

Three cheers for Georgia trucking deregulation

Our economy is riddled with them: seemingly endless maze of laws, restrictions and regulations designed to benefit particular businesses at the expense of competitors and consumers.

The cost of such laws to American consumers, according to George Mason University economist Gordon Tullock, is well over **\$300 billion dollars** every year—a staggering figure. And they make a mockery of the American ideal of free enterprise.



Jim Harris

Until 1981, one of the worst examples of this was the national trucking industry. A cozy partnership between the federal government and established trucking firms had created an environment in which competition was suppressed and rates were artificially inflated. Consumers were being bled to fatten what was in effect a government-enforced trucking cartel.

The partial deregulation of in-

terstate trucking in 1981 opened up much of that industry to new competition. The results were immediate and dramatic. New trucking firms sprang into existence (minority-owned trucking firms **tripled** in three years), many jobs were created, rates were slashed, and service improved.

It was a classic, textbook illustration of the benefits of the free market versus the ills of a regulated economy.

The 1981 deregulation, however, only affected shipping **between** states. Many states—including Georgia—are still burdened with costly, repressive government controls on in-state trucking.

In Georgia, the Public Service Commission places strict limits on which trucking firms can operate between pairs of cities in Georgia. Rates are set by legislation, not by market competition. This arrangement keeps prices artificially high, limits competition, and makes the state less attractive to potential new industry.

Happily, this might change soon. Georgia Public Service commissioner Gary Andrews recently called for near-total economic deregulation of in-

terstate trucking. Under his proposal, anyone meeting basic standards of safety and financial responsibility would be free to enter the field and compete fully.

Andrews deserves a medal for such a bold and sensible proposal. Had it passed, Georgia would have benefited enormously. Unfortunately, others on the PSC didn't agree with him. And, needless to say, some trucking firms protested.

So a compromise was reached. Instead of pushing for total deregulation, the PSC will hold public hearings in January on ways to ease regulation. The information collected will guide them in proposing regulatory changes, changes that could be recommended at the next session of the Georgia General Assembly.

It's easy to understand why some trucking firms are opposed to flat-out deregulation. For years some have benefited greatly from guaranteed markets and little or no serious competition.

Of course, they don't just come out and say this. Instead, we hear a lot of pious blather about how these arrangements are for the good of society—how they protect small shippers and

out-of-the-way communities. In the absence of state intervention, we are told, some Georgians might be faced with either terribly expensive trucking or no trucking services at all.

Bunk. We heard similar dire warnings before national deregulation, and before interstate deregulation in Florida and Arizona. Deregulation, however, was overwhelmingly beneficial. The only real losers were some trucking firm dinosaurs who were driven to a well-deserved extinction by more efficient new competition.

Even if some small communities and shippers were faced with considerably higher rates—an unlikely scenario—that would hardly justify subsidizing them at everyone else's expense.

There is something deeply offensive about Georgia's restrictive trucking regulations. It's not just that they're harmful to the economy and to the state as a whole. It's more than that.

There is something downright ugly and oppressive about laws that make it illegal for honest, hardworking people to enter a field of their choosing, and to succeed in that field by offering the best service at the lowest

rates. The idea sticks in the craw. It goes against the best values of our country.

Now that significant trucking deregulation seems possible, many are calling for only gradual

and partial deregulation. They are wrong. On both moral and economic grounds, the trucking industry in Georgia should be immediately and totally deregulated.