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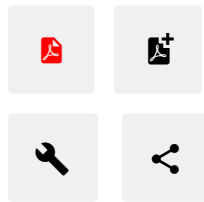
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The Beneficiaries of Trucking Regulation

Thomas Gale Moore



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THE BENEFICIARIES OF TRUCKING REGULATION*

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A SERIES of studies which have been published in recent years indicate that a major impact of Interstate Commerce Commission (ICC) regulation of the trucking industry has been to raise freight rates.¹ James Sloss, for example, found that average revenue per ton-mile was 6.73 per cent lower in "unregulated" Canadian provinces compared to average revenue in regulated Canadian provinces and in the United States.² His study underestimates the impact on rates for a number of reasons that I have spelled out elsewhere.³ Suffice it to note that his regulated provinces would be relatively unregulated by U.S. standards.

During the 1950s we witnessed what might almost be considered a controlled experiment. Some products—fresh and frozen poultry—that had been carried only by regulated carriers were declared by the courts to be exempt commodities under the Interstate Commerce Act. There is no reason to believe that regulated trucking rates on these commodities were significantly higher relative to costs than were those of any other commodity. As a result of these court decisions, prices declined substantially: 12 to 59 per cent in particular markets with an unweighted average of 33 per cent for fresh poultry and 36 per cent for frozen.⁴ The weighted average decline for frozen fruits and vegetables was 19 per cent.⁵

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¹ Thomas G. Moore, *Trucking Regulation: Lessons From Europe* (Am. Enterprise Inst.—Hoover Policy Studies, 1975); James Sloss, *Regulation of Motor Freight Transportation: A Quantitative Evaluation of Policy*, 1 *Bell J. Econ. & Management Sci.* 32 (1970); James R. Snitzler & Robert J. Byrne, *Interstate Trucking of Fresh and Frozen Poultry Under Agricultural Exemption* (U.S. Dep't of Agriculture, 1958) (Marketing Research Rept. No. 224); *id.*, *Interstate Trucking of Frozen Fruits and Vegetables Under Agricultural Exemption* (U.S. Dep't of Agriculture, 1959) (Marketing Research Rept. No. 316); *Transportation Act of 1972, Hearings on H.R. 11824, H.R. 11826, and H.R. 11207 Before the Subcomm. on Transportation of the House Comm. on Interstate and Foreign Commerce, 92nd Cong., 2nd Sess., 1434 (pts. 1-3, 1972)* [hereinafter cited as *Transportation Hearings*].

² James Sloss, *supra* note 1.

³ Thomas G. Moore, *supra* note 1.

⁴ James R. Snitzler & Robert J. Byrnes, *Interstate Trucking of Fresh and Frozen Poultry Under Agricultural Exemption*, *supra* note 1.

⁵ *Id.*, *Interstate Trucking of Frozen Fruits and Vegetables Under Agricultural Exemption*, *supra* note 1.

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