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FEDERAL TRADE COMMISSION
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Office of the Regional Director

June 30, 1992

Councilman Jerry Bartos
Chairman, Transportation Committee
Office of the City Council
City Hall
Dallas, Texas 75201

Dear Councilman Bartos:

The staff of the Dallas Regional Office and the Bureau of Economics of the Federal Trade Commission[1] are pleased to submit this letter in response to your request for comments on the potential modification of the restrictions on use of Dallas Love Field ("Love Field"). Federal law now prohibits commercial airlines from providing nonstop service, direct service,[2] or connecting service between Love Field and destinations outside of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico ("the five-state area"). The proposal that you have outlined would maintain the prohibition against nonstop service to points outside of the five-state area but would permit carriers to publicize and provide direct and connecting service to such destinations through points within the five-state area.

These comments are offered for the limited purpose of analyzing the effects on consumers, both inside and outside the Dallas-Fort Worth area, that may result from such a modification. One effect may be to increase the competition faced by air carriers that utilize Dallas/Fort Worth International Airport ("D/FW") to serve locations outside the five-state area. Such increased competition may lower air fares for consumers flying between the Dallas-Fort Worth area and those locations. Another effect may be to increase airport capacity in the area, as Love

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[1] These comments are the views of the staff of the Dallas Regional Office and the Bureau of Economics of the Federal Trade Commission. They are not necessarily the views of the Commission or of any individual Commissioner.

[2] "Direct service" is service that requires an intermediate stop, but does not require passengers to change planes.

Field may become more fully utilized, and this too may lead to lower air fares for consumers. In addition, if some air carrier traffic is shifted to close-in, under-utilized Love Field from the more congested D/FW, then consumers who continue to use D/FW may save time due to fewer delayed flights, while consumers who shift to Love Field will also face fewer delays and may also save money on parking and commuting expenses.

I. Interest and Experience of the Staff of the Federal Trade Commission

The Federal Trade Commission is an independent regulatory agency, which, for 78 years, has been charged with the responsibilities of protecting competition and safeguarding the interests of consumers.[3] In response to requests by federal, state, and local governmental bodies, the staff of the FTC assesses the competitive impact of legislative and regulatory proposals in order to identify provisions that may benefit consumers by promoting competition and reducing prices, and provisions that may harm consumers by impairing competition or increasing costs without offering offsetting benefits.

The staff of the Commission has had considerable experience in evaluating competitive aspects of the air carrier industry and related airport issues. The staff has studied and commented on airline deregulation,[4] slot regulation,[5] airport

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[3] 15 U.S.C. § 45.

[4] Ogur, Wagner, and Vita, "The Deregulated Airline Industry: A Review of the Evidence," Bureau of Economics, Staff Report to the Federal Trade Commission, January 1988; see also Statement of James C. Miller, III, Chairman, Federal Trade Commission, Before the Subcommittee on Aviation, Committee on Public Works and Transportation, United States House of Representatives, July 26, 1983.

[5] Koran and Ogur, "Airport Access Problems: Lessons Learned from Slot Regulation by the FAA," Staff Report to the Federal Trade Commission, May, 1983; "Slots Transfer Methods," Before the Federal Aviation Administration ("FAA"), Docket No. 24105, 1984. See also "Discussion Authority for Agreement to Shift Schedules," Before the Department of Transportation, Docket No. 44634, 1987; "Elimination of Airport Delays," Before the FAA, Docket No. 24206, 1984; "High Density Traffic Airports: Slot Allocation and Transfer Method," Before the FAA, Docket No. 25758, 1991.

charges,[6] and airline computer reservation systems.[7] In response to your earlier invitation to comment, I testified before the Transportation Committee of the Dallas City Council on September 5, 1989. This comment applies the same basic principles as the earlier testimony, updated to include additional information and analysis.

II. The Wright Amendment

In the 1960's, Love Field was the only Dallas airport served by major commercial airlines. Concern about the capacity of Love Field and other local airports to keep up with the region's growth led the cities of Dallas and Fort Worth to develop jointly a regional airport located midway between the two cities. In 1968, the cities authorized bonds for the construction of D/FW. All of the airlines operating out of Love Field at the time signed agreements that they would move their operations to D/FW.

By the time D/FW was completed, Love Field was operating at its peak capacity.[8] Also by that time, a new airline, Southwest Airlines ("Southwest"), had begun operations out of Love Field. It offered flights between the four major cities in Texas. Southwest never signed an agreement to move its operations to D/FW, and on January 13, 1974, when all the other air carriers moved their operations to D/FW, Southwest stayed at Love Field. A lawsuit was instituted in an effort to force Southwest to move to D/FW; however, Southwest prevailed and continued to operate out of Love Field.[9]

Responding to concern that unrestricted air travel out of Love Field might endanger the success of the new airport and prevent the cities from meeting their bond obligations, Congress passed legislation to restrict the use of Love Field. The

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[6] "Proposal for Airport Capacity Efficiency," Massport, 1988; "Charges for Use of Metropolitan Washington Airports," Before the FAA, Docket No. 25204, 1987.

[7] "Airline Computer Reservation Systems," Before the CAB, Docket No. 41686, 1983.

[8] Love Field had 446,160 takeoffs and landings in 1973.

[9] City of Dallas v. Southwest Airlines Company, 371 F. Supp. 1015 (N.D. Tex. 1973) aff'd, 494 F.2d 773 (5th Cir. 1974), cert. denied, 419 U.S. 1079, reh'g denied, 420 U.S. 913 (1975).

legislation, commonly referred to as the "Wright Amendment,"[10] prohibits non-stop flights to or from Love Field and cities that lie in states other than Texas, Arkansas, Louisiana, New Mexico, and Oklahoma. The Wright Amendment also prohibits direct or connecting service beyond the five-state area. For example, not only are airlines prohibited from flying non-stop from Love Field to Kansas City, but they are also prohibited from writing a single ticket for travel between Love Field and Kansas City. The prohibition would apply both to a direct flight, such as one that lands in Oklahoma City and then continues on to Kansas City, and even to connecting service, which requires the passenger to change planes en route.

Despite the Wright Amendment, passengers can travel from Love Field to destinations outside the five-state area,[11] but only if they are willing to overcome a number of obstacles. For example, instead of purchasing one roundtrip ticket to Kansas City, a passenger would have to buy two roundtrip tickets, one from Dallas to Oklahoma City and a second from Oklahoma City to Kansas City. In addition, the passenger would have to deplane in Oklahoma City, claim luggage, and, following a 45-minute minimum wait, check-in and board the next available flight to Kansas City. Use of this procedure is further discouraged by the fact that the Southwest Airlines flight schedule cannot list this service to Kansas City from Love Field.

III. Status of D/FW and Love Field

Dallas/Fort Worth International Airport has prospered in the 18 years since it opened and is now the second busiest airport in the nation. Indeed, it has begun to experience the problems with flight delays that inevitably accompany such a large amount of traffic. To help alleviate this problem D/FW, which currently has six commercial runways, is planning construction of two more runways.[12] The restrictions imposed by the Wright Amendment may

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[10] Pub. L. No. 96-193, 94 Stat. 50, Feb. 18, 1980; see also S. Henigson and R. Dodge, "House passes bill limiting interstate flights at Love," Dallas Time Herald, Feb. 1, 1980.

[11] The Department of Transportation held that Continental Airlines could provide service from Love Field to Houston, if such service did not list connecting flights to restricted destinations. DOT Order 85-12-81 (July 26, 1985); aff'd, Continental Airlines v. Dept. of Transportation, 483 F.2d 1444 (D.C. Cir. 1988).

[12] D/FW Metroplex, Air Traffic System Plan Briefing for City of Dallas Transportation Committee FAA, May 23, 1991.

have been helpful in assuring D/FW's success initially, but D/FW's success is now well established.

From its opening in 1974 through 1987, D/FW operations (takeoffs and landings) increased at a rate of 5 percent per year.[13] Operations there have continued to increase, from a 1988 total of about 675,000 (of which approximately 75 percent were commercial airline operations)[14] to a 1991 total of 735,059.[15] The FAA has projected that total operations at D/FW could reach 1,030,740 by the year 2000 and 1,146,330 by 2005.[16]

Love Field, on the other hand, has a significant amount of unused capacity. In 1991, Love Field had only 264,688 operations, of which approximately 90,000 were commercial operations.[17] The FAA 1990-91 Aviation System Capacity Plan listed the unused capacity of Love Field at 83,000 operations (allowing for an increase of approximately 30 percent).[18] Consultants for the City of Dallas estimated in 1989 that the total capacity of Love Field may be as high as 435,000 operations per year.[19] At the present time, Southwest Airlines, the only major commercial airline operating out of Love Field, uses only 13 gates, on one of the three concourses. Prior to the opening

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[13] "Planning Today for 2005," D/FW Metroplex Air Traffic System Plan, FAA (undated).

[14] Daily Aircraft Operations, FAA (undated).

[15] Daily Delays by Cause, Air Traffic Operations Management System, Dallas Love Field and D/FW, FAA, January 1990-March 1992. As we discuss later, these levels of operations often exceed the capacity of D/FW to handle operations without significant flight delays.

[16] D/FW Metroplex Air Traffic System Plan, Briefing for City of Dallas Transportation Committee, FAA, May 23, 1991.

[17] Daily Delays by Cause, Air Traffic Operations Management System, Dallas Love Field and D/FW, FAA, January 1990-March 1992.

[18] "1990-91 Aviation System Capacity Plan," FAA, Table 5-3, p. 5-8.

[19] Interview, Danny L. Bruce, Director of Aviation, City of Dallas, August 1, 1989. This total is slightly below the total operations in 1973; see n. 8.

of D/FW, 55 gates were in operation at Love Field.[20] At the time of our earlier testimony, there was ample space available for additional airline ticket counters and recent improvements had expanded the airport's parking capacity.[21] At that time the city estimated that, even during peak periods, approximately 40 percent of the airport's garage and surface lot parking was unused.[22] The March 1990 Peat Marwick Report prepared for the D/FW Airport Board ("Peat Marwick Report") confirmed that there were adequate gate, terminal, and parking facilities at Love Field to handle a substantial increase in operations.[23]

Modifying the restrictions on Love Field would allow airlines that serve Love Field to compete more effectively with carriers based at D/FW. It would immediately allow Southwest Airlines to provide through service from Dallas to the 18 restricted destinations that it now serves from other airports.[24] In addition, two other carriers, Continental Airlines and America West Airlines, can be expected to initiate service from Love

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[20] Letter dated August 3, 1989, with enclosures, from Danny L. Bruce, Director of Aviation, City of Dallas, to Thomas B. Carter, Director, Dallas Regional Office, Federal Trade Commission. According to Mr. Bruce, there were at least nine elevated gates that could be used immediately. In addition, some gates that have been converted to other uses since D/FW opened could be reconverted to airline gates, subject to certain lessees' interests.

[21] Interview, Danny Bruce, supra note 21. In 1988, the City of Dallas spent $21.5 million on Love Field to renovate the terminal and provide more parking spaces. D. Dillon, "The New Look of Love," Dallas Morning News, Feb. 4, 1988, p. 1C.

[22] Id. Moreover, there exist additional sites where parking facilities have been located in the past.

[23] See "Final Report: Evaluation of the Potential Effects of Changing the Air Service Restrictions at Love Field (Wright Amendment Study)" March 1990, at ES-10.

[24] Those destinations are Kansas City, St. Louis, Nashville, Birmingham, Chicago, Detroit (two airports), Cleveland, Indianapolis, Phoenix, Las Vegas, Reno, San Diego, Los Angeles, Burbank, Ontario, San Francisco, Oakland, and Sacramento.

Field.[25] Finally, there is some possibility that American Airlines, Delta or another airline now using D/FW might institute service at Love Field if the Wright Amendment were modified; however, the Peat Marwick Report finds this less likely if the Wright Amendment is not repealed completely, but instead is only modified to permit through-ticketing.[26]

IV. Benefits to Consumers in Removing Restrictions

Modifying the restrictions on the use of Love Field would likely increase airline competition, increase airport capacity, provide added convenience, and reduce congestion at D/FW. As a result, consumers in Dallas, Fort Worth and elsewhere could benefit substantially. Some of the benefits that could result include lower airfares to certain locations, lower parking and commuting cost, and reduced delays.

We do not specifically address how the modification of the Wright Amendment might change noise levels in the Dallas area. We note, however, that imposing restrictions on flight destinations may not be an effective method for controlling noise pollution. Changes in noise levels will be determined largely by changes in the aggregate number of operations performed at the

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[25] Testimony of Mark Drusch, Director, Strategic Planning, Continental Airlines and John W. Timmons, Vice President, Government Affairs, America West Airlines, Before the Subcommittee on Aviation of the Committee on Public Works and Transportation, U.S. House of Representatives, September 24, 1991. See also M. Zimmerman, "Field of Dreams," Dallas Morning News, July 18, 1989, p.1D; B. Roth, "Continental Wins Love Field Battle," Dallas Times Herald, March 31, 1988, p. 1B. See, e.g., City of Dallas v. Continental Airlines, Inc., 735 S.W.2d 496 (Tex. Ct. App. 1987). See also "The Impact on Air Traffic Activity at Dallas Love Field Resulting from Repeal of the Wright Amendment," Reese & Company, July 31, 1989.

Airlines that operate out of D/FW may be limited in their use of Love Field by the terms of their use agreements with D/FW and the requirements of the 1968 Regional Airport Concurrent Bond Ordinance adopted by the City Councils of Dallas and Fort Worth. Section 9.5 of the Bond Ordinance requires the cities to phase out the use of other airports, including Love Field, by commercial air carrier services. The extent of the limitation on carriers operating out of D/FW has not been fully determined.

[26] See supplemental Peat Marwick submission to Dallas City Council, Notes on "Compromise" Proposal to Relax Wright Amendment Restrictions, April 26, 1990.

airport,[27] not by the flights' origins and destinations. The council may wish to consider whether the goals of improved air service and noise abatement can be better served through other means, such as measures that directly affect flight frequency and aircraft choice. For example, noise abatement might be dealt with by making landing fees depend on the type of aircraft or hour of operation, restricting hours of airport use, or requiring the use of certain types of aircraft.

A. Potential Reductions in the Price of Airline Travel from D/FW

There are several reasons why the proposal to permit through-ticketing from Love Field to destinations beyond the five-state area could result in lower airline ticket prices at D/FW. First, easing the restrictions on Love Field would increase the number of competitors faced by airlines at D/FW operating flights to destinations that cannot currently be served through single ticket flights from Love Field. The modification would allow Southwest and other potential Love Field entrants to offer through services to these destinations. Any impact on price would depend, in part, on the extent of existing competition among airlines providing service to these destinations from D/FW and the degree to which these airlines, which can offer nonstop service to such destinations, would respond to the introduction of through service to these destinations from Love Field.

Second, when D/FW operates at capacity, airline ticket prices and profits could increase in response to a shortage of gates and other scarce airport facilities.[28] Removing restrictions at Love Field would increase available airport

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[27] The modification would not permit the addition of new nonstops to currently restricted destinations. Although passenger traffic at Love Field is likely to increase, some of that increase may be absorbed by higher load factors. In other words, instead of adding additional flights, Southwest passengers may be able to use existing flights to unrestricted destinations as the first "leg" of their trip to destinations outside the five-state area.

[28] When an input that is needed to produce a good or provide a service, such as an airport gate needed to provide air travel service, is in fixed supply, increasing demand for the product or service is likely to cause the output's price to rise. The additional revenue generated by this price increase is termed a "scarcity rent."

facilities, which in turn is likely to lead to lower prices of airline tickets at D/FW.[29]

Examination of existing ticket prices may help suggest the potential price reductions that might occur if the restrictions at Love Field are modified. The discussion that follows is not based on a sophisticated analysis of airline ticket prices in which we control for all the determinants of prices. Consequently, the price differences that we focus on below should be viewed as illustrative of potential fare reductions that might occur rather than conclusive evidence that fares will decline. Moreover, we do not attempt to measure what part of these conjectured fare reductions is attributable to easing capacity constraints at D/FW and what part is due to increased competition from carriers operating from Love Field.

Because Southwest Airlines is the major carrier at Love Field and American Airlines ("American") is the major carrier at D/FW, we compare American and Southwest prices in the analysis that follows. We first compare prices on routes on which both American and Southwest are permitted to provide service in order to examine whether the two airlines price similarly when serving the same destinations. We make these comparisons for assorted flights originating from both the Dallas and the Houston areas. If the two airlines' prices are the same for city-pair routes that they both serve now, it suggests that their prices would be similar on routes that Southwest would serve if the restrictions at Love Field were removed. This prediction assumes that one-stop service competes effectively with nonstop service.

We then compare American's prices from D/FW to destinations that Southwest cannot serve from Love Field with American and Southwest prices from the Houston area to these same destinations.[30] Service to the listed destinations from D/FW and from Houston is similar, in that both Dallas and Houston have a newer regional airport and an older in-town airport, the distances of the routes to the listed destinations are

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[29] Capacity constraints may be eased to some extent by expansion of facilities at D/FW, planned for the relatively near future.

[30] There are no destination restrictions on flights leaving from Houston; therefore, it is possible to compare Southwest fares and American fares from Houston to destinations that Southwest cannot serve from Love Field.

comparable, and the cities are of comparable size and location.[31] Consequently, provided that no significant remaining differences exist between flights originating in Dallas and Houston that might affect fares, differences in fares may reflect the impact that the restrictions at Love Field have on D/FW prices.

We have taken four separate benchmark price comparisons to show that the higher prices faced by Dallas consumers have extended over time, in both peak summer periods and during slower winter months when the industry traditionally lowers airfares. Tables 1 through 4 provide price comparisons for the following time periods: August 1989, February 1990, September 1991, and April 1992.

The American prices were obtained from one of the computer reservation systems used by travel agents all over the United States.[32] The Southwest prices were obtained by contacting Southwest reservation services directly. Consequently, prices obtained are likely to be accurate indicators of what consumers actually pay for their airline tickets. We provide data on the lowest available fare and on unrestricted fares for weekday travel ("full fare").[33] These latter fares are provided to estimate the typical fares business travelers are likely to face when flying during weekdays without advance reservations.[34]

The price comparisons in these Tables suggest that for routes unaffected by the Wright Amendment, American tends to offer the same range of prices as Southwest. This is true for virtually all flights from Dallas in all four time periods. For example, in August 1989, the lowest price for a roundtrip

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[31] The American prices are for "coach" travel which is the closest comparable service to that offered by Southwest.

[32] A sample of "Full Fare" prices was double checked by contacting American reservations directly.

[33] Some of the American unrestricted fares have limits on the number of stopovers and may require a roundtrip booking. It is interesting to note that these limitations may have the effect of prohibiting Dallas passengers from taking advantage of the lower fares on flights out of Houston that stop in Dallas before continuing to destinations that cannot be served from Love Field. Except for these limitations, American's full fares reflect the lowest fare a passenger could obtain without any conditions on advance purchases, minimum stay, time of day travel, etc.

[34] Since we do not have information on how many tickets were purchased at these and other prices, our discussion is based on comparisons of list prices, not average prices.

Southwest flight from Love Field to either Little Rock, Houston, Austin or San Antonio was $38. American's lowest priced fares from D/FW to these cities was also $38 (see Table 1). As of April 28, 1992, American and Southwest continue to price their lowest fares from Dallas to these destinations very closely (see Table 4). Similarly, for three out of the four Houston benchmarks, both Southwest's and American's lowest available fares to Nashville, Birmingham, St. Louis, and Kansas City were all very closely priced (see Tables 1, 2 and 3). Only in the most recent time period has American failed to match Southwest fares from Houston to these destinations (see Table 4).[35] Comparisons of full fares shown in Tables 1 through 4 suggest that the airlines also price these types of fares similarly, though significant differences exist between American's and Southwest's fares from Houston to certain destinations at certain times.

Overall, these price comparisons suggest that when Southwest and American serve the same city-pairs, the two airlines often tend to offer a similar range of fares. This suggests that if Southwest were permitted to serve destinations that it cannot presently serve from Love Field, American is likely in many instances to price similarly to Southwest on flights from D/FW to those destinations.

Next, we compare American prices on routes from D/FW to destinations that Southwest cannot serve from Love Field with prices on routes from Houston to these same destinations. In particular, we present American fares from D/FW to Kansas City, Nashville, Birmingham, and St. Louis as well as American and Southwest fares from Houston to these same cities. The Tables show that the lowest available fares from Houston to Kansas City, Nashville, Birmingham, and St. Louis are significantly below the fares from D/FW to these destinations. For example, in August 1989, the lowest available fare from the Houston area to St. Louis was $98[36] and the lowest available fare from Dallas to St. Louis was $200. In April 1992, although the differences in American's fares from Dallas and Houston were not nearly as great, Houston consumers continued to enjoy lower fares to these four destinations primarily because they could fly to them on

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[35] American routes these flights through D/FW. American may have few passengers traveling from Houston to these destinations since consumers are unlikely to choose higher prices for nondirect flights.

[36] The $98 fare was available on both American and Southwest flights to St. Louis.

Southwest. For example, the lowest fare to Birmingham from Houston was $152[37] and from Dallas it was $260.

The Tables show that for full fares the disparity is even larger, with full fares from D/FW being sometimes as much as four times more than full fares on routes originating in Houston. Thus, in August 1989, American's full fare roundtrip from Houston to Nashville was $168, and its full fare from Dallas to Nashville was $672. As recently as October 1991, American charged a $309 full fare roundtrip rate from Houston to Birmingham while charging a $864 full fare rate from Dallas. American's April 1992 full fares to all four destinations were about the same from Dallas and Houston. However, Southwest continued to offer significantly lower fares from Houston to each of these destinations that cannot be reached by Southwest out of Love Field.

Another way to demonstrate the modification's potential benefits to consumers is to review American's per mile charge from D/FW to destinations inside the five-state area versus its per mile charge to destinations outside that area. Table 5 lists American's April 1992 lowest available fares and full fares from Dallas to selected destinations that can be served from Love Field and to selected destinations that cannot be served from Love Field. A second column lists the approximate roundtrip distance between Dallas and each destination. The third column is a calculation of the price per mile to fly to each destination. An average price per mile is calculated using the destinations shown in each of the categories. As this table shows, American's per mile charge is significantly higher to destinations that cannot be served from Love Field. The lowest available fares are 77 percent higher and the full fares are 36.7 percent higher, on average. For example, it costs 20.4 cents/mile to fly American's lowest available fare roundtrip from D/FW to Birmingham, a distance of 1,270 miles and only 11.3 cents/mile to fly American roundtrip to Albuquerque, which is 18 miles further. Similarly, a 1,034 mile roundtrip from Dallas to New Orleans on an American full price fare costs 19.1 cents/mile while traveling 1,010 miles to Kansas City costs 39.6 cents/mile.[38]

In summary, our analysis suggests that when serving the same city-pairs Southwest and American often tend to offer similar

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[37] The $152 fare was available on Southwest. The lowest American fare from Houston to Birmingham was $192.

[38] Many elements enter into determining the costs and prices of serving a city pair, so cents per mile is only a rough measure for comparing competitive conditions.

fares and that prices from D/FW to destinations that cannot be served by operations from Love Field are significantly higher than fares from Houston to these same destinations. Moreover, a review of fares from D/FW reveals a large disparity in the per mile charge and the relative average fare to destinations that can and those that cannot be served from Love Field. This evidence, although illustrative rather than conclusive, suggests that permitting through-ticketing from Love Field to destinations outside the five-state area would tend to increase competition faced by airlines serving D/FW and increase airport capacity, and may, therefore, reduce airfares for consumers flying into and out of D/FW airport.[39]

B. Potential Reductions in the Price of Airline Travel from Love Field

There are several reasons why permitting through-ticketing to destinations beyond the five-state area could save money for consumers already using Love Field. First, passengers who currently must purchase two roundtrip tickets to fly from Love Field to destinations outside the five-state area would be permitted to fly to those destinations on a less expensive single ticket. Second, increased competition between Southwest and additional airlines, which may choose to serve Love Field, could

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[39] A study of airfares conducted by America West Airlines supports the findings of our analysis ("The Economic Consequences of the Wright Amendment on Texas Travelers," Planning Division, March 25, 1991). After controlling for service quality (the average number of coupons used per city-pair -- nonstop and single-plane passengers use one coupon, while connecting passengers use two coupons) and mileage, the America West study finds that Dallas passengers pay significantly higher fares than passengers in Houston when flying to cities served by Southwest that are outside the five-state area. Moreover, the study finds that fares from Dallas to these cities are above the industry average fare for the particular quality and distance of the flights.

When examining fares to cities within the five-state area, however, the study indicates that Dallas and Houston airfares are comparable and below the industry average fare for the quality and distance of the flights. Consequently, this study corroborates the conclusions based on the fare comparisons developed by the staff of the FTC. The America West study is broader in scope than the staff analysis because it includes price comparisons to all major domestic destinations and uses a weighted average fare actually paid by passengers during the third quarter of 1990.

further reduce fares to cities both inside and outside the five-state area.

As described earlier, under the current federal restrictions, passengers who wish to fly from Love Field to destinations outside the five-state area may do so by purchasing two roundtrip tickets -- one to a point inside the five-state area and the second from that point to their desired destination. Although no accurate records are kept of the number of passengers who follow this procedure, it may be significant in light of the substantial savings passengers can achieve. Table 6 lists Southwest's April 1992 double ticket fares from Love Field to selected destinations that cannot be served using a single ticket due to the Wright Amendment. These fares are contrasted with American's April 1992 single ticket fares from D/FW to these same destinations. As Table 6 indicates, even compared to America's new lower fare structure, passengers can save up to 30 percent by flying Southwest out of Love Field and using two tickets.

An analysis of Southwest's April 1992 single versus double ticket fares to selected destinations from Houston Hobby suggests that modifying the Wright Amendment to permit single ticket through service from Love Field to destinations outside the five-state area would likely save Southwest passengers even more. Table 7 lists single ticket prices that Southwest charges Houston passengers traveling to four selected destinations outside the five-state area. Also shown are the double ticket costs that Houston passengers would face if the same restriction currently placed on Southwest flights at Love Field were placed on Southwest flights from Houston. Ticket prices are given for 21-day advance fares for both peak and off peak travel and for no advance fares for peak and off peak periods. In all but one instance the double ticket fares were higher than the single ticket fares. Often they were substantially higher. For example, the single ticket 21-day advance off peak fare from Houston to Nashville was $152, while the double ticket fare from Houston through New Orleans would have been $286. The added cost of the restrictions in that case would have been $134, an 88 percent increase over the single ticket fare.[40]

There is also some evidence to suggest that easing the Wright Amendment's restrictions on Love Field would cause Southwest to reduce its already low fares if there is entry into

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[40] The added-cost figures in Table 7 are probably upper-bound estimates of possible savings that Dallas consumers might realize, because current Southwest double ticket prices at Houston might be less likely than its prices at Love Field to take account of competition with single ticket prices.

Love Field by other low fare carriers such as Continental and America West.

America West contends that the current "legislative monopoly" that Southwest enjoys at Love Field has allowed Southwest to charge higher per mile fares on its Love Field routes than on routes where Southwest has more direct and heated competition. To support this contention, America West has developed a study, based on Department of Transportation data, that compares Southwest's third-quarter 1991 average air fares between various destinations.[41] The study indicated, for example, that Southwest's Dallas fares were about 50 percent higher than its fares from the more competitive Phoenix Airport. This study suggests that if Southwest faced competition at Love Field similar to that faced at other airports which Southwest serves, Southwest's fares might be even lower.

C. Potential Reductions in Delay Time

There are other potential benefits to modifying the restrictions on traffic into and out of Love Field. There are times when the demand for operations at D/FW exceeds the airport's capacity. During these peak use periods, the cost of an aircraft using terminal gate space, taxiway, and runways consists of the actual resource costs incurred (e.g., the use of air and ground traffic controllers) plus the additional cost that the operation imposes on other operations that would have used the airport facilities. The costs associated with preventing other aircraft from using airport facilities are known as congestion costs. During peak use periods when many aircraft want to use the limited airport facilities at the same time, the congestion costs for any single operation can be significant.

If modifying the Wright Amendment caused some shift in operations from D/FW to Love Field, then such a modification could benefit consumers by reducing congestion costs at D/FW.[42]

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[41] T. Maxon, "Wright Amendment Unfairly Keeps Airline In Black Rival Claims," Dallas Morning News, April 19, 1992. See also "The Economic Consequences of the Wright Amendment on Texas Travelers," America West Airlines, Inc., Planning Division, March 25, 1991.

[42] A shift in operations could occur because Southwest would expand its operations to routes that were previously restricted, thereby reducing the demand for operations at D/FW. In addition, air carriers other than Southwest may wish to shift some of their operations from D/FW to Love Field. Note that our analysis would be similar if instead of existing operations

(continued...)

There are data suggesting that the congestion costs at D/FW are significant and becoming more severe over time. For example, one important cost is the delay time imposed on passengers on flights waiting to use a runway.

FAA delay data indicate that during 1988 there were over 10,000 delays at D/FW and that many of these delays were attributable to airport volume. The FAA data indicate that during the six-month period from March through July 1989, 18 percent of delays were attributed to airport volume. By 1991, there were over 25,000 delays at D/FW, and over 30 percent of these delays were attributed to traffic volume.[43] These data imply that a reduction in operations, when an airport is near its capacity, can have a significant impact on delay time. It has been estimated, for example, that if there were 20 departures per runway per hour, a 1 percent increase in commercial air carrier departures would cause an increase in average departure delay of 2.9 percent. Similarly, if there were 20 arrivals per runway in the same hour, a 1 percent increase in air carrier arrivals per runway would increase departure delay by an additional 1.6 percent.[44] As discussed below, recent FAA data suggest that at the current level of operations at D/FW, the sensitivity of delay time to changes in operations might be even more pronounced than these estimates. Thus, given traffic volume at peak hours at D/FW, any reduction in the number of operations is likely to cause a significant reduction in delays.

Love Field, by contrast, does not appear to be capacity constrained. The FAA estimates that from March through July 1989 Love Field experienced only 349 delays,[45] none of which was attributable to airport volume.[46] In 1991, there were over 264,000 operations at Love Field. Yet, there were only 309

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[42](...continued)
shifting from D/FW to Love Field, Love Field received a greater proportion of any growth in the demand for operations.

[43] Daily Delays by Cause, Air Traffic Operations Management System, D/FW, FAA, January 1990-March 1992.

[44] S. Morrison and C. Winston, "Enhancing the Performance of the Deregulated Air Transportation System," Brookings Papers on Economic Activity, M. Bailey and C. Winston, Ed., Brookings Institution, Washington, D.C., 1989.

[45] In 1988, the number of delays per thousand operations at D/FW was almost six times greater than at Love Field.

[46] Daily Delays by Cause, Air Traffic Operations Management System, Dallas Love Field and D/FW, FAA, 1989.

delays, with only 60 delays being attributable to airport volume.[47] Thus, the FAA data suggest that Love Field can effectively handle more operations without significantly increasing the number of delays.

Table 8 presents the most recent available delay data for Love Field and D/FW. These data clearly show that on any given day the probability of experiencing a delay at Love Field is extremely small, while there is a significant chance of delay at D/FW.

Based on these disparities in the effect of operations on delay time at the two airports, the 1989 staff testimony provided an illustrative example of the potential savings in delay time that might be achieved if 5 percent or 10 percent of the commercial traffic at D/FW shifted to Love Field.[48] The savings

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[47] Daily Delays by Cause, Air Traffic Operations Management System, Dallas Love Field and D/FW, FAA, 1991.

[48] In March 1990, Peat Marwick conducted an analysis of the effect of repealing the Wright Amendment on delays at D/FW and Love Field. See "Final Report: Evaluation of the Potential Effects of Changing the Air Service Restrictions at Love Field." The Peat Marwick Report analyzes the effects of modifying the Wright Amendment under several different scenarios. In 1989, the FTC staff analyzed the effect of shifting 5 percent or 10 percent of D/FW's commercial operations to Love Field. Applying this assumption to the Peat Marwick model yields results that are consistent with the FTC analysis; delays at Love Field would not be significantly altered by 5 or 10 percent of the commercial aircraft switching operations to Love Field (in 1988, the 10 percent shift would have increased operations at Love Field by 50,000 resulting in 260,000 operations at Love Field). Actual FAA data indicate that this assumption was correct. In 1991, Love Field had over 264,000 operations, yet delays actually declined.

The Peat Marwick Report concludes, however, that larger shifts in operations from D/FW to Love Field would result in large increases in delays at Love Field. Under the assumption that the Trinity River Departure ("TRD") procedure would be in use 24 hours a day, the study shows that large increases in the number of operations at Love Field result in enormous increases in delay time. The TRD procedure, however, is currently in use only nine hours per day and according to Herbert Kelleher, Chairman of the Board, President and Chief Executive Officer of Southwest Airlines, "Peat Marwick assumes an unrealistic 24 hour per day use of the TRD route." See Memorandum dated May 2, 1990,

(continued...)

in delay time were predicted to be significant because not only would passengers moving to Love Field experience reductions in delay, but passengers remaining at D/FW would also experience reduced delays due to a reduction in the number of operations at that airport.

Since the 1989 testimony, the number of delays at D/FW has increased markedly, from 10,377 delays in 1988, to 19,216 delays in 1990, to 25,959 delays in 1991.[49] While operations of D/FW also increased during this period, delays per operation rose dramatically. In 1988, there were 678,247 operations, so there were 15.3 delays per thousand operations. By 1991, there were 735,059 operations, and 35.3 delays per thousand operations. These data indicate that the benefits from shifting operations from D/FW to Love Field are likely to be even more pronounced now than they were in 1989.

D. Potential Savings in Commuting Costs and Parking Fees

Love Field is closer to downtown Dallas than D/FW by approximately 10 miles. Since a significant percentage of air travellers are likely to be traveling to or from downtown Dallas, shifting traffic from D/FW to Love Field will lower commuting costs to these passengers.[50] For example, according to Yellow Checker Cab the one-way fare from D/FW to downtown Dallas is $27.90, while the charge from Love Field is approximately $11.00. That difference results in a roundtrip saving of over $33.00. Commuters using their private vehicles would also save a significant amount if they were able to shift to Love Field. Utilizing a conservative estimate of 25 cents per mile operating cost, such consumers would experience a $5.00 per roundtrip savings.

In addition, shifting traffic from D/FW to Love Field would enable consumers to save on parking fees and save time getting to

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[48](...continued)
from Herbert Kelleher, Chairman of the Board, Southwest Airlines, to Dallas City Council. Under the assumption that the TRD procedure continues in its present use, the Peat Marwick Report shows that if the Wright Amendment was repealed delays at Love Field would be less than delays at D/FW without repeal.

[49] See "Air Traffic Activity and Delay Report," Air Traffic System Management, NAS Analysis Program, FAA, September 1991. ATM-300.

[50] Note that commuters who live closer to Love Field than D/FW will also experience lower commuting costs to the extent they are able to make greater use of Love Field.

and from the airport terminal. Close-in terminal parking at D/FW costs $12.00 per day. Parking close to the terminal at Love Field is $6.00 per day in the covered garage and $4.00 per day in the open lot. D/FW has remote parking at comparable rates to parking at Love Field, but it is far from the terminals and involves waiting for transportation to arrive and entails a significant amount of travel time between the lots and the terminal. Therefore, the ability to fly from Love Field could save consumers money in parking fees and time expended getting from the parking lot to the terminal.

V. Conclusion

This letter analyzes the potential impact of modifying the restrictions at Love Field on airline ticket prices, commuting costs, and delay time. The analysis shows that removing the restrictions may result in lower air fares both at D/FW and at Love Field as well as reduced delays and commuting costs to air passengers.

We appreciate the opportunity to comment on this matter. Please feel free to contact us if we can be of further assistance.

Sincerely,

Thomas B. Carter
Director
Dallas Regional Office

Table 1
Roundtrip Airline Fares on Selected Routes
August 1989

Destinations That Can Be Served From Love Field

Destination	Lowest Available Fares From Dallas[1]		Full Price Fares From Dallas[2]	
	AA(DFW)	SW(Love)	AA(DFW)	SW(Love)
Little Rock, AR	$38	$38	$122	$122
Albuquerque, NM	$76	$76	$164	$164
Houston (Hobby), TX	$38	$38	$122	$122
Austin, TX	$38	$38	$122	$122
Oklahoma City, OK	$38	$38	$102	$102
San Antonio, TX	$38	$38	$122	$122
New Orleans, LA	$76	$76	$164	$164

Destinations That Can Not Be Served From Love Field

Destination	Lowest Available Fares From Houston (Hobby)[1]		Lowest Available Fares From Dallas[1]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	**$108**	$108	**$198**	Restricted	$ 90	83%
Nashville, TN	**$ 98**	$ 98	**$200**	Restricted	$102	104%
Birmingham, AL	**$ 98**	$ 98	**$200**	Restricted	$102	104%
Saint Louis, MO	**$ 98**	$ 98	**$200**	Restricted	$102	104%

Destination	Full Price Fares From Houston (Hobby)[2]		Full Price Fares From Dallas[2]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	**$230**	$236	**$476**	Restricted	$246	106%
Nashville, TN	**$168**	$188	**$672**	Restricted	$504	300%
Birmingham, AL	$238	**$198**	**$672**	Restricted	$474	239%
Saint Louis, MO	**$162**	$178	**$630**	Restricted	$468	288%

[1]Lowest fares offered by American (AA) and Southwest (SW) all require 3 week advance purchase and are nonrefundable; other restrictions may apply.

[2]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

[3]"Fare Difference" is determined by subtracting the lowest Houston fare (on either AA or SW) from the AA Dallas fare to each destination.

[4]"Percentage Difference" is determined by comparing the added cost with the lowest Houston fare for each destination.

Table 2
Roundtrip Airline Fares on Selected Routes
February 1990

Destinations That Can Be Served From Love Field

Destination	Lowest Available Fares From Dallas[1] AA(DFW)	Lowest Available Fares From Dallas[1] SW(Love)	Full Price Fares From Dallas[2] AA(DFW)	Full Price Fares From Dallas[2] SW(Love)
Little Rock, AR	$38	$38	$138	$138
Albuquerque, NM	$92	$82	$190	$204
Houston (Hobby), TX	$38	$38	$138	$138
Austin, TX	$38	$38	$138	$138
Oklahoma City, OK	$38	$38	$118	$118
San Antonio, TX	$38	$38	$138	$138
New Orleans, LA	$82	$82	$180	$180

Destinations That Can Not Be Served From Love Field

Destination	Lowest Available Fares From Houston (Hobby)[1] AA	Lowest Available Fares From Houston (Hobby)[1] SW	Lowest Available Fares From Dallas[1] AA	Lowest Available Fares From Dallas[1] SW	Fare Diff.[3]	Percent Diff.[4]
Kansas City, MO	**$124**	$124	**$228**	Restricted	$104	83%
Nashville, TN	**$114**	$114	**$301**	Restricted	$187	164%
Birmingham, AL	**$114**	$114	**$280**	Restricted	$166	145%
Saint Louis, MO	$145	**$114**	**$260**	Restricted	$146	128%

Destination	Full Price Fares From Houston (Hobby)[2] AA	Full Price Fares From Houston (Hobby)[2] SW	Full Price Fares From Dallas[2] AA	Full Price Fares From Dallas[2] SW	Fare Diff.[3]	Percent Diff.[4]
Kansas City, MO	**$262**	$262	**$600**	Restricted	$338	129%
Nashville, TN	$228	**$218**	**$722**	Restricted	$504	231%
Birmingham, AL	$260	**$238**	**$722**	Restricted	$484	203%
Saint Louis, MO	$446	**$208**	**$678**	Restricted	$470	225%

[1]Lowest fares offered by American (AA) and Southwest (SW) all require 3 week advance purchase and are nonrefundable; other restrictions may apply.

[2]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

[3]"Fare Difference" is determined by subtracting the lowest Houston fare (on either AA or SW) from the AA Dallas fare to each destination.

[4]"Percentage Difference" is determined by comparing the added cost with the lowest Houston fare for each destination.

Table 3
Roundtrip Airline Fares on Selected Routes
October 1991

Destinations That Can Be Served From Love Field

Destination	Lowest Available Fares From Dallas[1]		Full Price Fares From Dallas[2]	
	AA(DFW)	SW(Love)	AA(DFW)	SW(Love)
Little Rock, AR	$ 58	$ 58	$158	$158
Albuquerque, NM	$156	$136	$254	$220
Houston (Hobby), TX	$ 58	$ 58	$158	$158
Austin, TX	$ 58	$ 58	$158	$158
Oklahoma City, OK	$ 58	$ 58	$144	$144
San Antonio, TX	$ 58	$ 58	$158	$158
New Orleans, LA	$108	$108	$198	$198

Destinations That Can Not Be Served From Love Field

Destination	Lowest Available Fares From Houston (Hobby)[1]		Lowest Available Fares From Dallas[1]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	**$150**	$150	**$178**	Restricted	$ 28	18%
Nashville, TN	**$150**	$150	**$198**	Restricted	$ 48	32%
Birmingham, AL	**$140**	$140	**$188**	Restricted	$ 48	34%
Saint Louis, MO	$198	**$150**	**$198**	Restricted	$ 48	32%

Destination	Full Price Fares From Houston (Hobby)[2]		Full Price Fares From Dallas[2]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	$359	**$300**	**$708**	Restricted	$408	136%
Nashville, TN	$272	$272	**$864**	Restricted	$592	217%
Birmingham, AL	$309	**$268**	**$864**	Restricted	$596	222%
Saint Louis, MO	$405	**$232**	**$802**	Restricted	$570	245%

[1]Lowest fares offered by American (AA) and Southwest (SW) all require 3 week advance purchase and are nonrefundable; other restrictions may apply.

[2]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

[3]"Fare Difference" is determined by subtracting the lowest Houston fare (on either AA or SW) from the AA Dallas fare to each destination.

[4]"Percentage Difference" is determined by comparing the added cost with the lowest Houston fare for each destination.

Table 4
Roundtrip Airline Fares on Selected Routes
April 1992

Destinations That Can Be Served From Love Field

Destination	Lowest Available Fares From Dallas[1]		Full Price Fares From Dallas[2]	
	AA(DFW)	SW(Love)	AA(DFW)	SW(Love)
Little Rock, AR	$ 78	$ 78	$158	$158
Albuquerque, NM	$146	$146	$220	$220
Houston (Hobby), TX	$ 68	$ 68	$158	$158
Austin, TX	$ 58	$ 58	$158	$158
Oklahoma City, OK	$ 58	$ 58	$144	$144
San Antonio, TX	$ 68	$ 68	$158	$158
New Orleans, LA	$120	$120	$198	$198

Destinations That Can Not Be Served From Love Field

Destination	Lowest Available Fares From Houston (Hobby)[1]		Lowest Available Fares From Dallas[1]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	$260	**$160**	**$210**	Restricted	$ 50	31%
Nashville, TN	$260	**$152**	**$260**	Restricted	$108	71%
Birmingham, AL	$192	**$152**	**$260**	Restricted	$108	71%
Saint Louis, MO	$200	**$158**	**$250**	Restricted	$ 92	58%

Destination	Full Price Fares From Houston (Hobby)[2]		Full Price Fares From Dallas[2]		Fare Diff.[3]	Percent Diff.[4]
	AA	SW	AA	SW		
Kansas City, MO	$400	**$300**	**$400**	Restricted	$100	33%
Nashville, TN	$500	**$272**	**$500**	Restricted	$228	83%
Birmingham, AL	$570	**$268**	**$500**	Restricted	$232	86%
Saint Louis, MO	$420	**$232**	**$500**	Restricted	$268	115%

[1]Lowest fares offered by American (AA) and Southwest (SW) all require 3 week advance purchase and are nonrefundable; other restrictions may apply.

[2]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

[3]"Fare Difference" is determined by subtracting the lowest Houston fare (on either AA or SW) from the AA Dallas fare to each destination.

[4]"Percentage Difference" is determined by comparing the added cost with the lowest Houston fare for each destination.

Table 5
Price Per Mile For American Flights From Dallas
April 1992

Lowest Available Roundtrip Fares[1]

Destinations That Can Be Served From Love Field

Destination	Fare	Miles[2]	Cents/mile
Little Rock, AR	$ 78	632	12.3
Albuquerque, NM	$146	1,288	11.3
Houston (Hobby), TX	$ 68	490	13.8
Austin, TX	$ 58	384	15.1
Oklahoma City, OK	$ 58	414	14.0
San Antonio, TX	$ 68	540	12.5
New Orleans, LA	$120	1,034	11.6
Average Price			12.9

Destinations That Can Not Be Served From Love Field

Kansas City, MO	$210	1,010	20.7
Nashville, TN	$260	1,318	19.7
Birmingham, AL	$260	1,270	20.4
Saint Louis, MO	$250	1,310	19.0
Average Price			19.9

Full Price Roundtrip Fares[3]

Destinations That Can Be Served From Love Field

Little Rock, AR	$158	632	25.0
Albuquerque, NM	$220	1,288	17.0
Houston (Hobby), TX	$158	490	32.2
Austin, TX	$158	384	41.1
Oklahoma City, OK	$144	414	34.7
San Antonio, TX	$158	540	29.2
New Orleans, LA	$198	1,034	19.1
Average Price			28.3

Destinations That Can Not Be Served From Love Field

Kansas City, MO	$400	1,010	39.6
Nashville, TN	$500	1,318	37.9
Birmingham, AL	$500	1,270	39.3
Saint Louis, MO	$500	1,310	38.1
Average Price			38.7

[1]Lowest fares offered by American Airlines; all require 2 to 3 week advance purchase and are nonrefundable; other restrictions may apply.

[2]Miles between cities are statute miles based on the Rand McNally Road Atlas United States mileage chart. These are approximate distances between cities. The exact distance between airports will vary somewhat.

[3]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

Table 6
Selected Roundtrip Airline Fares From Dallas
Required Double Ticket Southwest Airline Fares
vs. Single Ticket American Airline Fares[1]
April 1992

Destination	Single Ticket (SW/Love Field)	Double Ticket (SW/Love Field)	Single Ticket (AA/DFW)	Cost Savings[3]	Percent Decrease[4]
Lowest Available Roundtrip Fares From Dallas[2]					
Kansas City, MO	Restricted	$126[5] (OKC)	$210	$ 84	40.0%
Nashville, TN	Restricted	$220[6] (HOU)	$260	$ 40	15.3%
Birmingham, AL	Restricted	$198[7] (MSY)	$260	$ 62	23.8%
Saint Louis, MO	Restricted	$156 (OKC)	$250	$ 94	37.6%
Full Price Roundtrip Fares From Dallas[8]					
Kansas City, MO	Restricted	$302 (OKC)	$400	$ 98	24.5%
Nashville, TN	Restricted	$430 (HOU)	$500	$ 70	14.0%
Birmingham, AL	Restricted	$376 (MSY)	$500	$124	24.8%
Saint Louis, MO	Restricted	$306 (OKC)	$500	$194	38.8%

[1]"Single Ticket" refers to the price charged for a roundtrip ticket between Dallas and the listed destinations. "Double Ticket" refers to the price charged for the two roundtrip tickets that must be purchased for travel between Dallas Love Field and the same destinations. Under the requirements of the Wright Amendment a passenger is forced to purchase two roundtrip tickets -- one between Love Field and an intermediate stop within the five state area and a second ticket for travel between that stop and the desired destination.

[2]Lowest fares offered by each airline; all require 2 to 3 week advance purchase and are nonrefundable; other restrictions may apply.

[3]"Cost Savings" is determined by comparing the lower cost Southwest double ticket fare and the single ticket American fare to each destination.

[4]"Percentage Decrease" is determined by comparing the cost savings amount with the American fare to each destination.

[5]Based on buying two roundtrip tickets -- one from Dallas Love Field to Oklahoma City (OKC) and the other from Oklahoma City to Kansas City. The total double ticket price would be approximately the same if passenger flew via Tulsa.

[6]Via Houston Hobby Airport (HOU), the most direct route to Nashville from Love Field under the Wright Amendment restrictions.

[7]Via New Orleans (MSY), the most direct route to Birmingham.

[8]Lowest unrestricted fares offered for "coach" travel on weekdays; they do not require advance purchase, minimum stay, time of day travel, and are fully refundable; there may be a limit on stopovers and may require round trip purchase.

Table 7
Selected Roundtrip Airline Fares From Houston on Southwest Airlines
Single Ticket vs. Double Ticket Fares[1]
April 1992

Destination	Single Ticket	Double Ticket	Added Cost[3]	Percent Incr.[4]
21 Day Advance (Off Peak)[2]				
Kansas City, MO	$160	$156 (OKC)[5]	$(4)	(2.5%)
Nashville, TN	$152	$286 (MSY)[6]	$134	88.1%
Birmingham, AL	$152	$156 (MSY)	$ 4	2.6%
Saint Louis, MO	$158	$186 (OKC)	$ 28	17.7%
Average Percentage Increase				27.7%
21 Day Advance (Peak)[2]				
Kansas City, MO	$168	$186 (OKC)	$ 18	10.7%
Nashville, TN	$168	$306 (MSY)	$138	82.1%
Birmingham, AL	$162	$176 (MSY)	$ 14	8.6%
Saint Louis, MO	$168	$206 (OKC)	$ 38	2.6%
Average Percentage Increase				26.0%
No Advance (Off Peak)[2]				
Kansas City, MO	$238	$276 (OKC)	$ 38	15.9%
Nashville, TN	$218	$400 (MSY)	$182	83.4%
Birmingham, AL	$218	$272 (MSY)	$ 54	24.7%
Saint Louis, MO	$178	$314 (OKC)	$136	76.4%
Average Percentage Increase				50.1%

[1]"Single Ticket" refers to the price charged for a roundtrip ticket between Houston and the listed destination. "Double Ticket" refers to the price that would be charged for roundtrip travel between Houston and the same destination if, as in the case for passengers departing from Dallas Love Field, the passenger were forced to purchase two round trip tickets -- one between Houston and an intermediate stop within the five state area and a second ticket for travel between that stop and the desired destination.

[2]The 21 Day Advance (Off Peak) Fare is the lowest available fare, it is non refundable and certain restrictions may apply. The no advance (peak) fare is the full price fare, it is for unrestricted coach travel on weekdays it does not require minimum stay or time of day travel, and it is fully refundable. "Off Peak" fares require travel on weekends or before 6:00 am and after 7:00 pm on weekdays. "Peak" fares are required for all other times.

[3]"Added Cost" is determined by subtracting the single ticket fare from the double ticket fare to each destination.

[4]"Percentage Increase" is determined be comparing the added cost with the single ticket fare to each destination.

[5]Based on buying two roundtrip tickets -- one from Houston to Oklahoma City (OKC) and the other from Oklahoma City to Kansas City. The total double ticket price would be approximately the same if passenger flew via Tulsa.

[6]Via New Orleans. (MSY)

Table 7
(Continued)
Selected Roundtrip Airline Fares From Houston on Southwest Airlines
Single Ticket vs. Double Ticket Fares
April 1992

No Advance (Peak)

Destination	Single Ticket	Double Ticket	Added Cost	Percent Incr.
Kansas City, MO	$300	$388 (OKC)	$ 88	29.3%
Nashville, TN	$272	$512 (MSY)	$240	88.2%
Birmingham, AL	$268	$352 (MSY)	$ 84	31.3%
Saint Louis, MO	$232	$392 (OKC)	$160	68.9%
Average Percentage Increase				54.4%

AIR TRAFFIC OPERATIONS MANAGEMENT SYSTEM
Dallas Love Field
DAILY DELAYS BY CAUSE

DATE	TOTAL DELAYS	WEATHER	VOLUME	EQUIP.	RWY/CLSR	OTHER	UKNOWN TMS	TOTAL TMS	Daily OPERATIONS
01-Mar-92	0	0	0	0	0	0	0	0	500
02-Mar-92	0	0	0	0	0	0	0	0	772
03-Mar-92	0	0	0	0	0	0	0	0	633
04-Mar-92	3	3	0	0	0	0	0	1	787
05-Mar-92	1	0	0	0	1	0	0	1	1,011
06-Mar-92	0	0	0	0	0	0	0	0	727
07-Mar-92	0	0	0	0	0	0	0	0	575
08-Mar-92	2	2	0	0	0	0	0	0	441
09-Mar-92	1	1	0	0	0	0	0	1	777
10-Mar-92	0	0	0	0	0	0	0	0	901
11-Mar-92	0	0	0	0	0	0	0	0	978
12-Mar-92	0	0	0	0	0	0	0	0	994
13-Mar-92	0	0	0	0	0	0	0	0	811
14-Mar-92	0	0	0	0	0	0	0	0	515
15-Mar-92	0	0	0	0	0	0	0	0	412
16-Mar-92	0	0	0	0	0	0	0	0	702
17-Mar-92	0	0	0	0	0	0	0	0	664
18-Mar-92	0	0	0	0	0	0	0	0	920
19-Mar-92	0	0	0	0	0	0	0	0	988
20-Mar-92	0	0	0	0	0	0	0	0	933
21-Mar-92	0	0	0	0	0	0	0	0	386
22-Mar-92	0	0	0	0	0	0	0	0	349
23-Mar-92	0	0	0	0	0	0	0	0	832
24-Mar-92	0	0	0	0	0	0	0	0	843
25-Mar-92	0	0	0	0	0	0	0	0	1,010
26-Mar-92	0	0	0	0	0	0	0	0	916
27-Mar-92	0	0	0	0	0	0	0	0	849
28-Mar-92	0	0	0	0	0	0	0	0	406
29-Mar-92	0	0	0	0	0	0	0	0	431
30-Mar-92	0	0	0	0	0	0	0	0	758
31-Mar-92	0	0	0	0	0	0	0	0	939
MONTHLY TOTALS	7	6		0	1	0	0	3	22,760

AIR TRAFFIC OPERATIONS MANAGEMENT SYSTEM
Dallas/Ft. Worth Int'l
DAILY DELAYS BY CAUSE

DATE	TOTAL DELAYS	WEATHER	VOLUME	EQUIP.	RWY/CLSR	OTHER	UKNOWN TMS	TOTAL TMS	Daily OPERATIONS
01-Mar-92	13	0	13	0	0	0	0	0	1,971
02-Mar-92	17	0	17	0	0	0	0	0	2,054
03-Mar-92	204	188	16	0	0	0	0	36	2,050
04-Mar-92	75	59	16	0	0	0	0	21	2,133
05-Mar-92	17	17	0	0	0	0	0	5	2,165
06-Mar-92	13	0	13	0	0	0	0	0	2,099
07-Mar-92	10	10	0	0	0	0	0	1	1,915
08-Mar-92	212	162	50	0	0	0	0	11	1,936
09-Mar-92	158	158	0	0	0	0	0	3	2,030
10-Mar-92	22	0	22	0	0	0	0	0	2,133
11-Mar-92	5	0	5	0	0	0	0	0	2,121
12-Mar-92	43	0	43	0	0	0	0	0	2,157
13-Mar-92	0	0	0	0	0	0	0	0	2,135
14-Mar-92	26	0	26	0	0	0	0	0	1,904
15-Mar-92	4	0	4	0	0	0	0	0	1,987
16-Mar-92	13	0	13	0	0	0	0	0	2,068
17-Mar-92	233	218	15	0	0	0	0	47	2,109
18-Mar-92	0	0	0	0	0	0	0	0	2,118
19-Mar-92	0	0	0	0	0	0	0	0	2,129
20-Mar-92	6	0	6	0	0	0	0	0	2,170
21-Mar-92	0	0	0	0	0	0	0	0	1,905
22-Mar-92	3	0	3	0	0	0	0	0	1,953
23-Mar-92	0	0	0	0	0	0	0	0	2,086
24-Mar-92	307	307	0	0	0	0	0	66	2,068
25-Mar-92	1	1	0	0	0	0	0	1	2,273
26-Mar-92	10	0	10	0	0	0	0	0	2,158
27-Mar-92	26	5	20	0	0	1	0	8	2,110
28-Mar-92	16	3	13	0	0	0	0	5	1,864
29-Mar-92	25	0	25	0	0	0	0	0	1,965
30-Mar-92	20	0	20	0	0	0	0	0	2,084
31-Mar-92	52	16	36	0	0	0	0	0	2,139
MONTHLY TOTALS	1,531	1,144	386	0	0	1	0	204	63,989