

# Airline deregulation act argumentative essay examples

[Business](#), [Marketing](#)



## **Introduction.**

The Airline Deregulation Act was signed into law on 24th October, 1978. The purpose of this act was to eliminate the control of the government over airline industry. This was after the Civil Aeronautics Board (CAB) was faced out on 31st December, 1984.

## **Elements of regulation.**

Under CAB, the state had powers to control all entries and exits of airlines together with the competitors. All fares and pricing, mergers, agreements and customer issues were controlled by the federal government.

## **Elements of deregulation.**

The Act liberalized standards for pricing, required CAB to speed up processing of different customer requests, and authorized intrastate and interstate joint price agreements. The Act also authorized international carriers to open markets in the domestic service and prohibited CAB from introducing regulation of charter trips (Kane 576). Deregulation also involved granting antitrust immunity to all carriers and a termination of the mutual aid agreements between carriers. It directed the FAA to develop safety standards for all commuter airlines (Dempsey and Andrew 127).

## **Effect of deregulation to the industry.**

Deregulation was skewed to benefit the larger airlines and left smaller airlines at significant losses. It resulted to exposed competition, which led to loss and conflicts between the airlines and labor unions. A clear example was

when more than 100 smaller airlines were declared bankrupt and some of them liquidated.

### **Effects to the public**

Deregulation suited the public better; by 1990, fares had decreased and affordable. Passengers could transport their loads at cheaper prices and to more destinations than before.

### **Conclusion.**

Deregulation Act is not detrimental; the only problem is on the effect on smaller airlines. The Act has opened more routes and markets that suit both the industry and public. In addition, the ACT has increased performance among airlines since they regulate their own policies and strategies.

### **References.**

Dempsey, Paul, S, and Andrew R. Airline Deregulation and Laissez-faire Mythology. Westport, Conn u. a: Quorum Books, 1992. Print

Kane, Robert M. Air Transportation. Dubuque, Iowa: Kendall/Hunt Pub, 2007. Print