



Air charter provider Global Aviation files for bankruptcy again

Global Aviation Holdings Inc, the largest commercial provider of charter air transportation for the U.S. military, filed for bankruptcy protection early on Tuesday, just months after emerging out of its prior reorganization process.

Global Aviation previously filed for Chapter 11 bankruptcy in 2012 to achieve "industry competitiveness" by cutting costs and debt load. It emerged from the bankruptcy in February this year.

As part of the current Chapter 11 process, the company said it is taking "steps to align its cost structure with the realities of market demand."

Global Aviation said that the continued worldwide downturn in commercial freight markets along with the U.S. military's decision to curtail its cargo expansion flying has made it necessary for it file for court supervised reorganization process.

In a court filing, Global Aviation said the military's decision would reduce the charter provider's planned revenue for 2014 by about \$54 million and will create "significant over-capacity in the military charter cargo business."

Global Aviation said it expects to cut about 16 percent of jobs over the next 90 days.

"We intend to use the reorganization process to help implement our plan to lower costs, stabilize our businesses, grow revenue and diversify our product lines," Chief Executive John Graber said in a statement.

Global Aviation said it has obtained debtor-in-possession (DIP) financing from its first lien lenders.

The new financing, upon court approval, and cash generated from the company's ongoing operations will be used to support the business during the reorganization process.

The company has listed out estimated liabilities and assets in the range of \$500 million to \$1 billion, the filing showed.

Global, through its subsidiaries World Airways and North American Airlines, is the largest provider of military transport services. World Airways was founded in 1948.

The case is Global Aviation Holdings, Case No. 13-12945, U.S. Bankruptcy Court, District of Delaware.

