



2.0 INTRODUCTION

Before Dallas /Fort Worth International Airport (DFW) was built, Love Field served as the major commercial airport in the region. When DFW was opened, carriers serving DAL signed an agreement to terminate air service at DAL. Southwest Airlines, which did not sign an agreement shifting air service to DFW, remained at DAL and initially provided intrastate service, and eventually expanded service to interstate points.

A Congressional Amendment of 1979, named after Congressman Jim Wright, prohibited operators of large aircraft from offering for sale or providing transportation between Dallas Love Field and points beyond Texas, Louisiana, Arkansas, Oklahoma and New Mexico. The Wright Amendment was modified in 1997 to add three additional states, Kansas, Mississippi and Alabama to the list of state points exempt from the interstate restriction. A 1998 DOT Order dealt with several Love Field service issues, and reached the following conclusions:

- (i) The City of Fort Worth may not enforce any commitment by the City of Dallas under the Bond Ordinance or other agreement to limit operations at Love Field authorized by federal law, and the proprietary powers of the City of Dallas do not allow it to restrict services at Love Field authorized by federal law; (ii) the ability of the City of Dallas to limit the type of airline service operated at Love Field is preempted by the Wright and Shelby Amendments; (iii) any airline operating aircraft with a passenger capacity of no more than 56 passengers and a gross weight of no more than 300,000 pounds may operate service with any type of equipment and flights of any length from or to Love Field, notwithstanding any claim that such service violates any agreement between the Cities of Dallas and Fort Worth; (iv) the Dallas-Fort Worth International Airport Board may not enforce any contract provision that allegedly bars an airline from operating interstate airline service at another airport in the Dallas-Fort Worth metropolitan area; and (v) any airline may offer through service between Love Field and any other point to passengers using a flight between Love Field and another point within Texas operated under subsection (a) of the Wright Amendment, as amended by the Shelby Amendment.

Order in Love Field Service Interpretation Proceeding, Docket OST-98-4363, US DOT, issued December 22, 1998.

The United States Court of Appeals, Fifth Circuit, has upheld this order in a decision filed February 1, 2000. The US Supreme Court turned down review of this decision in June 2000.

The DOT Order and Circuit Court decision have made it clear that the current law allows operation of aircraft to any interstate points as long as the aircraft has 56 seats or fewer, and weighs less than 300,000 pounds. Further, the operator of an aircraft with 56 or fewer seats is not subject to other Wright Amendment restrictions, such as the operation of through flights or selling connections. These developments have initiated a new pattern of growth of DAL air service, including service by Legend Airlines, operating reconfigured DC-9 aircraft, with DAL as its key service point. The new growth is also facilitated by the broad use of a new commuter jet aircraft, the popular new 50-seat regional jets or RJs.



2.1 OVERALL FORECAST APPROACH

The forecast presented here is the “best estimate” of how carrier service and passenger patronage will develop at Dallas Love Field (DAL) in the future. There are many unknowns with respect to the long-term viability of some services. As discussed below, the aircraft restrictions at DAL often require the operation of aircraft that have a higher cost profile than those operated at DFW.¹ This higher cost may not allow for sustained operations in some categories of service. Also, some of the services at DAL will be responses to competitive carrier schedule offerings. These are unknowns that require particular attention as elements in a risk analysis. A final section of the forecast will therefore deal with sensitivity and risk factors. In addition, the forecast is developed in a range, with the high level representing the potential that is achievable at DAL without constraints, and with timely market development. The low or moderate range forecast is one that reflects slower market development.

Because of the recent changes in interpretation of laws governing permissible air services at DAL, we provide a forecast for 2002 for specific markets and carriers. A more general approach is taken to forecast activity for 2005, 2010, 2015 and 2020.

2.1.1 Dallas Love Field Service Area

One primary consideration when considering the forecast of demand for a multiple airport situation, is determining the travelers in the approximate area where, “other things being equal” air travelers to and from the Dallas metropolitan area would prefer to use DAL instead of DFW. The secondary consideration for the forecast is estimating the impact of “other things” that influence airport choice including airline service offers and passenger use of services at DAL.

Basic Catchment Area

The first element of defining the market for DAL is estimating the traffic that is likely to originate or terminate in the catchment area of DAL versus that of DFW. We define the catchment area of an airport in multi-airport systems as that part of the region that is closest in highway travel time to one or the other airport.²

To estimate the catchment area, ideally one would have a spatial distribution of passenger trip ends in detail, and overlay this on the catchment areas for present users of DFW Airport.³ However, such data were not available. DFW does survey passengers, but only had limited information available about local trip ends.

¹ This does not apply to Southwest, which operates large aircraft.

² This formulation is consistent with the “full price of travel” models that are central to most modern economic treatments of travel demand. In such models, travelers are sensitive to the characteristics of travel offers – fare, elapsed time, service frequency, and other amenities including network size, frequent flyer programs, etc. Holding everything else the same, travelers would logically choose to travel from the closest airport.

³ As discussed in detail below, present users of Love Field’s Southwest Airlines Service are expected to continue such use, and the new users will primarily be diverted from Dallas/Fort Worth International Airport. Thus we concentrate on DFW distribution.



Chapter 2 Forecasts of Aviation Demand

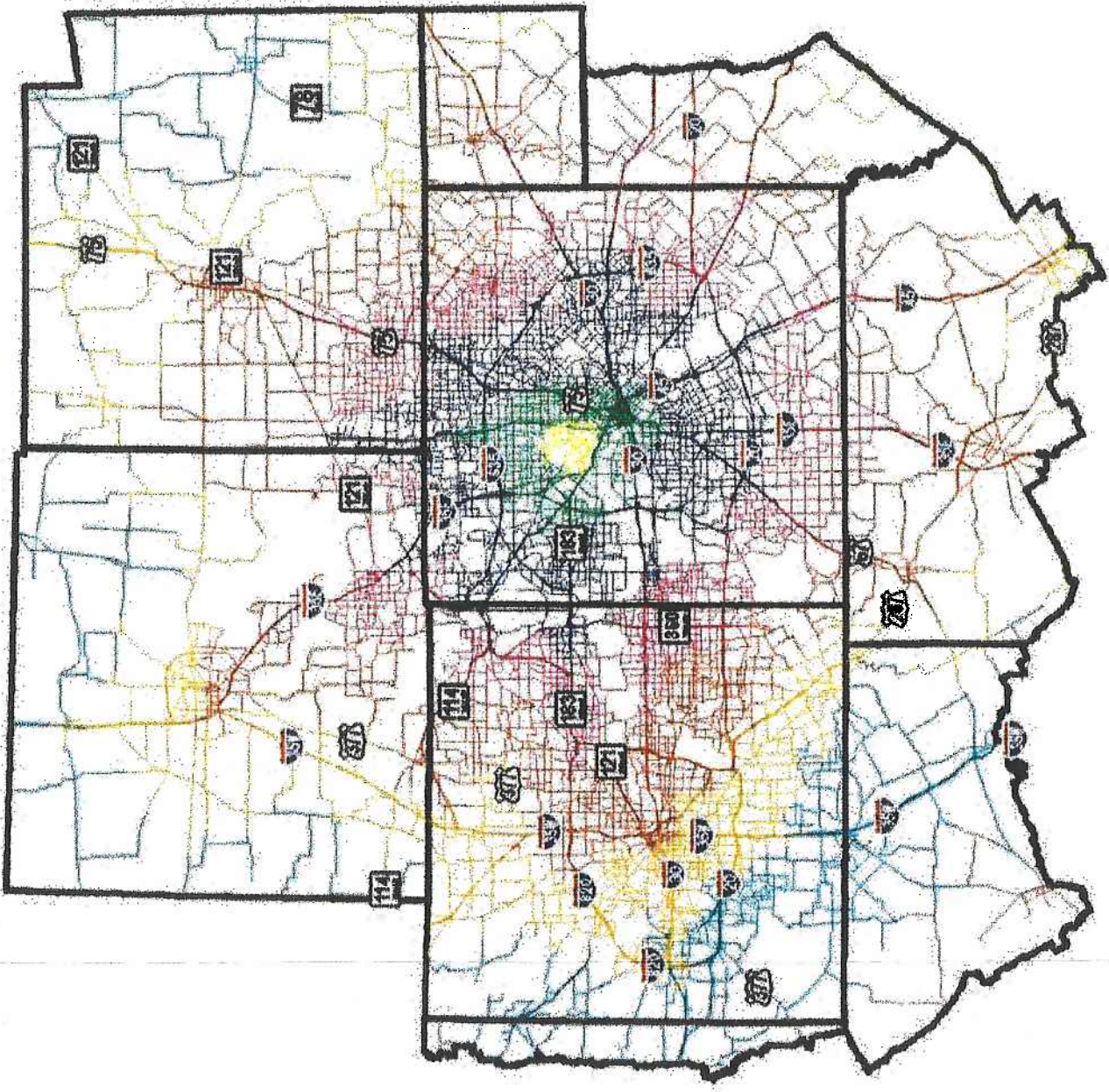
In order to estimate catchment area, GRA relied on data collected by the North Central Texas Council of Governments (NCTCOG) that covers time of access to the airports. NCTCOG also provided a detailed zone structure for the region, as well as demographic information about zones in the NCTCOG area.⁴ Travel time to the airports is summarized in the following two maps. One map shows the time of access to DFW and the second shows time of access to DAL. The colors identify approximate travel times to the airports. GRA used these maps to identify the approximate geographic boundary where access time to the two airports was equivalent.

Once this boundary was established we used demographic data to determine the population and employment within the two airport catchment areas. Our assumption is that trips originating or terminating within a catchment area are proportional to population and employment.⁵

The analysis of the regional data suggests that approximately 57 percent of the DFW traffic is generated in an area that is closer to DAL than to DFW. This is based on an average of the population and service employment shares estimated to be in the zones closest to DAL and DFW, and is summarized in Table 2-1.

⁴ We used the transportation zone structure for the COG region, which is comprised of some 914 small zones, the whole making up the NCTCOG region.

⁵ The process is not precise, as the exact correlation between demographic information and trip making is not precise. Also, the trip times used to generate the maps were average access times, averaging off-peak and peak travel times. We believe that the basic approach is sound, and that slight changes in the catchment areas would not change the result significantly.



Minutes to Airport

- 0-10
- 10-20
- 20-30
- 30-40
- 40-50
- 50-60
- 60-70
- 70-80
- 80-90



DALLAS LOVE FIELD
AIRPORT MASTER PLAN



TRAVEL TIMES TO DALLAS LOVE FIELD

FIGURE 2-1



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