

New Judge Gets Delta Bankruptcy Case

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NEW YORK — The judge overseeing Delta Air Lines Inc.'s bankruptcy case is permanently stepping away from the case, days after the court announced she was taking a medical leave of absence, a court official said Thursday.

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On Monday, the court announced that Judge Prudence Carter Beatty, 63, would leave the case for two months as she goes on medical leave. On Thursday, a court official said the case was reassigned to Judge Adlai Hardin

"The case is permanently reassigned to Judge Hardin," said Dexter Gillies assistant to the clerk of court for the Southern District of New York.

Reached at her home Thursday, Beatty declined to comment.

A Delta spokesman, Anthony Black, said the carrier does not expect changes behind the bench to slow the bankruptcy process.

"We anticipate a seamless transition and look forward to our court supervised restructuring," he said.

The next court hearing for Delta's case is Jan. 19.

At the time of her appointment in 1982, Beatty became the fourth woman bankruptcy judge in the U.S. Prior to her appointment, she was a partner at Stroock & Stroock & Lavan, which is among Delta's lawyers in the bankruptcy case.

Hardin was appointed to the southern bankruptcy court in 1995, when he was a partner with Milbank, Tweed, Hadley & McCloy.

Delta filed for bankruptcy in September because of rising fuel costs and competition from low-cost carriers.

In November, a lawyer representing Delta's pilots union asked Beatty to remove herself from deciding on Delta's request to reject the union contract so the airline could impose \$325 million in concessions on pilots.

The effort to remove Beatty came after she referred in an earlier hearing to Delta pilot wages as "hideously high" and said "What's really weird is that anyone agreed to pay them that much money to begin with."

Beatty refused to recuse herself.

Delta and its 6,000 pilots later reached an interim deal on pay cuts worth less than half what the company was seeking on an annual basis. The two sides have until March to come up with a comprehensive permanent deal.