Regulation and deregulation of business logistics

Business

It is important to distinguish these two types of state intervention, since the policy of deregulation aimed only at the economic aspects of the industry, while measures on traffic safety and protection of the public interest only increase. Let's see these questions in detail. Regulation of business life is one of the oldest forms of government regulation. Federal and state governments have actively used economic regulation to ensure the reliability of the transport system and to create conditions for economic development.

More than 100 years the state intervention in the economy is aimed at to make transport services equally available to all users without exception in the U. S. Measures to strengthen competition between private transport companies are the basis of the regulatory policies. The government investedmoneyin creating and improving infrastructure in building roads, airports, channels and ports. The state supported and regulated system of private commercial carriers for using thesecommunicationand actually providing transport services.

Deregulation began in the sass, and in 1980, when the basic laws adopted deregulation, the situation has changed radically. In the sass and sass were tightened security measures in the transport and protection of the public interest with weakening economic regulation of transport. In 1966, it was created by the Ministry of Transport (Department of Transportation, DOT), and from the very beginning in the center of his attention were transportation and materials handling hazardous substances, limiting working time of drivers and reliable vehicles.

In 1974, the Law on Transport Security (Transportation Safety Act). Were taken effect several laws on transport, significantly influenced the practice of logistics in the next 20 years. Movement for the protection of theenvironmentcaused further strengthen attention to transportation safety and liability for environmental harm. Regulation of entry into the industry. Such regulation shall be subject to the rules of entry into the industry (market) and exit, as well as a list of markets that are allowed to serve a particular carrier.

Restrictions aimed at reducing competition in major markets and maintaining an adequate level of logistic service to small. Transport rates. Transportation rates are the second object of economic regulation, in particular, their establishment, modification, tariff subsidies and actual tariff rates. There are efferent types of transport tariffs. There are legal procedures to change (increase or decrease) in transportation tariffs. The most industries, firms are free to change prices, and limits their only competitive pressures.

Prior to deregulation, carriers had to prove the need for changes in tariffs to the Commission on interstate commerce. Carriers had to demonstrate that their costs have increased (or decreased) for justifying such a need to increase (or decrease) the price of the services. Temporary change of tariffs in response to rising fuel prices in the form of allowances allowed he tariff rate. Carriers are getting the right to change rates within a certain range without any Justification annual (typically 7-15%) after deregulation. Tariff subsidies - are the practice of support (subsidies) one carrier routes through higher tariffs on others.

That is considered that the high costs are associated with servicing small markets, subsidized by revenues from services to large markets where the level of costs are relatively lower. Strictly speaking, 42 states regulate transport on its territory, and only eight do not. There was have never been regulating the activities f public or contract carriers in Delaware and New Jersey. Nevertheless, in 1994 Congress passed and President signed a law abolishing the right of states to control the rates, routes, and composition of services provided by the carriers.

While states retained the right to regulate the size and weight of vehicles, as well as transportation routes of hazardous materials and the financial liability of carriers. In addition, Carriers retained the right of participation in the tariff committee. Costs of intrastate regulation and the difficulties in its abolition are quite significant. Postal impasses aspired to avoid regulation. But in response to these efforts of companies Federal Express and UPS power only some states have strengthened their positions. For example, several states attempt to subordinate Federal Express truck traffic on its territory in 1991. But in 1992 the U.

S. Supreme Court ruled that California has no right to regulate road transport operations airlines that have a federal license. Other cities and states have tried to limit transport at a certain time of day or the transportation of hazardous materials (Donald, 2008). All these things considered, we include that creating the conditions for free market competition, although from time to time there have been calls for stability to return to a more extensive regulation - primarily it concerns air transport and road transport with incomplete transit normally - is the main aim of the legal state regulation in the transport industry.