

Retired pilots strike a deal

Judge OKs fuel hedges, Dallas closure

AJC Staff and news services

Published on: 12/20/05

Delta Air Lines agreed to provide some documents about its pension plan to a group of retired pilots, allowing the firm to avoid a court battle.

The pilot group, which said it's owed at least \$500 million, has said it needs the information to build a claim against the Atlanta-based airline. Delta objected to the initial request for thousands of pages of documents, saying it was too expansive and would slow the company's bid to exit bankruptcy.

Delta agreed to provide a portion of the papers to the retired pilots prior to a hearing in U.S. Bankruptcy Court in New York on Monday. The two sides had been scheduled to ask U.S. Bankruptcy Judge Prudence Carter Beatty to rule on the matter.

"We agreed to provide certain documents to some of the representatives of the retired pilots," said Marshall Huebner, the airline's lawyer. "If they feel they are still not getting something they want from us, they'll come back and let us know."

The retired pilots say their claim is related to Delta's move to stop paying so-called non-qualified portions of their pensions.

Judge OKs hedges, Dallas closure

Among several court actions Monday, Beatty allowed Delta to enter new agreements, or hedges, to protect against sharp spikes in fuel prices, and she approved the rejection of a lease for a hangar at Dallas/Fort Worth International Airport.

The issue of fuel expenses has been a recurring one in Delta's case because rising energy costs are one of the reasons cited by the carrier for its filing for bankruptcy protection.

Delta still flies to DFW but closed its hub there last year. The airline, which also shut down a maintenance facility there, is no longer using the hangar in Dallas.

Separately, the airline was allowed to pay a maintenance company for work done on its planes that involved retrofitting wide-body aircraft.

Also, Beatty approved a request by the U.S. bankruptcy trustee that limits communication between individuals serving on the Delta and Northwest credit committees simultaneously. Pratt & Whitney, the engine maker, is one such creditor serving on both Delta's and Northwest's creditor committees. Northwest Airlines Corp. filed for bankruptcy Sept. 14, the same day as Delta.

"I don't want them to use the same representative on both the Delta and Northwest committees. These are essentially direct competitors with each other," U.S. Trustee Deirdre Martini said.