VERMONT TO CLOSE COURTHOUSES FOR HALF A DAY

Vermont lawmakers have approved a round of budget cuts designed to respond to sagging state revenues. Among the results: the state's courthouses will close for a half-day each week. The legislature's Joint Fiscal Committee largely agreed with proposals by the administration of Gov. Jim Douglas to trim the state general fund budget for the current fiscal year by $22 million. One likely result, officials said, was that beginning Oct. 1, Vermont's courthouses will shut down for the public for a half-day each week. Under that plan, doors would be locked and phones would not answer while staff reduced by unfilled vacancies catch up with work.

ALITALIA FILES FOR BANKRUPTCY PROTECTION

Italian airline Alitalia said yesterday it has filed for bankruptcy protection, taking the first step in a plan to restructure and downsize the country's failing national carrier. The statement that its board had asked the government to appoint an administrator and had declared insolvency to a Rome court. Alitalia has been losing almost $5 million a day — hurt by labor unrest, competition from budget airlines and high fuel prices. Its shares have been suspended from trading since June. The government has been trying to sell its 49.98 percent stake in the airline following a failed bid by Air France-KLM earlier this year. The profitable assets would reportedly be taken over by a group of Italian investors ready to inject about $1.5 billion into the airline. The remaining assets would then be spun off into a separate company for liquidation.

CONN. AIRPORT SAFETY PROJECT GETS WINGS

Connecticut authorities say nearly two decades of stalled safety improvements at Danbury Airport will soon be able to move forward, with federal money paying the bill. The Federal Aviation Administration had been withholding the money since the early 1990s, saying that Danbury's improvements were removed on private property adjacent to the small airport. The city of Danbury purchased land that earlier this year, negotiating with the FAA on how much cut- tings were required in the approach zone. Now that Danbury is back in the FAA's good graces, officials say at least $3 million in federally funded projects can get under way. They include rebuilding taxiways, getting new equipment and rebuilding the intersection between the airport's two runways.

COURT BACKS GOVERNMENT ON MAD COW TESTING

A federal appeals court says the government can prohibit meat packers from testing their animals for mad cow disease. Because the Agriculture Department has a national policy in place to inspect all cattle for the deadly disease, Kansas meatpacker Creekstone Farms Premium Beef wants to test all of its cows. The government says it can't. Larger meat companies worry that if Creekstone is allowed to perform the test and advertise its meat as safe, it could be forced to do the expensive test, too. The U.S. Court of Appeals for the District of Columbia Circuit yesterday overturned a lower court ruling that would have cleared the way for the testing. The appeals court said the test is within the scope of the government's authority.

ONLINE SHOE STORE SUES OVER NON-DELIVERY

New Hampshire's attorney general has taken an Internet shoe store to court, charging that the owner took money from customers without delivering the goods. A Superior Court judge has ordered the business known as My Shoe Store, Inc.; My Shoe Store.com; and Lord Johns Footwear, to stop accepting money from customers. The order also bars the company president, Michael Kyriss of Greenwich, N.Y., or any Internet business in which he has a leadership role, from accepting money from customers. Kyriss operated the business in Greenwich and Hampton, N.H. The state says about 900 customers were affected and it's asking a judge to force Kyriss to pay them back.

GM OFFERS BUYOUTS TO SALARIED WORKERS

General Motors Corp. is offering early-retirement incentives to 28 percent of its U.S. salaried employees, or about 9,000 workers, people familiar with the plan said. The largest U.S. automaker said July 15 it wanted to cut 20 percent of its salaried-worker costs in the United States and Canada by Nov. 1. Employees have 45 days to consider the proposal, said the people, who asked not to be named because the details aren't public. Chief Executive Officer Rick Wagoner accelerated cost cuts as gasoline prices soared past $4 a gallon