

Airlines Hide in Bankruptcy Court

By Lloyd E. Moulton

The nation's airlines are increasingly jetting to their favorite destination. But it's not the Bahamas, Bali, or Bermuda. It's the U.S. Bankruptcy Court. Chapter 11 has become the most popular layover stop for our nation's airlines to refinance, refuel and continue on their way to profits while average Americans foot the bill. Chapter 11 of The Federal Bankruptcy Law allows corporations that can't pay their bills the ability to negotiate deals with their creditors. **However, Chapter 11 bankruptcy is being misused by America's airlines, leading to poorer service and decreased safety for our nation's travelers.**

The magnitude of the misuse was made painfully clear last week when Delta and Northwest airlines declared bankruptcy under Chapter 11. Those two airlines joined United, ATA, and US Airways who were already in the Bankruptcy Court. Although US Airways emerged from Chapter 11 protection last Friday, nonetheless over 50% of all U.S. passengers today were transported on bankrupt airlines. Bankruptcy has become so irresistible that when Northwest filed last week, it still had over \$1 billion in cash and credit it could access. As a matter of fact, Northwest has so much liquidity that the airline stated it did not

The introduction focuses on a single hook (Chapter 11 as a destination) and provides background material (**definition** of Chapter 11) leading to the thesis.

The thesis takes a specific stand on an issue and **blueprints** the rest of the paper: how Chapter 11 is being abused and the effects of that abuse.

As blueprinted by the thesis, this first paragraph will show that there is a problem by providing **examples, facts** and **statistics** about the problem. Notice that this paragraph topic sentence clearly echoes the thesis ("**misuse**").

need to borrow any money to keep day-to-day operations running, which it is obligated to do (Knight, 2005). **Clearly, when 50% of American travelers are being ferried by airlines currently in Chapter 11, something has terribly gone wrong.**

The paragraph's conclusion sentence hammers home the paragraph's point. The validity of this point has been made with **examples, facts** and **stats**.

Can you predict what the next two body paragraphs will look like? Of course you can—by looking at the thesis: **Chapter 11 bankruptcy is being *misused* by America's airlines, leading to *poorer service* and *decreased safety* for our nation's travelers.** Since the Body graf 1 established the problem, now--

Body graf 2 = poorer service

Body graf 3 = decreased safety

The following would appear on a separate page at the end of your paper.

References

Knight, Jerry (2005, September 19). *The Washington Post*, p.D1.

Simonson, L. (2005, August 27). *The Wall Street Journal*, p.A7.