Us government and transportation deregulation assignment

This made it difficult for new trucking companies to enter the industry. The Chic's regulation over the trucking Industry performed poorly as well. Regulation reduced competition and made trucking Inefficient. Regulation of the railroad Industry created price competition between railroads by discounting, price cutting, and rebating. The Transportation Act of 1920 gave the ICC complete authority over the railroad industry. The railroad industry was still not as profitable even at this point. The ICC kept a firm grip over the railroad industry for three quarters of the twentieth century.

During this time regulations restricted rates and encouraged price collision. This led to many railroads facing bankruptcy and led to the US Government eventually Intervening. Made by the US Government. In 1976 Congress passed the Railroad Revitalization and Regulatory Reform act. In 1980 the Motor Carrier Act was enacted which limited the Chic's authority over trucking. Finally in 1995, the ICC termination act was passed. This act established the Surface Transportation Board (SST) which oversaw the railroad industry. The act also transferred truck licensing and instated state coagulation of trucking.

This eliminated the need for motor carriers to file rates and allowed truckers to transport cargo wherever they needed. Railroads were given more freedom and flexibility in pricing. The SST reports that railroad rates 3 fell by 45 percent from 1984 to 1999 (Rodriguez, 2013). Deregulation of the trucking industry led to new many new trucking firms and nonunion workers to get Jobs in the industry. Airline regulation proved to be a major hindrance to the industry.. The Airline industry was incepted in the sass's and was heavily regulated by the Civil Aeronautics Board.

The CAB determined which routes they could fly, ticket rates, and En they could schedule flights. Airline consumers were severely limited by routes and schedules and many were locked out by high fares. During this time the Airline Industry continued to operate and grow, but did not generate impressive profits. In 1978 the US Government began the process of deregulating the Airlines. The Airline Deregulation Act was approved by Congress on October 24, 1978. As a result, Airlines Nerve able to fly to new destinations, flown more frequently, and dramatically lowered sots.

Airlines also innovated new services such as overnight and same day shipping, and determined what consumer in flight amenities to offer. One estimate by the Air Transport Association suggests that ticket prices today are 44. 9 percent lower in real terms than they were in 1978. (Brenna 2012). The Federal Maritime Commission (FMC) was created in 1961 to regulate water carriers. In 1998 the Ocean Shipping Reform Act relaxed some of the regulations Imposed by the FMC by allowing shippers and ocean carriers to enter confidential contracts.

Water carriers are exempt from economic regulation only when transporting bulk commodities. Due to the majority of freight transported in domestic Natters as bulk commodities, exempt carriers dominate this industry. The Interstate Commerce Commission was never very active in overseeing pipelines, so Congress established The Federal Energy Regulatory Commission in 1977 to regulate oil and gas pipelines(Coyly, 2011).