

Studded tires essay examples

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What type of economic problem is represented by studded tires?

Studded tires cause economic problems on the state government, vehicle owners and the community as a whole. The problems include the spending for acquisition of studded tires, and the costs used for road maintenance.

These tires create an additional cost to the vehicle owners who have to purchase them because of the weather conditions. Studded tires often sell at a higher retail price, and the state-government normally imposes a tax on all conventional studded tires sold in a particular state. Driver's seasonal changeover also adds them additional expense.

Vehicles fuel costs normally increase for studded tires, because fuel consumption tends to be greater with studs than with their absence. Vehicle owners incur these costs when purchasing fuel. Studded tires also increase road grime leading to dirtier cars that need more frequent washing implying that the owners incur additional costs for washing their cars frequently.

In addition, the government estimates additional costs for road maintenance resulting from studded tires. The actual expenditures on this maintenance may be exceeding or lower than the estimates of average costs over the roads lifetime. Annual expenditures vary every year depending on state funding, changes in traffic, construction of new lane miles, severity and extent of existing ruts. Maintenance costs also change with different policies leading to changes in state government costs.

Can we expect individual free market decisions by drivers to efficiently address this issue?

We can expect driver's decisions to address this issue if drivers exercise more caution, they can ban studded roads, which damage the roads they use frequently. If the state enforced a ban, the amount of wear and tear would be eradicated, and maintenance costs would reduce. In addition, reduced winter driving speeds could significantly decrease the cost of traffic crashes. Reduced speed could be enforced by reducing the speed limit by drivers or by enforcing the existing speed. Slow speeds would mean fewer crashes and the cost of damaged property or injuries would be low when a crash occurs.

Slower traffic also reduce the amount of rutting on roads, since slower moving studded tires would cause less rutting and overall reduce maintenance costs. The net effect of drivers, slow driving speeds would be beneficial for the state. Drivers can also decide to improve maintenance of icy and snowy roads, by changing their driving methods to accommodate studded snow tires. Such drivers can learn handling differences between stopping and acceleration. Drivers can also decide to only have lightweight studs, which would mean reduced costs.

Should the government intervene in the studded tire market?

The government should intervene in the studded tire market. It can intervene through prohibiting the use of studded tires fully, this can be done through enforcing strict traffic laws during winter to ensure accidents are reduced significantly, this will entirely remove maintenance costs, on the

government, additionally, vehicle owners benefit since they may not have to buy these tires. Another way of intervening can be allowing studded tires, but restricting their use seasonally. This ensures that the tires are used only when they are needed, hence the government can be able to regulate their use. When road damage becomes too much, the government can propose other alternative options that aim at optimality.

The government can intervene in the studded tire market through altering of the taxes it charges for this tire depending on the government's motive. For example, if the government wants to reduce maintenance costs and increase revenue, it can increase the tax imposed on the tire to make sure only a few can purchase the tire, hence reduced maintenance costs because the damage on roads will be minimal. On the other hand, the government can reduce the tax imposed on the tire if there are so many accidents to make the tire affordable during winter though this implies that the maintenance costs would increase. This can be termed the efficient and fair policy since it gives both the road users and the government an equal platform.