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DEREGULATION AFTER SIX YEARS: HAS IT BEEN GOOD OR BAD FOR THE AIRLINES AND THE CONSUMER

THE AIRLINE DEREGULATION ACT of 1978 is regarded as one of the most comprehensive and far-reaching pieces of aviation legislation ever enacted in the United States. Under the Act, the regulatory authority of the Civil Aeronautics Board has been eliminated. Competitive market forces now guide pricing and routing decisions in the American air transportation industry in the absence of governmental economic controls.

In the debate preceding the passage of the Act, supporters of deregulation argued that increased competition would result in lower fares, enhanced service and larger profits. Critics of deregulation contended, among other things, that deregulation would result in destructive competition, reduced service to small communities, and reduced safety standards. Most industry observers agreed, however, that a deregulated operating environment would be characterized by initial uncertainty, new challenges and new opportunities. The following two articles address the present state of the air transportation industry in light of the earlier debate.

With the focus of these articles on policy and economics rather than the interpretation of law, the format of these articles necessarily departs from that which is normally found in law reviews. Thus, the editorial policy has been to preserve the flavor of each article by making minimal editorial revisions. We hope that we have successfully blended the styles and approaches. We welcome responses to the positions taken by the authors who have contributed these articles.

