



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

December 23, 2010

B. Ben Baldanza  
President and Chief Executive Officer  
Spirit Airlines, Inc.  
2800 Executive Way  
Miramar, FL 33025

**Re: Spirit Airlines, Inc.  
Amendment No. 2 to Registration Statement on Form S-1  
Filed November 18, 2010  
File No. 333-169474**

Dear Mr. Baldanza:

We have reviewed your responses to the comments in our letter dated November 9, 2010 and have the following additional comments. All page numbers below correspond to the marked version of your filing.

Summary, page 1

Overview, page 1

1. Please revise to include your net income for the last fiscal year, most recent interim stub and the net income for the nine month period absent the release of the valuation allowance and related tax benefit.

2010 Recapitalization, page 7

2. Please revise your disclosure regarding your tax receivable agreement on page 8 to include the estimated total payments to be made under this agreement.

Management's Discussion and Analysis, page 56

Maintenance, page 61

3. We note your response to our prior comment one of our November 9, 2010 letter and the revised disclosure on page 61. Because of the young age of your current fleet and the expected increase in maintenance costs as the fleet ages, we continue to believe that trend information which quantifies the amount or range of amounts of the expected increase in maintenance expense as your fleet ages will highlight additional trends for your investor's analysis. With disclosure in an appropriate framework, it appears clarity may be provided for variables such as future utilization rates, average stage length, size and makeup of the fleet in future periods and the level of unscheduled maintenance events

and their actual costs. Therefore we reissue the comment. Please provide trend information which quantifies the amount or range of amounts of the expected increase in maintenance expense as your fleet ages.

Business, page 86

4. We note your press release dated October 28, 2010 announcing the next phase of your expansion. Please revise to include a brief description of your new routes and service to new cities or advise.

Note 13. Leases, page F-24

5. As previously requested in comment 41 of our October 14, 2010 letter, please revise to disclose how you evaluate recoverability of maintenance reserves, including key estimates and judgments involved.
6. As previously requested in comment five of our November 9, 2010 letter, please tell us the extent to which you are able to conclude that all capitalized maintenance reserves were probable of recovery for each interim and annual period beginning in your fiscal year 2009.
7. We note your written response letters dated November 17<sup>th</sup> and December 8<sup>th</sup>, 2010 and the information and positions you provided to us during telephone conference calls held on November 30<sup>th</sup>, December 2<sup>nd</sup>, and December 16<sup>th</sup>, 2010. Based on the foregoing, we understand you believe the following with respect to accounting for non-refundable maintenance reserves under leases (for ease of use, guidance in ASC 840-10 is referenced by citations to EITF 08-3):
  - A comparison of total expected maintenance reserve payments over the lease term to total expected qualifying maintenance costs over the lease term is not required in determining whether reserve payments required under leases are substantively related to maintenance (rather than supplemental rent), instead the evaluation may be limited to expected payments and qualifying costs to the first expected overhaul when expected costs exceed expected payments for the first overhaul cycle;
  - The portion of reserve payments that are not substantively related to maintenance (i.e., that are not expected to be returned for reimbursement of qualifying maintenance) should not be recognized as supplemental rent over the lease term by bifurcating each payment made, but instead reserve payments should initially be capitalized in their entirety until such amounts equal expected qualifying maintenance costs, after which remaining reserve payments should be expensed as incurred as supplemental rent (i.e., back-end recognition of excess reserve payments is appropriate); and

- Periodic re-evaluations of prior estimates and judgments used in determining the recoverability of reserve payments expected over the lease term is not required, instead initial estimates and judgments made at lease inception can be relied upon throughout the lease term in concluding that future expected reserve payments are expected to be returned for qualifying maintenance.

With regard to the first bullet point above, you stated that you do not analyze total expected reserve payments over the lease term in part because of the EITF staff's response to a comment in which they decided not to mandate a method for the analysis but rather to "allow for judgment based on the specific facts and circumstances." Please tell us the paragraph in the EITF background materials in which the EITF staff stated that they wanted to allow for judgment based on the specific facts and circumstances.

We believe the intent of the EITF was to require an evaluation of the recoverability of total expected maintenance reserve payments over the lease term, rather than just those expected payments to the first expected overhaul, because of the guidance in paragraph 7 of the EITF which states, "If at lease inception a lessee determines that it is less than probable that the total amount of payments will be returned to the lessee as a reimbursement for maintenance activities, the lessee shall...(emphasis added)."

In addition, in paragraph 17 of Issue Summary No. 1, Supplement No. 1, dated June 12, 2008, the staff said it did not believe additional guidance (beyond the requirement to evaluate "the total amount of payments" in paragraph 7) to tell preparers and auditors how to perform the analysis was necessary, but that the staff "would expect a similar analysis" (to that shown in paragraph 14 of Supplement No.1) "to be performed by preparers and auditors." The analysis in paragraph 14 of Supplement No. 1 incorporated an entity's best estimate of total expected payments and qualifying maintenance costs during the entire term of the lease. Therefore, we believe your analyses under EITF 08-3 at lease inception should be based on a comparison of total expected maintenance reserve payments over the lease term to total expected qualifying maintenance costs over the lease term. To the extent you continue to disagree, please cite the specific authoritative literature you relied upon in reaching your conclusion.

As a related matter, you stated that certain later-term reserve payments are not probable of payment because you can manage the lease term. We presume this refers to early termination provisions in leases. We believe your analysis under EITF 08-3 should be prepared on the same basis that you used in determining classification of the lease as capital vs. operating and for computing future minimum lease payments and straight-line rent expense. That is, if a 15 year term was assumed, then an early termination option at year 12 of a lease should not be assumed for purposes of estimating total expected payments under EITF 08-3. In addition, other use management assumptions such as parking aircraft in later lease years may result in accounting implications under other GAAP such as ASC 420-10-25-13, exit cost obligations.

With regard to the second bullet point above, you stated that as a general principal you believe it is appropriate to account for reserves not used for maintenance or to satisfy return conditions as contingent rent on an as-incurred basis, generally near the end of the lease term. However, paragraph 7 of the EITF states that the lessee must determine “the portion of each payment that is not within the scope of this Issue (emphasis added).” Given the requirement to evaluate the total amount of payments, we believe the requirement to evaluate the portion of each payment made makes clear that the intent of the staff was that preparers would bifurcate each payment during the lease based on the ratio of the amount of total expected qualifying maintenance costs to the total expected reserve payments.

In addition, in reference to an example fact pattern in which a lessee did not expect that all maintenance deposits would be returned during the term of the lease (see paragraphs 14 and 15 of Supplement No. 1), the staff stated in paragraph 16 of Supplement No. 1, “the appropriate accounting would be to bifurcate the payment into the amount that is substantively related to maintenance and the amount that is not substantively related to maintenance.” In the example referred to by the staff, each hourly \$100 payment was bifurcated between a maintenance deposit asset and rental expense. The staff continued by stating that “the appropriate application of paragraph 6 in the Scope section of the consensus-for-exposure would result in the same conclusion.” Therefore, we believe the portion of reserve payments that are not substantively related to maintenance (i.e., that are not expected to be returned for reimbursement of qualifying maintenance) should be recognized as supplemental rent over the lease term by bifurcating each payment as payments are made. To the extent you continue to disagree, please cite the specific authoritative literature you relied upon in reaching your conclusion.

With regard to the third bullet point above, you stated that you do not believe you are required to periodically reevaluate the recoverability of future expected reserve payments and that such analysis is required only at lease inception. However, in paragraph 19 of Supplement No. 1 the staff stated that there were two methods, cumulative catch-up or prospective, a lessee could use to handle a change in estimate (in the recoverability of future expected maintenance reserve payments). While not recommending one method over the other, we believe the staff’s reference to the two methods in which changes in estimates may be handled indicates that estimates should be periodically reevaluated for new information and that this is consistent with the general requirements of the definition of a change in accounting estimate in the ASC Master Glossary and with ASC 250-10-45-17. To the extent you continue to disagree, please cite the specific authoritative literature you relied upon in reaching your conclusion.

Based on the above, we believe you should reassess the application of your accounting and revise your accounting policy to conform to the guidance in EITF 08-3. Please provide us with a copy of your intended revised accounting policy.

8. Given the significance of maintenance deposits to your balance sheet, please consider providing a separate footnote for maintenance deposit disclosures.

Notwithstanding our comments, in the event you request acceleration of the effective date of the pending registration statement please provide a written statement from the company acknowledging that:

- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the company from its full responsibility for the adequacy and accuracy of the disclosure in the filing; and
- the company may not assert staff comments and the declaration of effectiveness as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Please refer to Rules 460 and 461 regarding requests for acceleration. We will consider a written request for acceleration of the effective date of the registration statement as confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. Please allow adequate time for us to review any amendment prior to the requested effective date of the registration statement.

You may contact Patrick Kuhn at (202) 551-3308 or Lyn Shenk at (202) 551-3380 if you have questions regarding comments on the financial statements and related matters. Please contact Sonia Bednarowski at (202) 551-3666 or me at (202) 551-3750 with any other questions.

Sincerely,

Max A. Webb  
Assistant Director

cc: Via facsimile: (650) 463-2600  
Anthony J. Richmond, Esq.  
Latham & Watkins LLP