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NY judge to rule if WTC developer can seek damages from airlines

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By [Bernard Vaughan](#)

NEW YORK (Reuters) - A federal judge is days away from deciding if New York developer Larry Silverstein can recover as much as \$3.5 billion from airlines for damages to the World Trade Center on September 11, 2001, on top of more than \$4 billion he has received from insurers.

U.S. District Judge Alvin Hellerstein started a three-day trial on Monday in which he will decide how much of the insurance payments should offset the damages Silverstein is seeking from the airlines. These include United Airlines, now United Continental Holdings Inc, American Airlines and American's parent, AMR Corp.

Roger Podesta, a lawyer for the airlines, argued that Silverstein's insurers have already paid him for the same losses he is seeking from the airlines.

The insurance payments and the claims against the airlines are "for the same category of loss," Podesta said in opening arguments in a packed courtroom in federal court in New York.

But Rich Williamson, a lawyer representing Silverstein's World Trade Center Properties, said the airlines' argument "defies reality."

"The grocer would not say 'the categories of food that I sell are food,'" Williamson said. "You can't just say, 'I have economic loss.'"

Hellerstein is deciding the case without a jury. He said in a pre-trial hearing that he expects to rule immediately following closing arguments, scheduled for Wednesday.

Should Hellerstein decide the claims do not correspond with each other, Silverstein would then have to prove liability in a separate trial.

Hellerstein, a Bronx native and U.S. Army veteran nominated to the bench by President Bill Clinton, has presided over a sprawling portfolio of 9/11-related cases.

In January, Hellerstein will hear a trial pitting Cantor Fitzgerald, which lost 658 employees in the attacks, against American Airlines. The financial services firm sued the airline over lost business and the destruction of its offices in the World Trade Center.

United Airlines merged with Continental Airlines in 2010 to form United Continental Holdings. AMR Corp, which filed for bankruptcy in 2011, has announced plans to merge with US Airways Group Inc.

The cases are World Trade Center Properties LLC, et al. v. United Airlines Inc; World Trade Center Properties LLC, et al. v. American Airlines Inc, et al, v. American Airlines Inc et al, U.S. District Court, Southern District of New York, Nos 08-3719 and 08-3722.

(Reporting by Bernard Vaughan; Editing by Jan Paschal)

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