

Airtrans moves cities, airlines to seek \$190.6 million in suit

By CARL FREUND

Dallas and Fort Worth filed a \$190,616,400 damage suit in Fort Worth Tuesday, charging LTV Aerospace Corp. tried to intimidate them into accepting the Airtrans system although it is "unsuitable and unfit for its intended purposes."

They filed the suit less than 24 hours after LTV Aerospace shut down Airtrans, the computer-controlled system which shuttled passengers and baggage between Dallas-Fort Worth Airport terminals.

EIGHT AIRLINES which use the airport joined the cities in filing the suit in 48th Dist. Court, where Judge Walter Jordan presides.

Defendants include LTV Aerospace; LTV Corp., the parent company, and Travelers Indemnity Co., which posted a performance bond for the Airtrans system.

The suit contends the cities are entitled to at least \$47,654,100 in actual damages because of problems which plagued Airtrans and asks another \$142,962,300 in punitive damages because "LTV's actions over the last year evidences a course of conduct maliciously and wantonly directed at intimidating the regional airport board to give LTV a premature acceptance of Airtrans."

The two cities and the airlines also asked Judge Jordan to order LTV Aerospace to return its entire force of Airtrans engineers, technicians and mechanics to the airport. They were withdrawn Monday when negotiations over the Airtrans contract reached an impasse.

LTV PRESIDENT Sol Love declined comment pending a study of the suit.

"However, we feel it is important to point out that at no time did the company refuse to maintain the Airtrans system. The airport staff initiated those actions Monday which shut the system down. We have offered today to continue to maintain Airtrans at the airport in order to avoid inconveniencing the traveling public," he said.

The suit asked Jordan to direct the defendants to "retest the entire system" and make a good faith effort to correct deficiencies at no cost to the cities. Meanwhile, LTV or the bonding company should pay a penalty of at least \$38,000 a day, the suit added.

In addition, the suit asked Judge Jordan to rule there is no basis for a claim of \$18,534,389 filed by LTV as a result of the dispute.

No immediate action was scheduled on the suit.

UNLESS ATTORNEYS reach a compromise, the case appears certain to go to the Texas Supreme Court—and possibly the U.S. Supreme Court—before there is a final decision.

Attorney Stephen Philbin of Dallas, who represents the airlines, explained in court papers that they have a ma-

for stake in the outcome of the controversy. He said agreements require them to pay sufficient fees to remove the need for a tax subsidy at the airport.

City Attys. Alex Bickley of Dallas and S. G. Johndroe Jr. of Fort Worth joined in filing the suit.

The suit said the airport board approved a contract in 1971 which called for LTV Aerospace to receive \$30,060,872 for designing and installing an Airtrans system capable of handling airline passengers, mail, baggage, garbage and supplies. It said

this amount was increased to \$34,123,321 through supplemental agreements.

In addition, the suit said, the contract called for LTV Aerospace to get another \$4,900,000 for maintaining the system during a 3-year period.

It said the airport board has paid the firm \$33,086,057.

THE SUIT contended that LTV "knowingly and willfully misrepresented the status of Airtrans," thereby obtaining payments from the airport board "through fraud."

A recent analysis resulted in "new discovery of latent deficiencies" in the system and it is now apparent that "LTV cannot or will not perform" as required by the contract, the suit said.

The suit charged that LTV officials felt the cities were at their mercy since other "people mover" systems were not available. The suit charged that the officials tried to take advantage of this fact by threatening to shut down Airtrans unless the cities bowed to their demands.