

EFFECTS OF DEREGULATION

1. Financial condition of carriers - negative for motor carriers and airlines, positive for railroads.
2. Transport labor - negative for all 3 modes, lower employment and wages.
3. Number of carriers - large increases in small TL motor carriers, discount airlines, and short line and regional railroads. The number of Class I railroads and LTL motor carriers declined.
4. Users of transportation - the general trend of prices was downward in all three modes, but not all prices declined as prices increased in price inelastic markets.
5. Market shares of the carriers - the market share accounted for by the largest carriers increased in all three modes.
6. Interlining of freight and passengers - interlining of freight declined in the motor carrier industry due to elimination of operating restrictions. Interlining of freight declined in the rail industry due to the post-deregulation merger trend. Interlining of passengers between major airlines declined due to the development of the hub airport system. Interlining of passengers from commuter airlines to major airlines rose.
7. Mergers - there were a substantial number of mergers of large carriers in the Class I railroad industry and the airline industry.