



**JOINT STATEMENT
AMONG THE CITY OF DALLAS, THE CITY OF FORT WORTH, SOUTHWEST
AIRLINES, AMERICAN AIRLINES, AND
DFW INTERNATIONAL AIRPORT TO RESOLVE
THE “WRIGHT AMENDMENT” ISSUES**

1. The City of Dallas, the City of Fort Worth, Southwest Airlines, American Airlines, and DFW International Airport, hereinafter, the “Parties,” agree to seek the enactment of legislation to initially amend section 29 of the International Air Transportation Act of 1979, more commonly known as the “Wright Amendment” and ultimately seek its repeal as follows:
 - a. To immediately allow airlines serving Dallas Love Field (DLF) to offer through ticketing to destinations within the 50 United States and the District of Columbia and to market such services; and
 - b. Except as provided below, to eliminate all the remaining restrictions on service from DLF after eight years from the enactment of legislation.
2. The Parties agree that international commercial passenger service shall be limited exclusively to Dallas/Fort Worth International Airport. The Cities of Dallas and Fort Worth (“Cities”) shall work jointly to encourage all such flights into DFW International Airport. Through ticketing to or from a destination beyond the 50 United States and the District of Columbia shall be prohibited from Dallas Love Field.
3. The Parties agree that consistent with the updated DLF Master Plan, the number of gates available for scheduled passenger air service at DLF will be, as soon as practicable, reduced from the 32 gates envisioned in 2000 to 20 gates.^{1,2}

¹ Airlines may not subdivide a “gate.” A gate shall consist of one passenger hold room and one passenger loading jet bridge supporting one aircraft parking space, and no hardstand operations shall be permitted.

² The Parties agree that, upon four years after enactment of legislation as provided herein, 16 gates would be leased by Southwest Airlines, 2 would be leased by American Airlines, and 2 would be leased by Continental Airlines. American Airlines and Southwest Airlines agree to voluntarily surrender any rights under existing leases to reduce the number of gates necessary to implement this agreement. Southwest Airlines also agrees that the 5 remaining gates in the North Concourse at Love Field will not be used for passenger service and the facility shall be modified as necessary up to and including demolition to ensure it can never be utilized for passenger service. To the extent a new entrant carrier seeks to enter Dallas Love Field, the City of Dallas will seek voluntary accommodation from its existing carriers to accommodate the new entrant service. If the existing carriers are not able or are not willing to accommodate the new entrant service, then the City of Dallas agrees to require the sharing of preferential lease gates, pursuant to Dallas’s existing lease agreements. To the extent that any existing airline leases at Dallas Love Field revert to Dallas, these gates shall be converted to common utilization during the existing term of the lease.

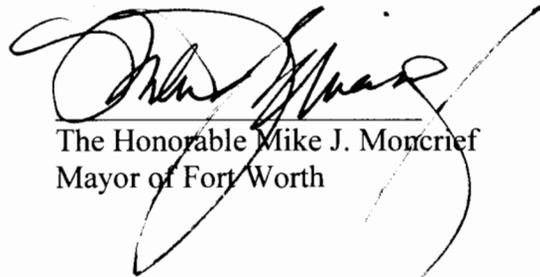
4. The City of Dallas agrees that it will negotiate a voluntary noise curfew at DLF precluding scheduling airline flights between 11 p.m. and 6 a.m.
5. The City of Dallas agrees that it will significantly redevelop portions of DLF consistent with the updated DLF Master Plan, including acquisition of the portions of the lease on the Lemmon Avenue facility up to and including condemnation, necessary to fulfill the obligations under this agreement. The City of Dallas further agrees to the demolition of the Legend gates immediately upon acquisition of the lease to ensure the facility can never again be used for passenger service. Southwest Airlines and the City of Dallas shall agree on a phase-in of capital projects and which party will manage construction. The City of Dallas also agrees to the modernization of the main terminal. It is agreed by the parties that a minimum investment of \$150 million and up to a maximum of \$200 million (in 2006 dollars) will be made by the City of Dallas and included in the cost of operating the airport as necessary and appropriate. This amount is exclusive of the acquisition and demolition of the Lemmon Avenue gates and the development and construction of the people mover to Love Field. The City of Dallas and Southwest Airlines will mutually agree on capital projects exceeding \$200 million, exclusive of the Lemmon Avenue gate acquisition and the people mover. Southwest Airlines' out-of-pocket capital costs for any of the capital projects shall be credited toward the minimum and maximum requirements. The capital and operating costs for those redeveloped and modernized facilities will be included in the landing fee and space rental charges to be collected from the users of those facilities; however, the operating reserve shall not exceed one year operating costs (operating and maintenance plus debt service) during the term of Southwest Airline's lease. These adjustments to landing fees and facility costs will be included by the City of Dallas as necessary and appropriate to cover these improvements upon enactment of the legislation. The current plan also included the retirement of existing debt and the issuance of new debt for these new improvements. All improvements shall be made by the expiration of the 8-year period. The City of Dallas will seek approval to use PFCs to fund DART access to Love Field ("people mover").
6. The Cities agree that they will both oppose efforts to initiate commercial passenger air service at any area airport other than DFW during the eight-year period. "Commercial passenger air service" does not include a spaceport or air taxi service as defined by Part 135 of the Federal Aviation Regulations. The City of Dallas and the City of Fort Worth agree to jointly oppose any attempts to repeal or modify the Wright Amendment earlier than the eight -year period To the extent any other airport within an eighty-mile radius seeks to initiate scheduled commercial passenger service within this eight-year period, both cities agree to work diligently to bring that service to DFW, or if that effort fails, then to airports owned by the Cities of Dallas and/or Fort Worth.
7. This agreement is predicated upon the condition that Congress will enact legislation to implement the terms and spirit of this agreement. Congress should not exempt additional states from the Wright Amendment during the eight-year period before it is eliminated.
8. This agreement shall not be modified except upon mutual agreement of all parties.
9. The Cities acknowledge their outstanding D/FW Airport bond covenants, to the extent such covenants are legally enforceable, and nothing in this agreement is intended to nor shall contravene such covenants. By the execution of this agreement, Southwest Airlines does not surrender any of its rights to operate at Love Field except as explicitly outlined in this agreement.

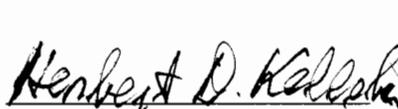
10. If Southwest Airlines or its affiliate or code share partner (except for published/scheduled code share service from DFW to Midway Airport as of June 14, 2006) chooses to operate from another airport within an 80-mile radius of Love Field in addition to its operations at Love Field, then for every such gate which Southwest operates at another airport within this radius, Southwest will voluntarily relinquish control of an equivalent number of gates at Love Field, up to 8 gates and such gates shall be made available to other carriers. If other carriers are not interested in these gates, then they can be made available to Southwest Airlines for its use on a common use basis. This requirement to relinquish gates shall expire in 2025.
11. If American Airlines or its affiliate or code share partner chooses to operate from another airport within an 80-mile radius of Love Field in addition to its operations at DFW Airport and Love Field, then for every such gate which American operates at another airport within this radius except for DFW International Airport and Love Field, American Airlines will relinquish control of an equivalent number of gates at Love Field, up to one and one-half gates and such gates shall be made available to other carriers. If other carriers are not interested in these gates, then they can be made available to American Airlines for its use on a common use basis. This requirement to relinquish gates shall expire in 2025.
12. Each carrier shall enter into separate agreements, as appropriate, to memorialize its obligations under this proposed local solution. Similarly, the Cities shall enter into such agreements as necessary to implement the proposed local solution. All such agreements are subject to the requirements of law and to the extent legally permissible.
13. In the event that Congress passes legislation that is inconsistent with the Parties' agreement herein, or subsequently amends that legislation, and if Southwest or its affiliate or code share partner commences non-stop service to or from Love Field to a state not currently allowed under the Wright Amendment, then Southwest will voluntarily relinquish control of 8 gates and such gates will be made available to other carriers. If other carriers are not interested in these gates, then they can be made available to Southwest Airlines for their use on a common use basis. Likewise, in the event that Congress passes legislation that is inconsistent with the Parties' agreement herein, or subsequently amends that legislation, and if American Airlines or its affiliate or code share partner commences non-stop service to or from Love Field to a state not currently allowed under the Wright Amendment, then American Airlines will relinquish control of 1 and one-half gates and such gates will be made available to other carriers. If other carriers are not interested in these gates, then they can be made available to American Airlines for its use on a common use basis.
14. The Parties hereby represent to the Congress of the United States, and to the Citizens of the Dallas-Fort Worth that they have approved of and support the proposed local solution. The Parties each separately covenant that they will not now or in the future, support, encourage or participate in any effort to defeat or modify or amend the legislation that is described in this Agreement.
15. This is an agreement in principle only and is subject to definitive contracts being approved by both City Councils. This agreement in principle is also subject to final approval of the DFW International Airport Board. The parties agree that the final document memorializing this proposed local solution shall be consistent with all federal rules, regulations and laws. The Parties agree that for this agreement to be binding, it must be executed by all parties no later than July 15th, 2006.

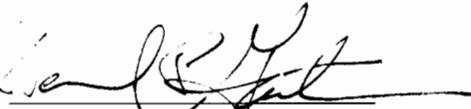
16. If the U.S. Congress does not enact the legislation by December 31, 2006, which would allow the Parties to implement this agreement in accordance with its terms, then the agreement is null and void unless all parties agree to extend the agreement.
17. As part of this agreement, the City of Dallas agrees to extend American Airlines' and Southwest Airlines' lease to 2028.

Executed this the 15th Day of June, 2006.


The Honorable Laura Miller
Mayor of Dallas


The Honorable Mike J. Moncrief
Mayor of Fort Worth


Herbert D. Kelleher
Chairman of the Board
Southwest Airlines


Daniel P. Garton
Executive Vice President Marketing
American Airlines


Jeffrey P. Fegan
Chief Executive Officer
DFW International Airport