REMARKS OF

SENATOR BOB DOLE

THE COLEMAN COMPANY, INC.

INTERNATIONAL DIVISION

THE PRESIDENT'S

"E STAR" AWARD

LADIES AND GENTLEMAN,

AND PARTICULARLY ALL THE

EMPLOYEES OF THE COLEMAN

COMPANY, IT IS A PLEASURE TO BE HERE TO PARTICIPATE IN PRESENTATION OF THE DISTINGUISHED PRESIDENT'S "E-STAR" AWARD. COLEMAN COMPANY'S INTERNATIONAL DIVISION HAS A LOT TO BE PROUD OF TODAY FOR THE ACCOMPLISHMENTS THEY HAVE ACHIEVED IN EXPORTING.

AS LEADERS IN THE INTERNATIONAL MARKETPLACE, THE COLEMAN COMPANY HAS A SOLID FUTURE AHEAD OF IT. WHETHER IT IS EUROPE, ASIA, OR AUSTRALIA, -- OR IN WICHITA, KANSAS -- "COLEMAN QUALITY" IS MORE THAN JUST A SLOGAN. IT IS A COMMITMENT AND A REAFFIRMATION OF THE

KIND OF HARD WORK AND VALUES WE SOMETIMES TAKE FOR GRANTED HERE AT HOME.

WHETHER YOU EXPORT A COLEMAN LAMP TO A SMALL VILLAGE WITH NO ELECTRICITY, OR A TRUCKLOAD CAMPING EQUIPMENT TO MEET THE GROWING INTERNATIONAL DEMAND FOR LEISURE-TIME

PRODUCTS, YOU SAY SOMETHING IN A LANGUAGE THAT EVERYONE CAN UNDERSTAND: THAT COLEMAN STRIVES TO BE THE BEST IN EVERYTHING IT DOES.

YOU ALSO CAN BE PROUD OF YOUR CONTRIBUTION TO OUR NATIONAL BALANCE OF PAYMENTS AS WELL. TOO

OFTEN ALL WE HEAR ARE GLOOMY REPORTS ABOUT THE NEGATIVE BALANCE OF TRADE, UNFORTUNATELY, NOT MUCH GETS SAID ABOUT AGGRESSIVE COMPANIES LIKE COLEMAN WHO HAVE HAD TO MEET THE DEMANDS OF INTERNATIONAL TRADE HEAD-ON AND COMPETE WITH THE BEST THE WORLD HAS

TO OFFER.

LET ME SUM UP TO SAY, MY HAT IS OFF TO THE OUTSTANDING MEN AND WOMEN OF COLEMAN. THIS IS A SIGNIFICANT AWARD THAT FEW EVER ACHIEVE. I AM PROUD TO SAY I HAVE BEEN ASSOCIATED WITH THE COLEMAN COMPANY FOR A LONG TIME AND FROM

THE LOOKS OF IT, THE COLEMAN COMPANY WILL BE AROUND FOR A LONG TIME TO COME.

Business Day L D1
MONDAY, DECEMBER 9, 1991
The New York Times

Coleman Is Glowing Overseas

By EDWIN McDOWELL

Special to The New York Times

WICHITA, Kan. — The Coleman Company began exporting its portable lanterns in 1916, and they proved so popular that it opened a sales office in Toronto four years later — at a time when only the most visionary companies were looking beyond America's borders. But only recently has Coleman's investment in global operations begun to pay handsome dividends.

"In the last four years, our foreign growth has been in excess of 30 percent a year," said Lawrence M. Jones, the chairman and chief executive of the company, which has its headquarters here and also manufactures stoves, coolers, tents, sleeping bags, canoes and fishing boats.

"Our growth is surging in Japan and the rest of the Pacific Rim," Mr. Jones added, "and we're also growing in Europe, including Eastern Europe."

Quality and Patience

Coleman, a privately held company with 2,600 worldwide employees, will not disclose sales or profits. Nevertheless, its executives do not dispute a recent estimate by Fortune magazine that the company had an operating profit of $32 million last year on revenue of $435 million. They are willing to say that foreign operations accounted for 24.7 percent of the company's sales, up from 16.8 percent five years ago.

In an international marketplace increasingly dominated by giant multinational companies, Coleman has demonstrated that it is possible to carve out profitable niches by offering high-quality products and paying close attention to detail.

Patience also helps. Although Coleman opened a Tokyo office in 1976, it took almost 12 years for it to perfect its distribution system and become an important competitor in Japan — a market that has bewildered and

Continued on Page D2

Steve Rasmussen for The New York Times

"In the last four years our foreign growth has been in excess of 30 percent a year," said Lawrence M. Jones, who is chairman and chief executive of the Coleman Company, based in Wichita, Kan.

Companies

Coleman's business is growing most quickly overseas. The quintessentially American company, which began exporting its portable lanterns in 1916, is now finding that its business is growing most quickly overseas, proof that product quality and niche marketing can triumph in a world of multinational companies. [D1.]

Coleman Has Begun to Glow in Markets Around the Globe

Continued From First Business Page

thwarted many Westerners.

"From the beginning, we staffed our operation there with Japanese nationals," said Michael Murray, vice president and managing director of Coleman's international operations. "That way, we learned a lot about the idiosyncracies of the Japanese distribution system. As a consequence, we're not in the situation of many American companies, which try to apply U.S. domestic thought processes to questions of distributing in Japan."

Three years ago, when Coleman wanted to begin selling lanterns and stoves in Japan that run on liquid petroleum gas, it faced a requirement that the products be 100 percent free of defects.

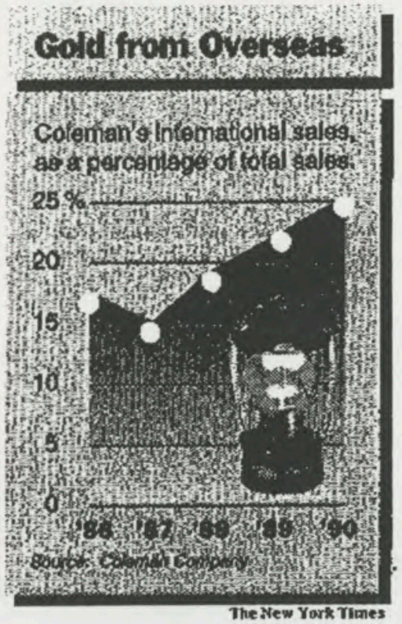
"We manufactured 10,000 stoves in our factory here," Mr. Murray said, "and the Japanese gas association, which regulates the liquid-petroleum-gas business, sent an inspection team. They inspected 17 percent of the stoves at random and they all passed. We've since produced two other runs, and both of them also passed inspection."

The Nippon Coleman Company's sales rose fourfold from 1988 through 1990, the company said, and profits increased more than sevenfold. For the five months that ended on May 31, sales were up 31.3 percent from the period a year earlier, and profits were up more than 45 percent. Nippon Coleman contends that it controls more than 90 percent of the market for liquid-fuel appliances and that its share of the highly competitive market for liquid-petroleum-gas products will surpass 20 percent in a few years.

Adapting to Local Needs

The key to success, Coleman executives say, is to adapt products to local demand.

Thus, for Argentina and other Latin American countries, Coleman developed a cooler to accommodate their tall one-liter bottles. In Southeast Asia, schoolchildren prefer a strap on their coolers, rather than the handle preferred by American children.



The New York Times

"And if you make a two-burner stove, no matter what fuel," Mr. Murray said, "you can't sell it in the United Kingdom unless you have something on it to make toast."

Coleman's sales reached a peak of $658 million in 1988. The following year, the Coleman family agreed to sell the company for $545 million, or $74 a share, to MacAndrews & Forbes Holdings Inc., which is controlled by Ronald O. Perelman, the New York investor who also owns Revlon and Marvel Comics. The Coleman family no longer plays a role in managing the company.

Since the sale to MacAndrews & Forbes, Coleman has divested itself of sailboats, riding mowers, home heating and air-conditioning units and other goods.

Those units accounted for more than $250 million in annual sales, but some were unprofitable. The Hobie Cat sailboat business, for instance, lost $1.7 million in 1988.

Now Coleman is focusing on its core business, which Mr. Jones described as "providing for the basic requirements of living: food preparation, lighting, warmth and shelter."

"They were smart to sell off things like air-conditioning and heating, which never fit very well," said Harold Vogel, an analyst with Merrill Lynch Research. "Their strength has always been products like coolers, tents and camping equipment, and they have always had a leading position in those markets because they make high-quality products."

The foundation of the company is the portable lantern developed in 1914 by William C. Coleman. In those years, much of America was still without electricity. More than 40 million units later, the Coleman lantern remains a fixture at campsites and outdoor workplaces, and the company still produces more than a million a year.

Variations on a Classic

Coleman lanterns now come in several sizes and can be powered by propane or unleaded gasoline. And its dual-fuel lanterns, introduced last year, are built to operate on unleaded gasoline or on special fuel for stoves and lanterns.

What has not changed is the lantern's soft hissing sound. "We found a few years ago it's possible to build it without sound," said Mr. Jones, who is 60 years old and holds a doctorate in business administration from Harvard University. "But we also found that people alone in the woods or out with their family, when it's unbelievably black, feel comforted by that sound."

Coleman also produces battery-operated fluorescent lights, and coolers and jugs in an array of sizes, colors and materials — from soft-side individual coolers to 80-quart steel-belted coolers to 32-quart thermoelectric coolers that plug into the cigarette lighter of a car or truck and never need ice. Coleman also produces 40 different sleeping bags, 5 kinds of heaters and 4 coffeepots.

One reason for so many variations is, of course, to protect or gain market share. Another is to produce products that will be in demand throughout the year, eliminating some of the uncertainty of what is still a seasonal business — strong in June and December and spotty during several other months of the year.

Coleman's products have historically been aimed at what Mr. Jones describes as "high blue-collar" customers: campers and fishermen who value durability, reliability and affordability. But it has also developed higher-priced products, including its Peak 1 line of backpacks and sleeping bags, which were introduced in 1978.

When Mr. Jones joined the company 27 years ago, he said its three biggest accounts were trading-stamp companies, which offered Coleman products as premiums. Now it goes more directly to the public; its biggest customers are Wal-Mart, K Mart and Target, big discount retailers.

More Time to Play

Overseas, Coleman has benefited from growing affluence and more leisure time. And it has patiently waited for undeveloped markets to mature.

"In five years we should have good markets in Czechoslovakia, where we're using local distributors for our products," said Mick Whelan, director of marketing and distribution for Coleman's international division. The company is also prepared to be patient in eastern Germany, where it already has a foothold, because some of its longtime West German customers have set up shop in the east.

Coleman's involvement in Germany stretches back 34 years, to an office it established in 1957 in Hamburg. In 1982 it bought its only manufacturing plant outside the United States, in Inheiden, Germany, where it makes ice chests sold in Europe. Coleman also has a sales office and warehouse in the Netherlands and another in Bristol, England.

Like many companies, Coleman expects the Pacific Rim to grow faster than most other regions, and it opened a sales office in Singapore last year to coordinate its operations in seven Asian countries, including Hong Kong and the Philippines. But its main Asian presence remains Japan, where prospects continue to look favorable, with equipment geared to Japan's camping craze and distribution through big retail home-supply centers.

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THE COLEMAN CO., INC.
2111 E. 37th Street North
Wichita, Kansas 67219-3598

THE PRESIDENT'S "E STAR" AWARD

NARRATIVE CONCERNING
THE COLEMAN COMPANY, INC.
INTERNATIONAL DIVISION

In 1974, The Coleman Company, Inc., received the President's "E" Certificate for Exports. During the ensuing period through 1987, export sales for Coleman varied. Although export sales peaked in 1981, 1987 sales of $14.3 million reveal sales over two and one-half times the 1973 sales of $5.4 million.

In 1987 and 1988, The Coleman Co., Inc., renewed it's commitment to the expansion of export sales. Rather than continuing with a predominately reactive approach, as taken in the past, it would again become proactive and aggressively seek new markets and opportunities. This commitment is reflected in the significant yearly increases from 1987 through the present. During that four year period, export sales have nearly tripled (now over seven times the 1973 export sales). These significant results have been attained despite the sale of various international assets, licensing agreements and a reduced product line.

A significant increase is also evident as a percentage of total company sales. In this regard, exports have risen from 7% in 1987 to 15% in 1990. 1991 will reflect an even greater increase.

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Coleman INTERNATIONAL

Export sales continue to grow rapidly. Although the Coleman name is known worldwide for it's quality products, global competition in the various product lines is intense. Coleman is meeting this challenge head-on, reinforcing and strengthening it's position as the world leader in outdoor products.

To achieve this tremendous growth, efforts have been placed on improving the proactive environment in all phases of the International Division organization. Efforts are concentrated on growing worldwide sales of Coleman products both as reliable leisure time products, as well as durable utilitarian products which provide basic life quality needs in many areas of the world.

Globally, branches have been maintained in Germany, the United Kingdom, Japan and Australia. These branch offices, operating as distribution centers, remain essential to servicing their respective major market areas. Additionally, manufacturing facilities were acquired in Germany, in 1982, to manufacture market specific products for consumers in Europe (in addition to the substantial continued sales of U.S. manufactured product in that area).

Markets outside the branch areas are handled on a direct export basis through agents and distributors located in their home market areas. Five sales offices have been developed to manage these direct sales. These offices operate regionally, managing sales to their respective areas as follows: Asia, Pacific, Africa/Middle East, Latin America/Caribbean, and Mexico.

Marketing functions from the Wichita office have also been established in order to achieve and continue the tremendous growth in export sales. A significant emphasis has been placed on moving the selling focus from an opportunistic focus to a marketing focus with clear strategic direction. A marketing function was established in the International Division to facilitate this move. This proved to be a formidable task which was compounded by the complexities and scope of the international business environment. The future direction of this function will be the establishment of organized market intelligence efforts, establishment of credible market data and cogent strategies, establishment of credible information regarding competitive market profiles, and coordination and organization of overall marketing activities.

Due to the opportunistic approach taken in the past, product development and sourcing for the global market had been limited. Although many product ideas were generated, the proper system to validate the potential opportunities had not been in place. The primary emphasis centered on modification of U.S. product to meet local packaging needs, voltage requirements, and regulatory standards. The marketing focus allows efforts to be directed at the complete process of product development including identification, evaluation, and development of more market compatible products.

The International Division has also become proactive in it's approach to servicing it's customers. An interactive, team oriented approach has been developed to ensure customer satisfaction is achieved by coupling quick response with maximum accuracy, efficiency and complete versatility. This entails superior communications efforts between all departments involved with customer orders and inquiries. These servicing departments include sales administration, documentation, traffic, inventory, distribution and credit.

The International Division distribution center is also a key factor in sales growth. Years of experience with the international market allows a proactive approach to, again, be taken. With an average of 75 container shipments monthly in 1991, and many more smaller shipments, distribution center employees have the expertise to pack all shipments for minimum breakage, maximum cube, and complete fulfillment of customer requests -- all of which add up to maximum customer satisfaction.

All of these efforts combine to establish Coleman as a leader in the international market. The future is even brighter as sales continue to climb -- a direct result of the efforts described above. The Coleman Company, Inc., has sold products in the international market since 1924. We continue with a tradition that is expressly "Coleman Quality", but have established a new beginning for providing complete value to customers in all corners of the world, through the nineties and into the 21st century. The Coleman Company, Inc., truly demonstrates excellence in export expansion. It is for this reason we submit application for the President's "E Star" award.

J. Michael Murray
Vice President
International Division

JRR

E STAR AWARD PRESENTATION

WHEN: Friday, Aug 21, 1992; 2 - 3 p.m.

WHERE: NORTHEAST FACILITY, 2111 EAST 37TH ST NORTH

2:00 p.m.	Welcome and introduction of distinguished guests by Bob Ring, President and Chief Operating Officer, Coleman Company
2:03 p.m.	Remarks by Mayor Bob Knight, City of Wichita
2:05 p.m.	Remarks by Betsy Gwin, Chair~~woman~~, Sedgwick County Commission
2:08 p.m.	Remarks by John Kupfer, Director-Kansas City District Office, U.S. & Foreign Commercial Services, U.S. Department of Commerce
2:13 p.m.	Presentation and remarks by Senator Dole

Following remarks by Senator Dole, approximately 5 minute acceptance by Larry Jones, Chairman and Chief Executive Officer, Coleman Company

Balance of time available for VIP tour of manufacturing facility; refreshments will be available for all attending presentation.

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MEMORANDUM

TO: SENATOR DOLE

FR: GREG SCHNACKE

DA: AUGUST 12, 1992

RE: COLEMAN COMPANY - PRESIDENT'S "E-STAR" AWARD

THE COLEMAN COMPANY'S INTERNATIONAL DIVISION WAS AWARDED THE PRESIDENT'S "E-STAR" AWARD FOR EXPORTS MAY 15, 1992. THIS IS AN AWARD GIVEN BY THE U.S. DEPARTMENT OF COMMERCE. THEY HAD TO MEET THREE CRITERIA:

1) OUTSTANDING & AGGRESSIVE CREATIVE MARKETING, RESULTING IN A SUBSTANTIAL INCREASE IN VOLUME OF EXPORTS ON A SUSTAINED BASIS; AND THAT EXPORTS BE A SIGNIFICANT PORTION OF COMPANY'S TOTAL PRODUCT SALES AND/OR BE MATERIALLY IN EXCESS OF THE INDUSTRY'S AVERAGE PERCENTAGE.

2) OUTSTANDING & AGGRESSIVE CREATIVE EXPORT MARKETING, IN SPITE OF DIFFICULT FOREIGN COMPETITION, AND A CONTINUING SUBSTANTIAL CONTRIBUTION TO THE BALANCE OF PAYMENTS AND BALANCE OF TRADE; OPENING NEW MARKETS.

3) STEADY INCREASE IN VOLUME OF EXPORTS; WITH EXAMPLE OF INTRODUCTION OF A NEW PRODUCT INTO U.S EXPORT TRADE, OR, DEVELOPMENT OF NEW EXPORT MARKET FOR EXISTING PRODUCT, OR, OPENING NEW TRADE AREA PREVIOUSLY CLOSED TO U.S. COMPANIES.

thought of as a regional issue. In this case, the regional agency is the Organization of American States. Thus far, the OAS has responded to the coup in Haiti by diplomatic efforts and by an embargo. Neither of these, after almost a year in place, have proven to be effective in terms of achieving their goal of restoring the democratically elected presidency in Haiti.

Third, the United States is positioning itself to be accused—as in fact it has already been accused in other areas of the world, such as Somalia—of only being interested in the white, rich man's war; that where it is a conflict involving an impoverished country, particularly a country that is not Caucasian, that the world adopts a different standard, a standard of acceptance and passivity.

It is also true that the United States is positioning itself in the 1990's to be accused of having tolerated a dictatorial takeover of democracy within our own hemisphere, of complicity in a Munich in the Caribbean.

I believe, Mr. President—just as yesterday we indicated our willingness to be involved, including our willingness to sanction the use of force in a country thousands of miles away—that it is time for the United States to be prepared to provide the same level of leadership within our own hemisphere.

I believe that the adoption of a policy that would say that the United States would take leadership with the regional agency, the Organization of American States, to develop a strategy, including one which might include the use of force to restore democracy in Haiti, would be consistent with the principles that drove our resolution yesterday on Bosnia.

I believe that the circumstances in Haiti are worthy of our concern for universal human rights. I believe that the challenge of providing leadership to restore democracy in this hemisphere and to indicate that we will not tolerate the military coups, which have been so much of our history in this hemisphere, deposing the will of the people, that that will not be part of our history at the end of the 20th century.

Mr. President, I applaud the action which was taken by the Senate yesterday on Bosnia. I ask that this Senate give serious consideration to those same principles being applied to a repressed people within our hemisphere, the people of Haiti.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMEMORATING THE HUNGARIAN NATIONAL HOLIDAY

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 331, a resolution commemorating the Hungarian national holiday.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 331) to Commemorate the Hungarian National Holiday.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, I rise today to urge my colleagues to support a resolution commemorating the founding of the Hungarian State by King Saint Stephen in the year 1000 AD.

The celebration of this national and religious holiday comes after almost a half a century of waiting—waiting for the successful ouster of the Communist government. Now that Hungary has shed the long shadow of its Communist era, the Hungarian people can once again commemorate their proud history.

Mr. President, I am confident that the entire Senate membership—and, indeed, all of America—join me in congratulating the Hungarian Government and the Hungarian people on this festive occasion. We send them our best wishes for continued success in the successful establishment of a free, prosperous, and democratic nation. We also congratulate all Hungarian-Americans, who have made major contributions to the success and well-being of the United States of America.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 331), with its preamble, reads as follows:

S. RES. 331

Whereas the Republic of Hungary on August 20, 1992, will celebrate the founding of the Hungarian state by King Saint Stephen in 1000 AD;

Whereas the Hungarian people, because of their successful democratic revolution, will be able to celebrate this national and religious holiday for the first time since the Communists consolidated power in Hungary in 1947;

Whereas Hungarian-Americans, who have made major contributions to the prosperity and well-being of the United States, will join joyously in this celebration: Now, therefore, be it

Resolved, That the United States Senate hereby congratulates the Republic of Hungary on the Hungarian National Holiday and extends to Hungary its best wishes for continued success in establishing a free, prosperous, and democratic nation.

REPEAL OF THE WRIGHT AMENDMENT

Mr. DOLE. Mr. President, on September 17, 1991, I offered for myself and Senator KASSEBAUM an amendment to the Transportation appropriations bill to repeal the so-called Wright amendment which governs operations of commercial air traffic at Love Field in Dallas, TX. I have advocated the repeal since 1987, but in the spirit of teamwork and compromise, I agreed that we should wait for the Department of Transportation study that was underway before the Senate reviewed this issue again. With that in mind, I want to make sure that everyone understands the impact of the Wright amendment and the results of the most recent studies.

The 1980 Wright amendment is a federally mandated monopoly, one that exists nowhere else. This legislation no longer protects a struggling regional airport as was the original intent, but now provides for a multimillion-dollar special interest give-a-way at the expense of the flying public. In real term dollars, the Wright amendment impacts travelers in every State. I want to see, as I am sure every American does, the goal of the DOT report, "more service, more competition, and lower fares" for all travelers to and from Dallas, which is also the most frequent destination for Kansas air travelers.

On July 23, 1992, I sent a package of information on the Wright amendment to my colleagues summarizing the Federal Trade Commission and the Department of Transportation reports reiterating why the Wright amendment is wrong. I also included a letter from last October that identified the impact of the Wright amendment on a State-by-State basis. The most astounding conclusion about the impact of the Wright amendment is the estimated cost of $183 million per year that is added to airline ticket costs unnecessarily.

Mr. President, I ask unanimous consent that a sample of this package be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 23, 1992.

DEAR———: In October I alerted you to the direct cost impacts suffered by your traveling constituents based on the current Wright Amendment and the bill S-377 to repeal this outdated amendment. Recently the Federal Trade Commission and the Department of Transportation have come out with additional analysis validating that the Wright Amendment restrictions at Dallas Love Field do result in higher fares, less service, less competition, and inconveniences to the traveling public into and out of Dallas.

In 1980, in an effort to protect the new Dallas/Fort Worth Airport (D/FW), Congress passed legislation to restrict commercial operations to the downtown Dallas Love Field airport. Love Field had been the busiest and most convenient airport and at that time was D/FW's competition. The Wright Amendment has accomplished the purpose that was intended and, it is now time to let the second busiest airport D/FW stand on its own like all other airports in this nation. As a matter of fact, the DOT analysis states that, "Under all possible scenarios, D/FW will continued to grow and remain the region's dominant airport."

What we do need to be aware of is the impact of the Wright Amendment on our constituents, the American flying public. Why should your business associates, family or friends when traveling beyond a state contiguous to Texas leaving Love Field have to make two separate reservations, buy two separate tickets, exit the airplane at the airport within Texas or the contiguous state, take possession of their baggage, carry the baggage back to the ticket counter, recheck it, and board a new aircraft to continue on to their final destination. Sound ridiculous? It is, but that is what the Wright Amendment imposes. Using a major carrier into Dallas, you will not be advised of the Love Field option. All travelers are impacted and all travelers pay in terms of higher fares and time. It has been estimated that travelers to or from the Dallas Metroplex region would save $183 million dollars per year just in air fares. We in Congress are responsible for this financial burden and inconvenience to the public.

Repeal of the Wright Amendment will allow for more competition, lower fares, more service, and more convenience to the travelers. Safety will be maintained through the FAA procedures. This is our opportunity to eliminate a "One of a kind" federal restriction and put the control back in the hands of local government. Again, in all other areas which are served by competing airports (ie, Chicago O'Hare and Chicago Midway), control over those airports is left to local authorities who can impose their own restrictions based on local needs. It is time for us to address the needs of the flying public and repeal the Wright Amendment.

I hope you will take the time to review this issue. Enclosed you will find summaries of the Wright Amendment and the recent findings of the Federal Trade Commission and the Department of Transportation. I am also enclosing a copy of the October letter addressing specific costs in your area which you might want to follow up on the impact to residents and how they are being denied fair and reasonable air fares and freedom of travel because of the Wright Amendment. The Coalition for the Repeal of the Wright Amendment consists of airports, airlines, and consumer groups nation-wide who are intimately familiar with the discriminatory restrictions of the Wright Amendment. If you have any questions, please contact Greg Schnacke (4-6521) in my office or contact the Coalition directly at 775-1796.

Sincerely,

BOB DOLE,
U.S. Senate.

Sen. Brock Adams.
Sen. Daniel K. Akaka.
Sen. Max Baucus.
Sen. Joseph R. Biden, Jr.
Sen. Jeff Bingaman.
Sen. Christopher S. Bond.
Sen. David L. Boren.
Sen. Bill Bradley.
Sen. John B. Breaux.
Sen. Hank Brown.
Sen. Richard H. Bryan.
Sen. Dale Bumpers.
Sen. Quentin N. Burdick.
Sen. Conrad Burns.
Sen. Robert C. Byrd.
Sen. John H. Chafee.
Sen. Dan Coats.
Sen. Thad Cochran.
Sen. William S. Cohen.
Sen. Kent Conrad.
Sen. Larry Craig.
Sen. Alan Cranston.
Sen. Alfonse M. D'Amato.
Sen. John C. Danforth.
Sen. Thomas A. Daschle.
Sen. Dennis DeConcini.
Sen. Alan J. Dixon.
Sen. Christopher J. Dodd.
Sen. Pete V. Domenici.
Sen. Dave Durenberger.
Sen. James J. Exon.
Sen. Wendell H. Ford.
Sen. Wyche Fowler, Jr.
Sen. Jake Garn.
Sen. John Glenn.
Sen. Albert Gore, Jr.
Sen. Slade Gorton.
Sen. Bob Graham.
Sen. Charles E. Grassley.
Sen. Tom Harkin.
Sen. Orrin G. Hatch.
Sen. Mark O. Hatfield.
Sen. Howell Heflin.
Sen. Jesse Helms.
Sen. Ernest F. Hollings.
Sen. Daniel K. Inouye.
Sen. James M. Jeffords.
Sen. Bennett J. Johnston.
Sen. Nancy Landon Kassebaum.
Sen. Robert W. Kasten, Jr.
Sen. Edward M. Kennedy.
Sen. Robert J. Kerrey.
Sen. John F. Kerry.
Sen. Herb Kohl.
Sen. Frank R. Lautenberg.
Sen. Patrick Leahy.
Sen. Carl Levin.
Sen. Joseph I. Lieberman.
Sen. Trent Lott.
Sen. Robert G. Lugar.
Sen. Connie Mack.
Sen. John McCain.
Sen. Mitch McConnell.
Sen. Howard M. Metzenbaum.
Sen. Barbara Mikulski.
Sen. George J. Mitchell.
Sen. Daniel Patrick Moynihan.
Sen. Frank H. Murkowski.
Sen. Don Nickles.
Sen. Sam Nunn.
Sen. Bob Packwood.
Sen. Claiborne Pell.
Sen. Larry Pressler.
Sen. David Pryor.
Sen. Harry Reid.
Sen. Donald W. Riegle, Jr.
Sen. Charles S. Robb.
Sen. John D. Rockefeller, IV.
Sen. William V. Roth, Jr.
Sen. Warren Rudman.
Sen. Terry Sanford.
Sen. Paul S. Sarbanes.
Sen. Jim Sasser.
Sen. John Seymour.
Sen. Richard C. Shelby.
Sen. Paul Simon.
Sen. Alan K. Simpson.
Sen. Robert Smith.
Sen. Arlen Specter.
Sen. Ted Stevens.
Sen. Steve Symms.
Sen. Strom Thurmond.
Sen. Malcolm Wallop.
Sen. John W. Warner.
Sen. Paul Wellstone.
Sen. Timothy E. Wirth.
Sen. Harris Wofford

U.S. SENATE,
Washington, DC, October 8, 1991.

Senator ERNEST HOLLINGS,
U.S. Senate, Washington, DC.

Dear Fritz: It's a classic case of "you can't get there from here." Despite deregulating the airline industry over a decade ago, the federal government still restricts air service at one commercial airport. This federal restriction is one of a kind and exists for no other airport in the country. It may be unconstitutional. It is unquestionably anti-competitive, removes control from local governments, is contrary to airline deregulation and it inflates fares for South Carolina air passengers!

In 1980, in an effort to protect the fledgling Dallas/Fort Worth Airport (D/FW), Congress passed legislation to restrict commercial airline operations to the more convenient, downtown Dallas Love Field airport, which was viewed as a competitive threat. This is the first and only time this restriction has been placed on any airport in any state in the country, even though several cities have more than one airport which compete against each other.

The restriction was sponsored by former House Speaker Jim Wright and has become known as the "Wright Amendment." The Amendment prohibits airlines from providing service between Love Field and destinations located outside of Texas or its four surrounding states. As we have stated on the Senate Floor, the Wright Amendment accomplished its goal; D/FW is now the second busiest airport in the nation. The question is whether the Wright Amendment continues to serve the flying public.

In all other areas which are served by competing airports, control over those airports is left to local authorities that can impose restrictions in the best local interest. The Wright Amendment denies the local control enjoyed by all other regions of the country, and instead requires adherence to federal restrictions far in excess of those in existence anywhere in the United States. If supporters of the Wright Amendment are correct in their belief that Dallas and Fort Worth officials are united in support of the Amendment, they have nothing to fear of repeal.

Dr. Alfred E. Kahn, Chairman of the Civil Aeronautics Board in the Carter Administration, believes the Wright Amendment is flatly in conflict with deregulation of the airline industry, constitutes exactly the kind of barrier to free market competition that deregulation seeks to eliminate, and is a direct and substantial burden on air travelers wishing to travel between Dallas and other parts of the country outside Texas and its four surrounding states.

The Wright Amendment inflates airfares by keeping low-cost carriers such as Southwest Airlines from serving your state from its base at Love Field. When low-cost carriers serve cities in your state, other airlines must offer similar fares to stay competitive. Without this competition, airlines are free to charge outrageous fares to Dallas.

For example, round-trip travel to the Dallas/Fort Worth area from unrestricted states typically costs an air traveler 10 to 12 cents per mile, while travel from South Carolina can cost nearly 20 cents per mile. In addition, to get to Love Field under the Wright Amendment, your constituents would be forced to first make two separate reservations, purchase two separate tickets, and fly to Arkansas or Louisiana. Upon arrival, these South Carolina residents would be forced to deplane and claim their baggage from the baggage carousels, carry the luggage to the southwest counter, and recheck it. Only then could your constituents board a separate aircraft and continue on to Dallas. If this sounds more like travel in another part of the world, you have the Wright Amendment to blame.

These fare discrepancies and tortuous travel restrictions apply to other states across the nation as well. That is why airports, airlines, and consumer groups nationwide are members of the Coalition for Wright Amendment Repeal.

We hope you will take the time to review this matter in more detail to learn how residents of your state and ours are being denied fair and reasonable airfares and freedom of travel under a law that has far outlived its usefulness. If you wish to cosponsor S. 377, contact Ed Bolen in Senator Kassebaum's office (4-4774), or Greg Schnacke (4-6521) in Senator Dole's office.

Sincerely,

BOB DOLE.
NANCY KASSEBAUM.

WRIGHT AMENDMENT

Federal law that prohibits commercial airlines from providing nonstop service, direct service, or connecting service between Love Field and destinations outside of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico ("the 5-state area").

The restrictions passed by Congress on the use of Love Field was to ensure the success of the new airport and protect the cities bond obligations.

D/FW now has the second busiest tower in the system and is no longer the fledgling airport in need of protection.

Only Washington National and Dallas Love Field have mileage restrictions in place. National imposed their restrictions based on congestion. Love's restrictions imposed by Congress to bring business to D/FW.

There are no similar restrictions at other competing locations, such as Houston Hobby and Houston Intercontinental or Chicago O'Hare and Chicago Midway.

National allows through ticketing/through services. Under the Wright Amendment, Love Field passengers travelling beyond a state contiguous to Texas (5-state area) must make two separate reservations, buy two separate tickets, must exit the airplane at an airport within Texas or a contiguous state, must take possession of all checked baggage, carry the baggage to the ticket counter, recheck the baggage and board a new aircraft to continue to the final destination.

The above double ticketing option is not publicized and while inconvenient, it is unknown to most American travelers thus eliminating their choice and increasing their costs.

The Government imposed monopoly has led to a distortion in air fares for example, when adjusted on a mileage basis, passengers flying to Dallas from Wichita, Kansas pay 900 percent more than passengers from either Oklahoma City or Tulsa, OK. The sole reason is that Oklahoma has competition and the choice of D/FW or Love Field.

Business and tourist travelers to Dallas from every state except five must fly to D/FW and then drive to Dallas, unlike the choice in every other city in the nation with more than one airport. Repeal of the Wright Amendment would allow travelers from Atlanta, Miami, Chicago, New York, Seattle, Los Angeles, Las Vegas, etc. to finally have a choice.

DOT ANALYSIS OF THE IMPACT CHANGES TO THE WRIGHT AMENDMENT

AREAS REVIEWED

a. Impact competition and fares
b. Capacity at Love Field (LF)
c. Impact of LF vs growth of Dallas Ft. Worth (D/FW)
d. Travelers preference (LF vs D/FW)
e. Environmental consequences of increased traffic at LF

OPTIONS REVIEWED

a. Base Case (650 miles/no through tickets/service)
b. Modified Wright = 650 miles radius, through tickets/svc
c. Full Repeal of the Wright Amendment
1. Equal Access
2. One carrier develop LF as a major origin/destination
3. Development of LF as a major hub

COMPARATIVE DATA PER OPTION

Data elements	Modified	Equal access	Major O/D	Major hub
Growth of operations (Percent).	6–96 2.6–01	15–96 2.6–01	19–96	27–96 2.6–01
Number of aircraft operations.	214,200–90 287,000–96 325,000–01	214,200–90 329,000–96 356,000–01	214,200–90 346,000–96 378,000–01	214,200–90 442,000–96 490,000–01
Enplanements.	3.0m–90 5.1m–96 5.8m–01	3.0m–90 7.2m–96 8.2m–01	3.0m–90 8.9m–96 10.1m–01	3.0m–90 14.1m–96 16.0m–01
Fare Savings.	167m	183m (repeal)		
Parking —	4,500–90 8,200–01	4,500–90 13,000–01	4,500–90 13,800–01	4,500–90 16,000–01
Terminal Space/SF.	661,000 25 gates	981,500 40 gates	1,214,600 45 gates	1,922,900 70 gates

SUMMARY POINTS

A. Change will result in more service, more competition, lower fares, and subsequently more traffic.

B. LF operations are limited by airspace with D/FW.

C. When operations reach 360,000 annually, aircraft delays may occur at LF.

D. D/FW will continue to grow and remain the dominant airport.

E. Noise/air pollution are local issues. With all options, stage 3 aircraft will reduce the size of the noise contour.

FEDERAL TRADE COMMISSION PROPOSAL "MODIFY RESTRICTIONS ON LOVE FIELD"

Proposes to maintain the prohibition against non-stop service to point outside the five-state area.

Airlines should be allowed to offer and publicize direct and connecting service from Love Field to such destination through points within the five-state area.

Prices for tickets from D/FT to destinations that can't be served by Love Field are significantly higher than fares from Houston to those same destinations.

Modifying Love Field restrictions may increase competition and lower fares to consumers flying into or out of D/FW.

Single ticketing is less expensive than the present double ticketing thus fares from Love Field to certain destinations may also be reduced.

Modifying restrictions on Love Field will likely: increase competition, increase capacity, provide added convenience, reduce D/FW congestion.

The traveling public could benefit through: lower fares—(increased competition), lower parking/commuter costs, and reduced delays at D/FW.

Modification allows Love Field airlines to compete with D/FW.

Does not address modifications and their impact to noise. Noise abatement can be dealt with through measures that affect flight frequency and aircraft choice.

Summary: Retain the five-state restriction but allow through ticketing/services.

Mr. DOLE. As my colleagues know, the Wright amendment prohibits commercial passenger operations from providing nonstop service, direct service, or connecting service between Love Field in Dallas and destinations outside of Texas, Louisiana, Arkansas, Oklahoma, and New Mexico. Airlines can perform turnaround service only in these five States; they cannot perform through-service or through-ticketing with another carrier; and, the airplane cannot operate beyond these five States. According to the amendment:

Such Love Field carriers may not hold out, offer, or advertise Love Field services to or from points beyond the four contiguous States in any respect, including the publication of connecting flight schedules in airline guides, flight schedules or similar media.

Mr. President, with these kinds of restrictions competition is obviously limited, higher fares are a direct outcome, and it is a tremendous inconvenience to the flying public. For example, when traveling beyond a State contiguous to Texas leaving Love Field, you have to make two separate reservations, buy two separate tickets, exit the plane at the airport with Texas or the contiguous State, take possession of all your luggage, carry it back to the ticket counter, recheck it, and board a new airplane to continue to your final destination. If flying into Dallas-Fort Worth, you will not be advised of the Love Field option. This lack of options, no through-service or through-fares when flying into or out of Love Field, and higher fares using D/FW defines all that is wrong with the Wright amendment.

Mr. President, the Wright amendment was established to protect the newly constructed Dallas-Fort Worth Airport and the bonds for that airport. The issues facing Fort Worth and Dallas then are very different from today's issues. The concept that D/FW will be severely impacted by repeal of the Wright amendment has not been validated in any report. The contrary is true. The DOT report stated that D/FW will continue to grow and remain the dominant airport and that expansion plans are not threatened by this repeal. It is also significant to note that Alliance, Fort Worth's industrial airport, is not covered by the Wright amendment. The restrictions only apply to passengers not to cargo. It is ironic that Alliance was not a threat to D/FW's economic viability, yet Love Field dealing with passengers is. In addition, the strong concern for safety, noise, and capacity issues were thoroughly addressed in the DOT study. D/FW is and will be, with 49 million passengers, and over 150 domestic and international destinations, the hub of aviation for the Southwest.

We all are impacted by the Wright amendment and even locally there is strong support for repeal. The coalition for repeal of the Wright amendment which consists of airports, airlines; interest groups—Consumer Federation of America and public citizen's aviation consumer action project—and unions—the National Air Traffic Controllers Association, MEBA-AFL/CIO—have joined forces to publicly oppose the Wright amendment. It is significant to note that local Dallas business leaders as well as communities such as Carrollton, TX, and community Groups—including the North Dallas Chamber of Commerce, Stemmons Corridor Business Association, St. Paul Medical Center, and the Children's Medical Center—publicly oppose the Wright amendment. Several newspaper articles that support local interest in repealing the Wright amendment tell the story. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wichita Eagle, Oct. 17, 1991]

REPEAL IT: SUPREME COURT BUFFETS EFFORT TO GET LOWER AIRFARES TO DALLAS

All is not lost in the Supreme Court's rejection Tuesday of a constitutional challenge to the Wright Amendment. The law, named after former Speaker of the House Jim Wright, makes it impossible for Wichitans to fly directly to Dallas' Love Field on Southwest Airlines, which offers low-cost, no-frills service.

But Kansans intent on seeing the law changed are not giving up. Attorney General Bob Stephen is proceeding with this court case against the Wright Amendment. Rep. Dan Glickman and Sens. Bob Dole and Nancy Kassebaum have introduced legislation to repeal it.

Not that the opposition isn't tough. Texas senators and House members are fighting to keep things as they are. And they are being pushed to do so by American Airlines which, of course, doesn't want more competition from Southwest Airlines in such markets as Wichita.

Taking on the state of Texas and American Airlines isn't easy, as Kansas leaders have already discovered. Sen. Dole's attempt to get repeal by amending Senate transportation appropriations legislation last month failed to pass. And Rep. Glickman's testimony before a House committee hearing on the issue didn't sway the opposition. As one hill staffer put it, "We're in a holding pattern."

So the battle goes on and Kansas political leaders have some tough competition, but they plan to keep trying.

They should. The Wright Amendment is unfair. It limits Wichita's air service to Dallas-Ft. Worth and makes flying to Texas more costly. It should be repealed.

[From the Metrocrest News, Dec. 5, 1991]

WRIGHT AMENDMENT CAMPAIGN GAINS SUPPORT

(By Brad Neilsen)

The Carrollton city council has received support and some turndowns to its request that other Dallas/Fort Worth municipalities join in endorsing repeal or modification of the Wright Amendment.

The Carrollton council on Oct. 8 became the first Dallas/Fort Worth municipality to call for repeal or modifications to the Wright Amendment, voting 5-0 with one abstention to endorse a resolution sponsored by Council member Brad Thomas.

The cities of Farmers Branch, Coppell and The Colony recently passed resolutions endorsing repeal or modification of the amendment, which some claim hurts the Dallas/Fort Worth economy by inflating airfare prices at D/FW Airport. The Metrocrest Chamber of Commerce has also endorsed repeal. The town of Addison votes on a proposed resolution Dec. 10.

The resolution passed by the Colony states that the "high cost of flying into and out of Dallas makes our convention and meeting industries suffer, thus hurting the local hotel, restaurant and convention trade."

However, the city councils of Garland and Plano have both declined to endorse repeal or modification of the Wright Amendment. Plano Mayor Florence Shapiro responded to Mayor Milburn Gravley that the Plano council felt "no action is appropriate for this time."

Garland Mayor Bill Tomlinson wrote Gravely, saying, "I believe it would be premature for us to go on record in support of the repeal or revision of the measure. Therefore, we will stand aside for the current time. . . . At some future date, the City of Garland could feel differently in their stance on this particular issue."

Mayor Richard Greene of Arlington also informed Gravley his city would not support repeal or revision of the amendment.

"It is vitally important to Arlington to support measures that protect the viability of D/FW International Airport," Greene said in a letter to Gravley.

However, Professor Bernard L. Weinstein, director of economic development at The University of North Texas, said the economic clout of D/FW Airport is exaggerated by major air carriers based at D/FW.

"That's kind of a facetious argument," Weinstein said. "The viability of Arlington should be the major concern. And one way to do that is to keep airfares low at D/FW Airport. American Airlines has formed alliances with lots of area chambers of commerce that have bought the 'D/FW, do-or-die' line."

Weinstein, who endorsed repeal before the U.S. House subcommittee on public works and transportation in Sept., said the need for D/FW Airport to stand alone in Dallas/Fort Worth has been exaggerated by two major airlines based at the airport.

"The argument that D/FW is the prime mover for the Metropolex is overstated," Weinstein said. "I think a lot of the communities have literally been arm-twisted that any competition at D/FW Airport—which is really competition for American Airlines—is not in their interest. What we have in the Wright Amendment is a government monopoly producing choice. There's a popular fiction that any growth at Love Field is going to be detrimental to D/FW. And that's nonsense. It's obviously a question of whose interests we're talking about."

Weinstein, Thomas and others maintain the amendment's restrictions, limiting national flights from Love Field, artificially raises airfares at D/FW International Airport and contributes to chilled economic growth in the Dallas region.

"I'm very happy with the way that it's progressed so far," Thomas said of the response from other Metroplex city councils. "Within an eight-week period of time we have picked up endorsements from a number of organizations. I think the citizens of this community can keep the pressure on their elected representatives to keep the skies safe, yet move on to create more competition."

Thomas has said restrictions in the amendment artificially boost airfares out of D/FW Airport, with fares to national destinations in many cases more than 100 percent higher compared with the same flights from Houston, Austin or San Antonio. Thomas said the very same planes, which originate in Houston, San Antonio or Austin, stop in Dallas to pick up Dallas passengers who pay in many cases double the rate charged passengers who boarded in Houston or other major Texas cities.

Thomas met Monday with Congressman Dick Armey to seek the congressman's support in making modifications to the federal legislation engineered by former House Speaker Jim Wright.

Thomas supports three possible modifications to the amendment, the first of which would allow flights 700 to 800 miles in circumference from Love Field, roughly the distance from Dallas to Albequerque, N.M. That destination is the farthest non-stop direct flight available from Love Field on Southwest Airlines.

"That means flights would be allowed to any area within that mileage in all directions," Thomas said. "I would also like to see through-ticketing allowed and have the FAA set a limit on the number of flights that they consider safe flying out of Love Field."

Thomas' second proposal is to allow Love Field to continue to serve the five-state area it now serves, Texas, Arkansas, New Mexico, Louisiana and Oklahoma. He would also like to allow full through-ticketing, meaning customers could purchase a ticket to a final destination beyond the contiguous four states area. Baggage would be checked straight through and passengers flying from Love Field would only be limited to a brief touch-down in a border state before continuing on to their final destination.

Failing implementation of those two proposals, Thomas said, the federal government should recognize the Wright Amendment grants a virtual monopoly to two major carriers at D/FW Airport and assume responsibility to regulate fares at D/FW.

"I think if there's no willingness to modify the amendment then the federal government owes it to the public to regulate fares out of D/FW just as they restrict utility companies and other monopolies," Thomas said. "If nothing can be done out of Love Field to protect the consumer, then the rule should be that you can't be charged more to fly out of Dallas than you are to go through Dallas or change planes in Dallas. That would force competitive prices here."

Thomas said he's heard from several residents outside the Metrocrest area who feel the federal legislation is counterproductive to economic development.

"About half the phone calls I'm getting are from people in Dallas, close to Love Field, and they're very encouraging," Thomas said. "They say they're tired of the rundown hotels and the economic devastation going on around Love Field. They call me up and thank me. When anyone really looks at the price differences, there is no excuse for it. And that's the reason many companies don't fly to Dallas anymore."

Weinstein said the impact of the Wright Amendments's restrictions at Love Field, limiting non-stop flights to the five contiguous states bordering Texas, has effectively bottled up economic development in the portion of Dallas neighboring Love Field. The limitations have also put a cap on growth of Southwest Airlines employment and operations in Dallas, Weinstein said.

"You can already see how we've lost in terms of Southwest," Weinstein said. "Southwest can't grow here so they don't grow here. There biggest hub used to be Dallas. Now we're number three. Southwest is a rapidly growing airline, but they don't grow in Dallas, because they can't grow in Dallas. They can't fly anywhere from Dallas and they can't even do through-ticketing. So we lose all the jobs. And the city of Dallas is the one that really loses because Love Field is within the taxation boundaries of the city."

[From the Dallas Morning News, Mar. 27, 1992]

LOVE FIELD RESTRICTIONS TARGETED

(By Catalina Camia)

Dallas City Council member Jerry Bartos, touting a 2-year-old law journal article challenging the Wright amendment, set the stage Thursday for a new battle over restrictions at Love Field.

Mr. Bartos said he has 11 votes on the 15-member City Council to seek to ease the flight restrictions at city-owned Love Field. Only Congress can repeal or modify the amendment.

But Mr. Bartos said those 11 votes could change if the "2,000-pound gorilla"—a reference to American Airlines—begins lobbying council members. American, the largest carrier at Dallas/Fort Worth International Airport, strongly opposed the council's last effort in 1990 to change the Wright amendment.

"This council hasn't spoken," Mr. Bartos said. "As of last night, I counted 11 votes* * *After the gorilla wanders these halls, who knows?"

Mr. Bartos' comments came during a news conference at City Hall in which he praised a 1990 article from the Southern Methodist University School of Law's *Journal of Air Law and Commerce* that contends there is no legal basis for the restrictions.

The Wright amendment limits commercial flights to and from Love Field to Texas and its four adjoining states: Oklahoma, Louisiana, Arkansas and New Mexico. The law, passed by Congress in 1979, was written by former House Speaker Jim Wright of Fort Worth and was designed to protect development at D/FW airport.

Also at the new conference were council member Al Lipcomb, Carrollton City Council member Brad Thomas and Bob McElearney from the Oak Cliff Chamber of Commerce. All support changes to the amendment.

Council member Lori Palmer, who supports the Wright amendment, said she does not believe Mr. Bartos has the 11 votes he claims.

"None of this is new. He has made these claims before." Ms. Palmer said. "His support disassembles, not because of a 2,000-pound gorilla, but as they receive accurate information most people come to a different conclusion that the Wright amendment is not broken and need not be fixed."

Ms. Palmer said the law protects neighborhoods surrounding Love Field and makes good economic sense.

In 1989, the council passed a resolution that supported an easing of the Love Field restrictions. But in 1990, the council reversed itself after the city of Fort Worth and American Airlines argued that a repeal of the Wright amendment would hurt D/FW airport.

Mr. Bartos said new recommendations would include a proposal for through-ticketing and allowing flights in and out of Love Field from cities that are 650 miles away from Dallas. Through-ticketing would eliminate a passenger's need to get a connecting flight to a destination outside of the current five-state limit.

Officials with American Airlines Inc. declined Thursday to respond to Mr. Barto's comments or any Dallas proposals.

Dallas-based Southwest Airlines Co., the only scheduled carrier operating at Love, said it is neutral on the issue.

Atlanta-based Delta Air Lines Inc., the second-largest carrier at D/FW, said it wants to stay there regardless of whether the Wright amendment is changed.

MARC A. BIRNBAUM, INC.
Dallas, TX, February 3, 1992.

Hon. PAUL FIELDING,
Dallas City Hall, Dallas, TX.

DEAR PAUL: I am writing you this letter in response to a recently outrageous incident involving American Airlines.

I was ticketed on a round-trip between Austin and Los Angeles. The flight required a change of planes in Dallas. However due to a change of plans, I was unable to use the Austin to Dallas segment of the ticket. To my amazement, as I boarded the plane I was politely asked to speak with George Bartulevicz, American Airlines Security Analyst.

He refused to permit me use of my ticket and required me, "if you want to fly" to pay an additional $810.50. Therefore, the effective penalty for not flying Austin to Dallas was an increase of 280%.

Paul, the truly outrageous part of this incident is that the reason given for this absurd increase is "due to competition". The City of Dallas failure to permit open competition out of Love Field has permitted American to seemingly restrict the traveler to open market access to competitive air fares.

Could this be the reason for business not relocating to the metroplex. If your business required a lot of travel your air fare would be 60% less in a non-restricted market. The council must consider the costs to Dallas in lost relocations.

Sincerely,

MARC A. BIRNBAUM,
President.

Mr. DOLE. The question is simple, should Congress dictate a lack of competition at Love Field? Where are my colleagues who over use the phase competitiveness? Should Congress mandate that the flying public unnecessarily pay $183 million more? This is a $183 million strain on our otherwise tight economy. The DOT study notes that average fares to and from Dallas-Fort Worth are significantly higher than the national norm, nearly $27 per ticket.

While we respect the needs of Dallas and Fort Worth, the time has come to make the U.S. traveling public—the people, not the cargo,—our first priority. For these reasons, I continue to support repeal of the Wright amendment. It is the right thing to do.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REAUTHORIZATION OF HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 558, S. 3031, a bill to reauthorize housing and community development programs.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. SIMPSON. Mr. President, it is not my personal intention to object, but apparently we find on our side of the aisle a Member—and it is my duty to speak for them as a member of the leadership—who does object to this for reasons unknown to this particular Senator.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Mr. President, I regret the objection. This is an important measure, reauthorizing the housing and community development programs. It has been cleared by all Democratic Senators, and I am advised that the Secretary of Housing and Urban Development, Mr. Kemp, does not oppose the measure and favors its enactment. It is an important measure, and this delay, of course, will cast into doubt our capacity to complete action on this measure, at the very least delaying action until we return following Labor Day.

I certainly respect the distinguished Senator from Wyoming who is here interposing an objection on behalf of a colleague. But I just want the record to show that we, in the majority, are prepared to act on this bill. We would like to pass it tonight. We cannot do so now in light of the objection, and I regret that, but I accept that under the circumstances.

Mr. SIMPSON. Mr. President, I appreciate that. It is one of those things that the leader is confronted with on many occasions in his duties as majority leader. I will not add my editorial comment. It does seem that it cannot go forward, and I regret that personally myself.

Mr. MITCHELL. Mr. President, I yield the floor.

Mr. SIMPSON. Mr. President, I am advised that one of my colleagues, Senator KIT BOND, is quite disappointed the housing measure is not able to go forward.

I wish to pay great credit to him for trying very hard during this day to work this out. Apparently, it was unable to be worked out. But that would not be because of any failure of Senator BOND of Missouri. I commend him. I have watched him work so hard to try to bring this bill forward, and that is not to be. Certainly, Senator BOND deserves a great deal of credit for the extra work he did to try to bring it to pass. I thank him.

FAA CIVIL PENALTY ADMINISTRATIVE ASSESSMENT ACT

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 597, H.R. 5481, a bill to amend the Federal Aviation Act of 1958, relating to administrative assessment of civil penalties; that the bill be deemed read three times, passed, and the motion to reconsider be laid upon the table; that any statement on this item appear at the appropriate place in the Record.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Hearing none, it is so ordered.

The bill (H.R. 5481) and was deemed to have been read three times and passed.

Mr. FORD. Mr. President, this program was initiated in the 1987 airport and airway legislation, and was extended twice while the FAA accommodated some of the concerns over the administration of the program. Throughout the short history of the demonstration program, there were many complaints from the regulated community about the FAA procedures, and about the role of the FAA as judge and jury.

Happy Campers

The Coleman name is synonymous with high-quality, durable camping gear worldwide. But, like politics, all marketing is local.

By Daniel J. McConville

Back in the 1930s, after electrification came to rural America, the lantern and oil stove should have faded into oblivion. But word of their passing never reached the Coleman Company—hasn't yet, in fact.

Last year Coleman, headquartered in Wichita, Kansas, posted $353 million in sales of lanterns, stoves and other gear used by campers, hunters, and others who go roughing it beyond the high-tension lines. Of that, some $78 million went into the export column—not including sales in Canada.

"We were exporting lanterns to fishing villages all over the world in the 1920s, and still are," says J. Michael Murray, the Coleman vice president who directs international operations, evoking bucolic images of fisherfolk casting nets in shallow inlets off the west coast of Africa.

As Murray explains it, developing economies are first exposed to Coleman's heat- and light-giving products before they're electrified. Then there's a period of lapse as the economy cranks up, followed by renewed demand with the expansion of leisure time. It's a cycle that Coleman has taken to the bank for decades, as the company extended its line to include thermal jugs, propane cylinders and battery-powered lighting products.

The company also makes tents, backpacks, sleeping bags, five kinds of heaters and four types of coffeepots. Coleman manufactures several sizes of lanterns that can be run on propane, unleaded gasoline or kerosene. In 1990, it brought out a line of dual-fuel lanterns that operate on

LARRY FLEMING PHOTO

Coleman's VP of international, J. Michael Murray
Getting into markets when customers need to get away.

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unleaded gasoline or a specially formulated fuel that can also be used in Coleman stoves.

Murray says 90% of Coleman products are made in the U.S. Yes, he says, the company imports some components, "but our assembly is done here. In Germany, we make coolers and parts for coolers."

After filling the needs of U.S. and Canadian campers for years, no company understands the outdoor market better than Coleman. It cashed in on the camping explosion in Germany and the rest of Western Europe as the good times began to roll in the 1950s.

And now that the Japanese find themselves with more time on their hands, Coleman is ready. "We're part of the emerging Japanese recreational boom," Murray says. "Their traditional six-day workweek has dropped to a half-day off on Saturday. Pretty soon, the five-day week will be as common in Japan as it is in the U.S."

Charting workweek patterns is one thing; predicting consumer motivation is something else. Says Murray, "A strong part of the Japanese culture calls for harmonizing with nature, getting closer to it at the seashore or mountains." Another plus for Coleman is an ongoing government program to build camping facilities in Japan.

As Coleman's customer base reaches beyond the campground, the company's antennae remain ever-sensitive to local preferences and tastes in international marketing. For the Latin American market, Coleman designed a thermal container especially to accommodate the commonly-used tall one-liter bottles. In Southeast Asia, Coleman coolers come with a strap, the choice of schoolchildren there. Youngsters in the U.S. prefer handles.

Coleman is projecting dramatic sales strides overseas. Murray says he's aiming to grow exports from 22% of total volume to close to 50% by the end of the decade.

Coleman has marketed in Canada since the 1920s. It's been in Japan since 1972, and the Coleman banner has flown in England since 1978, in the Netherlands since 1981, and in Germany since 1982. But long before that, Coleman built a track record in those countries, as well as other parts of the world. Along with the Jeep and M-1 rifle, the Coleman lantern and stove were standard GI equipment in World War II. Many a user relationship that began in a foxhole helped swell the company's domestic share of the postwar market. According to company lore, one day in 1945, while changing planes at Wichita, Ernie Pyle, the legendary newspaper columnist who followed the U.S. troops in Africa and Europe, phoned Sheldon Coleman, then president of the company, to express his admiration for the Coleman GI pocket stove. Pyle was on his way to cover the war in the Pacific. A few

PUBLIC FIGURES

Coleman returns to Wall Street—with a bang

Everything's up to date in Wichita, 190 miles southwest of Kansas City. The Coleman Company, the old-line stove and lantern manufacturer, headquartered there since its founding at the turn of the century, reentered the New York Stock Exchange after a three-year absence late in February.

And what a reentry. An initial public offering of 3.4 million shares at $19.50 per share promptly sold out, and closed the day at $25.12.

Coleman was a public company until 1989, when Sheldon Coleman Jr., grandson of the founder, took it private before selling the company to Ronald O. Perelman, the New York investor, who also owns Revlon and Marvel Comics. Through his MacAndrews & Forbes Holdings, Perelman bought Coleman for $545 million in 1989, then set out to reshape it.

Reshape it he did, with the help of Lawrence M. Jones, a Coleman veteran and former co-chief executive, who had left the company in 1987. As chairman and CEO, Jones completely overhauled Coleman's manufacturing processes. On the recommendation of the Thomas Group, a Dallas consulting firm, Coleman adopted just-in-time systems that slashed inventory costs $10 million. Other changes reduced scrap 60% and hiked productivity 35%.

At the same time, Perelman began shedding Coleman's unrelated operations. A heating and air-conditioning business was sold, an obsolete factory was closed, and corporate staff was reduced. By the end of last year, the Perelman-Jones combine had hiked the company's value by $100 million, according to a managing director at Citibank, one of Perelman's major backers.

Perelman, age 49, whose family was in the metal fabricating business in Philadelphia, is a Wharton graduate. In 1978, he borrowed $1.9 million to buy a minority interest in a jewelry distributor. From there, with the aid of Drexel Burnham Lambert, he built MacAndrews & Forbes, using the same strategy he employed at Coleman: Buy undervalued assets, divest the non-cash producers, and create a money machine. Perelman's net worth was estimated last year to be $1.8 billion.

Jones, 60 years old, started at Coleman 40 years ago, while working his way through Wichita State University. Following graduation from Harvard Business School in 1955, he returned to Coleman as an assistant to Sheldon Coleman, the company president.

Jones left to join the Wichita State faculty in 1957 and eventually became chairman of the college's business department. He returned to Coleman in 1971, this time as treasurer, and later shared the office of chief executive with Sheldon Coleman. In 1987, Jones left again, but rejoined Coleman after Perelman's MacAndrews & Forbes acquisition.

weeks later, he was killed by Japanese machine-gun fire on an island near Okinawa.

Coleman began corporate life in 1900 as the Hydro-Carbon Light Co., founded by William C. Coleman, a Kansas schoolteacher and part-time salesman. Five years later, he introduced the Coleman Arc Lamp, which ran on pressurized gasoline, and by the mid-1920s, as its technology improved, the company developed a nationwide reputation for reasonably priced, high-quality products. Even then, much of the U.S. hinterland lacked electricity. Today, after producing something like 40 million units, Coleman remains the undisputed lantern of choice at campsites and outdoor workplaces throughout the U.S. and the rest of the world. It still makes a million lanterns a year.

Today the Coleman name commands a premium price both in the U.S. and overseas, serving what Lawrence M. Jones, the company's chairman and chief executive (see sidebar), calls the "high blue-collar market for campers, hunters, trekkers, and bird-watchers."

But sometimes Coleman's pricing gets in the way of expansion. Says Murray, the international sales chief, "There are all kinds of products out there that are less expensive than Coleman, many of local origin. When you're looking for a light and your income is less than $1,000 a year, you're more likely to spend $20 for a local product rather than $100 for a Coleman lantern." Though overall unit volume continues to grow, Murray concedes that low-priced competition has stymied Coleman's growth in the Third World.

Nevertheless, Coleman is projecting dramatic sales strides overseas. Murray says he's aiming to grow export sales from the present 22% of total volume to close to 50% by the end of the decade. "Meanwhile, we'll be growing in the U.S. at the same time, so that 50% increment represents a big jump."

Coleman's growth, at least in the near term, will come from Poland, Hungary and Czechoslovakia. "Those countries are closest to developing a leisure component over the next three to five years, as soon as the EC kicks in in 1993," he says. Russia? Not right away. Ditto China.

But Murray, like many other export managers, foresees a retail explosion in Latin America, especially in Mexico, Venezuela and Argentina. "Brazil has potential, but the picture there is a little more clouded because of import licensing complications," he says.

Murray credits Coleman's success as an export marketer largely to its overseas managers, all citizens of the country in which they operate. "Take Japan," says Murray. "We set up a wholly owned subsidiary there 18 years ago. We hired Japanese managers right from the beginning." He recalls that Hiro Imano, recently retired, played a major role in making the Tokyo-based operation Coleman's most successful overseas venture.

"Thanks to our Japanese managers, we learned a lot about the idiosyncrasies of the Japanese distribution system. As a result, we're not in the situation of many American companies, which try to apply domestic thought processes to questions of distributing in Japan."

Murray recounts how Nippon Coleman Company, Ltd. managed to surmount a major marketing problem four years ago. When the company set out to market lanterns and stoves using liquid petroleum gas, the Japanese government insisted that the products be 100% defect-free. In response, Coleman produced 10,000 stoves in Wichita for inspection by a team sent from the Japanese gas association, the regulator of the LPG industry. After random-testing 17% of the stoves, Coleman scored 100%. Two other batches also cleared the inspection process with zero defects.

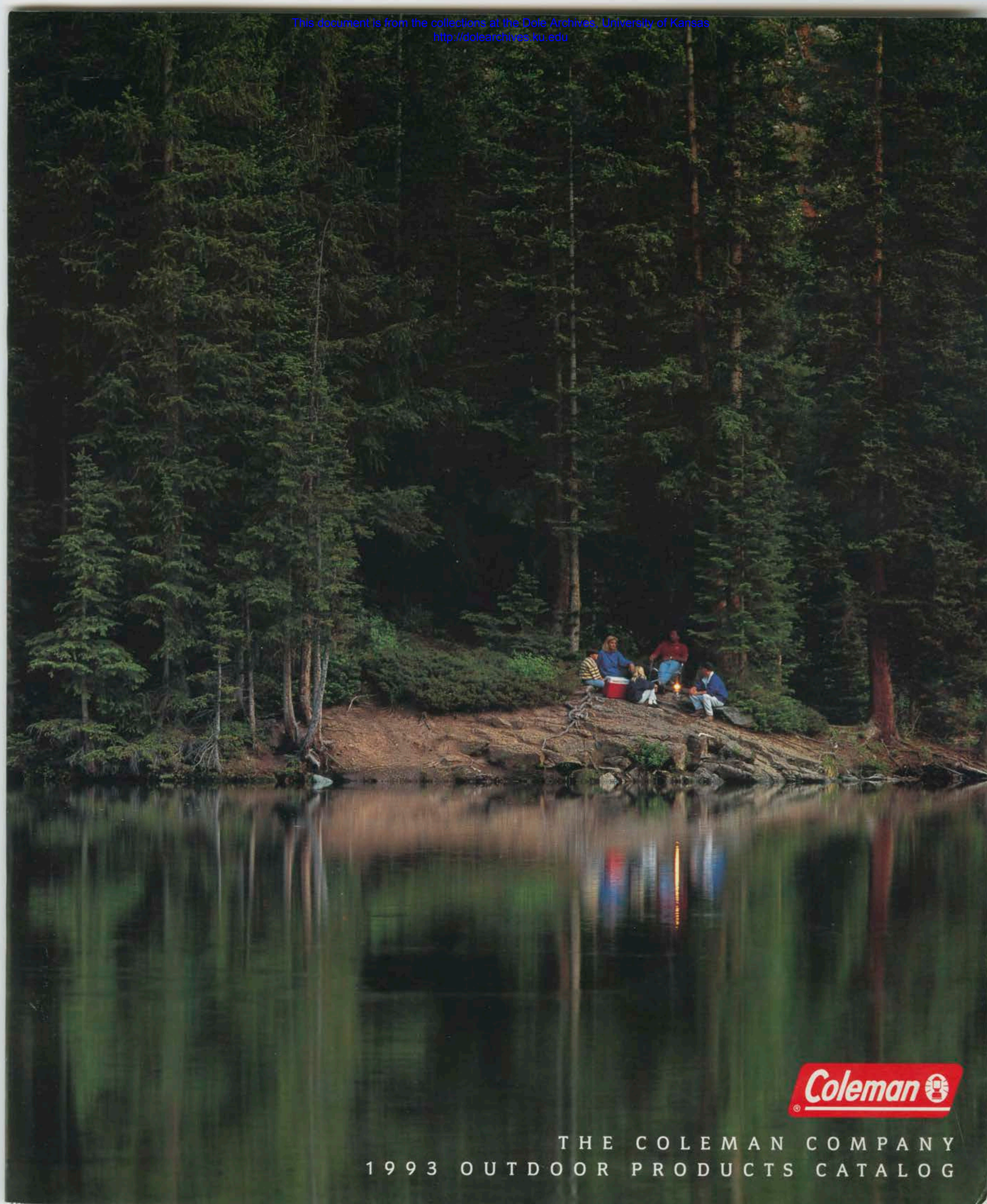
Between 1988 and 1990, Nippon Coleman's sales increased 400%, with profits up 700%. Currently, Coleman claims 90% of the liquid-fuel appliance market in Japan, and Murray predicts that its share of the LPG market, now below 10%, will rise to 30-40% over the next few years. "With a distributor in place, you develop an unbeatable customer franchise," he says.

While the U.S. and Japan are relatively homogenous markets, Europe, with at least a dozen different cultures, languages and preferences, requires a far different approach. "What sells well in France won't necessarily be popular in the U.K., and the Swiss have different tastes than the Germans," says Manfred Zorn, managing director of Coleman Deutschland, in Inheiden, Germany. "Before we tool up for a product, we do a lot of design research." The big coolers and lanterns for camping that are popular in the U.S. are seen by Europeans as too bulky and impractical, since they require ice, virtually nonexistent in Europe. Camping in Germany is a far different experience than in many countries. "You just can't stop in a field and light up a lantern," Zorn says. "You have to go to a campground, where there is electricity, so you don't need a lantern."

To overcome the ice shortage, Coleman developed TurboFridge, an electric refrigerator. Taller than a similar Coleman product sold in the U.S., it is powered by an electric cord that plugs into a car's cigarette lighter. Last year, Coleman Deutschland sold about 100,000 such units, which retail for $150, making that product the backbone of Coleman's German operation.

Coleman jump-started operations in Germany nine year ago, when it bought Ezetil, in the same line of business, from Zorn's parents. Ezetil's sales were $5 million at the time of the buy out. Today, Coleman Deutschland's sales exceed $30 million.

Back in Wichita, Jones, the Coleman chairman, says international sales are growing in excess of 30% per year. "Export volume figures heavily into our growth strategy," he says, "and we plan to keep on doing what we're doing: Developing new outdoor recreation products with the Coleman brand name that can be marketed through existing channels." ■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