

EXTENSIONS OF REMARKS

THE FRIENDLY SKIES RESTORATION ACT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. DINGELL. Mr. Speaker, today I rise to introduce H.R. 4577, the Friendly Skies Restoration Act, in order to protect the American public from unfair practices in the airline industry and to ensure that the traveling public has access to reasonable airfare. Monopolistic attitudes and unprecedented levels of market concentration have caused consumer's pocketbook balances to nosedive while airline profits have soared. Congress should act to bring the benefits of full competition to the Nation or else other relief must be brought to bear. This legislation will do that. Consumers deserve policies that will achieve affordable airfare and accessible service.

There is growing public interest and concern over the issue of predatory conduct by major air carriers. Such practices eliminate competition in the air travel industry and create formidable barriers for entrepreneurs to break into the market. As an example of some suspect conduct, one has only to look back to when Northwest Airlines cut its fare from Detroit to Boston to as low as \$69 from an average of \$259 when Spirit Airlines entered the market in 1996. Coincidentally, once Spirit was pushed out of the market, the average fare went up to \$267, exceeding even the original level. More recently, Northwest ran an upstart, Pro Air, out of the Detroit-Milwaukee market and is engaged in some curious behavior in the Detroit to Baltimore market. To provide a level playing field, vigorous competition must be permitted to take root. Unfair exclusionary practices that eliminate that competition must be rooted out.

When carriers respond to new competitors with severe drops and capacity expansion in order to run the new carrier out of the market, it is not good for consumers in the long run because it diminishes the number of options consumers will have by further consolidating the strength that the major dominant air carriers have over the markets today. After a new entrant is grounded, the major carrier simply retrenches and raises fares higher still in its resumed control. This leads to a markedly worse situation for consumers.

Congress expressly gave the Department of Transportation authority to stop any "unfair or deceptive practice or unfair method of competition." Further, Congress has directed the Secretary of Transportation by statute to consider "preventing unfair, deceptive, predatory, or anticompetitive practices in air transportation" as being in the "public interest and consistent with public convenience and necessity." The Department of Transportation's action under this authority has been woefully lacking. The federal government should do its job to help the public.

The Secretary of the Department of Transportation should take real action to advance

the pro-competition policy objectives of the Congress. That action includes ensuring that the Department of Transportation's guidelines, which it is currently developing to deal with predatory activity, are effective. As proposed, the guidelines would permit the Secretary to impose sanctions if a major carrier should respond to a new entrant into a market in an unfair or exclusionary manner. More tools are needed and this bill provides them.

The bill would permit the Secretary to require that any air carrier deemed to be engaged in an unfair method of competition or unfair exclusionary practice, as a condition of continued service on the route involving the violation, to maintain the same levels of capacity and fare pricing that was deemed exclusionary for a period not to exceed two years. Such a tool should give a carrier pause for thought before implementing any activity that would unfairly respond to legitimate competition. Additionally, the bill would increase the monetary penalty for such unfair methods of competition under the U.S. Code from the current \$1,000 to \$10,000 for each day the violation continues or, if applicable, for each flight involving the violation.

There are presently proposals before the Department of Transportation that would combine the Nation's six largest carriers into three alliances with strengthened control over the United States market. The bill would give the Secretary of Transportation the authority to review joint venture agreements or cooperative working arrangements between major air carriers to ensure that such cooperation and integration among air carriers does not result in unfair or deceptive practices or unfair methods of competition that would harm the public.

At the four slot-controlled or high-density airports, the vast majority of the schedules take off and landing slots are controlled by the major carriers at these key hub airports. The airports are: New York's Kennedy and LaGuardia Airports, Chicago's O'Hare, and Washington's National Airport. For meaningful competition to take root, new entrant carriers must have a real opportunity to provide service in those markets. Of the more than 3,100 domestic air carrier slots at these four airports, fewer than forty-five slots are held by all the new entrant air carriers combined. Moreover, foreign air carriers have more than twice as many slots as domestic new entrant air carriers combines. Most of these slots were grandfathered to the major carriers more than a decade ago. The slots are government property, and it is time that the federal government use them to benefit the public rather than just a handful of airlines.

In order to remedy this barrier to competition, the bill would give the Secretary the authority to create, withdraw, and, as a last resort, auction slots at each slot-controlled airport for assignment to new entrant air carriers and other carriers with very limited access. If there is a withdrawal of slots for an auction, the Secretary may not auction more than ten percent for the first auction and five percent for each succeeding auction. Auctions may not

take place earlier than two years from each preceding auction. Income from any auctions would finance taxpayer relief and improved airport infrastructure for the American public. Further, as recent evidence makes quite clear, strikes at hub airports can ground thousands of flights and hundreds of thousands of passengers, even on a daily basis. The bill would permit the President to authorize other air carriers to use the slots and related gates and other such facilities of another carrier which are not in use because of a work stoppage.

Slot possession at the four key airports where such controls are in place is a major issue, but questions like long-term exclusive gate leases at other airports represent just as nearly insurmountable obstacles to real competition in the airline industry. For that reason, it seems to make good sense that such arrangements be reviewed. The bill would direct the Secretary to issue a study on the ability of and proposals for new entrant air carriers and those with limited access at major hub airports to obtain gates and other facilities at airports on terms substantially equivalent to the terms provided to the major carriers already using airport facilities. The airfield must become a level playing field for competition.

It is important that the American public have access to useful information about the market and who in the industry is providing the best consumer value. Various studies by the General Accounting Office and private organizations have shown that concentration in the domestic airline industry continues to grow and is at extraordinarily high levels. Where such concentration exists, fares have increased with a significant impact on residents and businesses in those communities. In order to evaluate consumer value and review potential implications of market concentration at hub airports, the bill would require the Secretary to prepare two quarterly reports for the public. One would rank the top and bottom ten domestic routes with regard to their average cost to the passenger, and the second would rank the large hub airports by market concentration and identify the market share of each airline operating at each of those airports. As has been said, sunlight is the best disinfectant. Let's let it shine on the airline industry.

At best, the promises of deregulation have not been fulfilled. The traveling public is still captive to monopolized routes and airports. Since 1978, the Nation has had unregulated monopoly, instead of regulated monopoly in this industry. While I fully support the goals of competition, two decades of experience only reveal consolidation, diminished choice, and higher prices in many markets. As a last resort, wherever there is insufficient competition the Secretary of Transportation must be empowered to change unreasonable airfares. Such conditions exist where there are less than two carriers in full competition or one carrier controls more than sixty percent of the market share on any route that the public flies. Where deregulation has failed, the Congress should respond and give consumers the relief they deserve.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The American public has been held hostage by the poor service and inordinate fares at the hands of the cartels in the air for too long. That is why I am pleased to introduce this bill to generate legitimate competition and secure reasonable prices for air travel for the country's consumers.

**BILL TWEET—SAN DIEGO COUNTY
BUILDING AND CONSTRUCTION
TRADES COUNCIL 1998 LABOR
LEADER OF THE YEAR**

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. FILNER. Mr. Speaker, and colleagues, I rise today to recognize Bill Tweet, the Business Manager/Financial Secretary-Treasurer of Iron Workers Local 229, as he is honored by the San Diego County Building & Construction Trades Council at the September 19, 1998 John S. Lyons Memorial Banquet as the 1998 Labor Leader of the Year.

Bill is a native San Diegan and was educated in local schools. Following his education at San Diego City College, he served in the United States Army and was stationed in Germany.

He began his career as an Ironworker in November 1967 and graduated from the Iron Workers Apprenticeship Program in 1971. During his tenure, Bill has worked on many of the San Diego County highway bridges on Interstates 5, 8, 805 and S.R. 163 and has contributed his talent to the erection of major high rise projects in downtown San Diego.

Bill first became active in Ironworkers Local 229 when he was elected Vice President of the Local in 1982, a position he held until begin elected to the Executive Board and the District Council of Iron Workers. He served in that position for two terms before his election to the office of Business Representative.

In 1994, Bill was elected to his current position of Business Manager/Financial Secretary Treasurer of Ironworkers Local 229 and was re-elected in 1997. In addition to his duties at Local 229, Bill also serves as Delegate to the District Council, Trustee of the District Council, State of California and vicinity, and Trustee of the California Field Ironworkers Trust Funds.

Organized labor at large in San Diego has benefited from Bill's tenure as Delegate of the Imperial County Building and Construction Trades Council, as a Member of the Executive Board of the San Diego-Imperial Counties Labor Council and currently as President of the San Diego County Building and Construction Trades Council.

The local community has also benefited from Bill's endless efforts. He dedicates his energies to the youth in his community by serving as a "T-ball" coach and serves on the Clairemont Town Council. He has donated his time and trade skills to the community by organizing members of local 229 to join him in volunteering their skills to erect new score boards at the University of San Diego and Mission Bay High School, constructing a new building for the Boys and Girls Clubs of National City and by building the walkway at the San Diego Children's Museum.

Bill Tweet exemplifies the high values, standards and principles of a real community

leader. It is very appropriate that his many efforts on behalf of his local community and of working men and women throughout San Diego County are recognized by this award.

My congratulations go to Bill Tweet for these significant contributions. I admire his dedication and commitment and believe him to be highly deserving of the San Diego County Building and Construction Trades Council's 1998 Labor Leader of the New Year Award.

IN HONOR OF BERNIE FIELDS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to pay tribute to Bernie Fields, a constituent of mine who passed away on August 16, 1998 at his home in Middletown, Connecticut. He will be deeply missed by all of us who knew him.

Bernie distinguished himself as a businessman, a community activist, a husband and a father. He came to Connecticut in 1950 and opened Bernie Fields Jewelers. This family-owned business stayed in downtown Middletown for almost five decades. When many businesses moved out to mega-malls and the suburbs, Bernie remained committed to downtown. His store is like an anchor in downtown Middletown, a familiar site to generations of residents.

Mr. Speaker, Bernie Fields did much, much more than keep his business in downtown. He worked on behalf of his community in countless other ways.

Bernie founded Connecticut's very first Big Brothers/Big Sisters chapter in Middletown in 1961. He went on to help establish eight other chapters around the state.

He served as Director of the local American Red Cross Chapter, the American Cancer Society, the Lions Club and the Big Brothers of Hartford. He was a trustee of the Mount Saint John School. For twenty years he rented out a theater every December and showed free movies for young people.

He won the Connecticut Sports Writers Alliance Good Guy Award, was named the Salvation Army's Man of the Year, and received the American Legion Americanism Award, the Boy Scouts' Good Scout Award, and the Masons' PierPoint Medal. He was also the recipient of this institution's Congressional Volunteer of the Year Award.

Bernie Fields is survived by his wife of 58 years, Helen, his son Martin, his daughter Harriet, eight grandchildren, and one great grandchild. Although all of us who were lucky enough to call Bernie a friend will miss him, we will always remember how much he did to make Connecticut a great place to live.

**A TRIBUTE TO THE PENNYSAYER
NEWS OF BROOKHAVEN ON ITS
40TH ANNIVERSARY**

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. FORBES. Mr. Speaker, I rise today in the People's House to ask my colleagues to

join me in honoring the Pennysaver News of Brookhaven and Island Shopper, as publisher Gary Smith and his staff of dedicated employees celebrate this nationally acclaimed publication's 40th anniversary.

Over the past four decades, the Pennysaver News has grown from its humble origins to become the dominant shopper in Suffolk County, Long Island. The growth of the Pennysaver News and Island Shopper is typical of so many American success stories, inspired by elements of talent, work ethic and the good fortune to come of age in the dynamic Long Island business market. Founded by Gary Smith's brother Robert as an 8,000-circulation paper in Bay Shore, the Pennysaver News now has 32 editions with a circulation of 270,000, employing 75 talented staff members in printing, mailing, graphic arts and sales.

In the fiercely competitive Long Island market, the Pennysaver News and Island Shopper are highly regarded industry leaders of National renown. This year alone, the Pennysaver and Island Shopper received three national awards for advertising excellence from the Association of Free Community Papers, while also garnering the First Place award for excellence from the FCPNY.

While the publication has grown in size, readership and stature, Pennysaver News remains family owned and operated, with Robert's son Tim and Gary's daughter Delee now part of the team. This strong sense of family inspires an equally strong devotion to support so many schools, Boy Scout troops, churches, and chambers of commerce throughout the 65 hamlets in the six Suffolk County Townships the Pennysaver and Island Shopper serve.

The success of our national economy depends less upon government programs or multinational companies than upon the hard work and entrepreneurial spirit of small business owners like Gary Smith and his late brother Robert. The Smith's success is predicated on an unwavering commitment to customer service, producing results that increase their advertisers' sales and providing their readers with a valuable resource on local businesses.

So Mr. Speaker, I ask that my colleagues in the U.S. House of Representatives to join me in honoring the Pennysaver News and Island Shopper and the entire Smith family for 40 wonderful years of service to the Long Island businesses community and all their readers.

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. BALLENGER. Mr. Speaker, had I been present for rollcall votes 435, 436, and 437 on September 15, I would have voted "yea." I applaud the leadership for bringing these important bills to the floor for a vote.

HONORING NANCY J. SCHILLING

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 16, 1998

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in honoring