Bombardier and **Embraer** ([ERJ](#)) are in a position to "squeeze out Airbus and **Boeing** ([BA](#)) from the 100- to 150-seat market."

United's ([UAL](#)) purchase of 65 Boeing 737-700s early this year showed that "the only way the big guys win is to cut prices," said co-author Addison Schonland.

Bombardier welcomes Spirit's interest, spokeswoman Nathalie Siphengphet said Tuesday.

"With over 100 days in service with **Swiss**, the CS100 performance is exceeding expectations and we are pleased that many airlines around the world are showing a growing interest for our C Series aircraft," Siphengphet said.

This article is commentary by an independent contributor. At the time of publication, the author held no positions in the stocks mentioned.