

Statement of:
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Committee on Public Works and Transportation

Hearing on:
The Wright Amendment

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Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to discuss the Department's on-going study on the implications of changing the Wright Amendment.

As you know, the Wright Amendment is a Federal statute, passed in 1980, prohibiting commercial airlines from providing service from Love Field in Dallas, Texas, to cities other than those in Texas, Arkansas, Louisiana, New Mexico, and Oklahoma. It also prohibits

air service from being extended by means of through service, connecting service, or interline service, making it a unique combination of geographic and operational restrictions.

At the outset, I should point out to you that the Department's analytic work is not yet complete. The Department began its study in response to Congressional requests that we take a position on Congressional bills proposing to repeal the Wright Amendment. The economic, legal, operational, and environmental issues surrounding a change to the Wright Amendment are multifaceted and a Department-wide working group is studying them carefully. Therefore, my remarks will deal with the current conditions of Dallas Love Field, and key questions and analytic components the study will address.

CURRENT CONDITIONS: DALLAS LOVE FIELD

The Dallas-Fort Worth "Metroplex" area has 13 major airports. Of these, two provide scheduled commercial service (DFW and Love Field), two are military, eight support general aviation, and the newest, Fort Worth Alliance, is an industrial airport. In 1990, DFW, with six north/south runways (four parallel), averaged 2,000 daily air carrier operations, 730,000 annually. Further, to support expected increases in demand, DFW hopes to add two additional parallel north/south runways, the Environmental Impact Statement for which is expected to be completed shortly.

In 1990, Love Field averaged 586 daily operations, 214,000 annually, of which 79,000 were air carrier operations. Southwest Airlines is the only carrier that provides scheduled passenger service to or from Love Field.

Dallas Love Field is located about 4 1/2 miles from the Dallas central business district and 12 miles east of DFW. While Love Field is much closer to downtown Dallas than DFW, access is not good, being served by two signal-controlled roads expected to reach capacity within the next 5 to 10 years. The airfield is a fully developed 1300-acre site with two parallel runways (each with Instrument Landing Systems) capable of handling most domestic aircraft operations and one shorter north/south runway used for lighter general aviation aircraft. Industrial and residential development adjacent to Love Field make it impractical to add new capacity through land acquisition.

Love Field's two main runways are at an angle to DFW's main north/south runways. This conflicting orientation, together with the high-activity levels in the area and the close proximity of the two airports, creates significant airspace limitations on Love Field operations. Nonetheless, because of the existing modest level of air traffic, this limitation does not today result in severe delays. The average aircraft delay at Love Field was 1 minute per operation in 1990.

The terminal, located between the parallel runways, has three concourses. The west concourse is used by Southwest Airlines. The north and east concourses have not been used for scheduled commercial passenger service for a number of years and most space has been leased out for other commercial enterprises. Although the Love Field terminal complex once had 71 active passenger loading gates, only 14 are in use today.

DEPARTMENT STUDY

Air service in the Metroplex and the effect of restrictions on Love Field have traditionally been a source of controversy. On one hand, for example, many are concerned that the restrictions limit the number of air passengers who are able to enjoy the benefits of Southwest's lower fare structure as well as the potential economic contribution of the airport to the community. Residents outside the Wright Amendment area--as well as some residents of Dallas--have argued for changes to the Amendment in order to allow expanded operations and the potential for low-fare service to more cities.

On the other hand, many others believe that removing the restrictions would violate the original agreements that supported construction of DFW and divert traffic from DFW, thus weakening justification for plans to expand DFW. The Department's study is designed to respond to these and other concerns by evaluating the

answers to five questions surrounding changes to the Wright Amendment, including:

- o What would be the impact on competition and fares?
- o How much capacity could Love Field add?
- o Would Love Field be preferred over DFW?
- o What would be the effect on plans to expand DFW?
- o What are the likely environmental consequences of more traffic at Love Field?

In addressing these questions our study is considering three options: (1) a base case of no change, (2) modified constraint with non-stop service limited to cities within 650 miles, and (3) complete repeal of the Wright Amendment. Each of these also considers other local restraints on traffic, most notably the noise mitigation procedures now in place at Love Field. The effect of full repeal depends on how the airlines decide to serve Love Field and we are testing three separate air service scenarios that vary the intensity of airport use.

Let me now highlight for you some of the key analytic components for each questions.

What would be the impacts on competition and fares?

With a few exceptions, the Wright Amendment and the DFW signatory agreements limit service from Love Field to that provided by Southwest Airlines. Were the Wright Amendment changed, competition and fares in the Metroplex could be affected in two ways. First, new service from Love Field could include several carriers and a number of new cities. Second, Southwest's low-fare structure could have an impact on air service in a more extensive area of the country.

Our analysis will include an assessment of the potential impacts of a change on both the air service, fares, and the carriers themselves.

How much capacity could Love Field add?

The potential for expanded air service at Love Field is a function of the terminal and airspace capacity.

Terminal. Today only 14 gates are in use (by Southwest) and an additional 13 can be opened with minor work. Should the Wright Amendment be changed or repealed, more gates would be needed to support any expanded operations. With this in mind, our team is evaluating the potential capacity of the terminal, including the

time requirements for phasing in that capacity.

Airspace. Love Field's proximity to DFW and the existence of 13 major airports in the region make airspace capacity a key input to the potential for expanded service. We are analyzing airspace limitations including those imposed by Love Field's proximity to DFW, the orientation of its runways, and whether any change would influence or affect the FAA's recently completed Metroplex air traffic system plan. This review will include an independent analysis by an engineering firm.

Would one airport be "preferred"?

Some carriers at DFW have expressed a concern that Love Field, because of its geographic proximity to the City of Dallas, would be the "preferred" airport, particularly for the higher-income groups. Our analysis will include drive times to DFW and Love Field for the metroplex population, access limitations and planned improvements as well as the distribution of income for the area.

What would be the impacts of opening Love Field on plans to expand DFW?

Plans at DFW might be affected were carriers to scale back operations at DFW significantly and expand at Love Field. The

impacts would, therefore, be determined in part by market forces and corporate strategies and in part by physical and operational limits on traffic at Love Field.

To evaluate the first, our analysis of fares and competition will be coupled with air service analysis, market characteristics data, carrier operational issues, and the potential demand changes associated with changes in fare and service. The second, capacity, will be based on the terminal and airspace analysis I mentioned earlier.

What would be the environmental consequences?

The primary environmental consequence of any change to the Wright Amendment is likely to be noise. We are analyzing the likely noise impact of an increased level of air carrier operations combined with transition to Stage 3 aircraft required by the Aviation Safety and Capacity Expansion Act of 1990. In addition, we are identifying other potential environmental consequences of expanded service, such as increased auto and aircraft emissions.

Mr. Chairman, this completes my prepared comments. We will be completing our study within the next few weeks and will be prepared to provide more detailed results at that time. I would be happy to answer any questions the Subcommittee may have.