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MOTOR CARRIER DEREGULATION: IMPLICATIONS OF FLORIDA'S EXPERIENCES
FOR NORTHEAST AGRICULTURE AND RURAL COMMUNITIES

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ABSTRACT

Deregulation and reregulation of transportation is one of the most significant policy developments of recent years. It is important to understand the impacts of such changes on the availability of transportation services to agriculture, small communities, and rural areas. In this paper the experiences of shipper/receivers, carriers, private carriers, and agricultural truck brokers in Florida, the first state to deregulate nonpassenger motor carrier transport, are examined. Implications of these experiences for the Northeast are drawn. These findings are of particular interest to Maine, the second state to have deregulated nonpassenger transportation.

INTRODUCTION

The trend toward elimination or reform of economic regulation of transportation is one of the most significant policy developments in recent years. Coincident with reform efforts at the federal level, several states have or are considering revisions of intrastate regulation. In the Northeast only two states, Rhode Island and Delaware, have not passed or considered motor carrier regulation reform bills since the enactment of the Motor Carrier Act of 1980.¹ On January 1, 1982, Maine became the second state to deregulate nonpassenger carriage totally, following the lead of Florida which deregulated on July 1, 1980.

It is important for those interested in agriculture and rural areas to understand the implications of actual or proposed changes in transportation regulations. Regulatory changes are likely to have spillover effects on previously exempt agricultural transport. Moreover, one of the principal rationales for the common carrier obligation and rate regulation is to ensure service to all shippers, communities and rural areas. With deregulation, it has been argued that such services would be eliminated or rates would be set at exorbitant levels.

Florida's experiences with deregulation are

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¹ Maine, Connecticut, Maryland, New Hampshire, and West Virginia have modified their transportation regulations in the past year and a half. In Massachusetts and New York specific legislative actions are under consideration. In New Jersey and Vermont reforms were considered, but not acted upon. In Pennsylvania a preliminary study is underway which focuses on rate regulations.

important to the Northeast, and in particular to Maine, for three reasons. Florida was the first state to deregulate, preceding Maine's deregulation by eighteen months. Therefore, Florida is the only state with a 'track record' which is sufficient to analyze the effects of deregulation. Also, Florida's large physical size, with a pattern of highly concentrated population centers and large, sparsely inhabited areas, makes it an ideal testing ground to determine the effects of deregulation on urban and rural areas. Moreover, Florida is at one end of the distribution chain and has a significant directional imbalance of freight. In these regards, many of its transportation problems would be similar to those of Maine, and the Northeast as a whole. Finally, the effects of Florida deregulation on its agricultural transportation are of direct importance to the Northeast. Florida is a major supplier of produce, citrus products, and ornamentals to that region. For some commodities and during some months of the year, shipments from Florida represent in excess of 80 percent of Northeast deliveries (Howard, 1982).

The impacts of Florida deregulation on service to rural areas and agricultural transport will be analyzed, and the implications of this experience for the Northeast will be drawn. Specific subjects to be addressed are the impacts of deregulation on competition; rate and service levels throughout the state; small shippers and those in rural areas; the importance and efficiency of the brokerage system; commodity flow imbalances; private carriage; and problems related to having deregulation in only one or a limited number of states.

DATA SOURCES AND METHODOLOGY

This paper is based on four surveys conducted by the authors from one year to 18 months after Florida deregulated. Carriers (C), shipper/receivers (S/R), private carriers (PC), and agricultural truck brokers (ATB) throughout Florida have been included. In Table 1 the survey methods, dates, sources for the samples, and sample sizes are detailed. The surveys for C, S/R, and PC were conducted one year following deregulation, and that for ATB was eighteen months following deregulation.

Use of The Red Book for ATB and 1980 Florida Trucking Association Membership lists for C and PC assured that virtually all those sampled would have been in business prior to deregulation. This was important because those with both pre- and post-deregulation experience would be in the best position to judge the effects of deregulation. Furthermore, observations regarding deregulation by those who have only been in business since deregulation would likely be biased.

Additional sources of data for the paper are two ICC studies, Interim Report: Small Community Service Study (SCICC) and Initial Carrier Shipper Responses to Intrastate Trucking Deregulation in

Table 1: Deregulation Survey Number and Source Information

Respondents	Sample Source	Dates of Survey	Number in Sample (attempted contacts)	Number of Usable Responses	Survey Method
Carriers (C)	Florida Trucking Association ¹ 1980 Membership lists	May - June, 1981	154	98	Mail
Shipper/Receivers (S/R)	Dunn & Bradstreet Million ² Dollar Directory of Major Businesses in Florida	May - June, 1981	320	160	Mail
Private Carriers (PC)	1980 membership list of ¹ Florida Trucking Association's 1981 Private Carrier Conference	May - June, 1981	166	52	Mail
Agricultural Truck Brokers (ATB)	Florida section of The ¹ Packer's 1981 Red Book	Feb., 1982	208	110	Phone

¹Exhaustive survey of the sample.

²First, financial institutions and resort motels were eliminated because it was felt that such businesses would not likely be heavy users of transportation services. Second, in each volume, two-thirds of the communities listed were randomly selected. Within each community one S/R was randomly selected. Finally, a random selection across all such communities was made. This design ensured variation in the sample with respect to geography and firm size (which volume a firm appears in depends upon annual sales).

Florida (FLICC), both published in June, 1981. SCICC is a Congressionally mandated study of the effects, resulting from the Motor Carrier Act of 1980, of reduced common carrier obligations and rate restrictions on service to small communities. The study was based on a survey of S/R located in small communities (less than 15,000 population) in ten states, seven of which are in the Northeast. Therefore, the results may provide some insights into how reduced regulations will affect the Northeast. FLICC presents the results of a study of the responses of S/R and C to deregulation in Florida. Survey and field work for the study was performed six months after deregulation. As such it represents the first observation of the effects of deregulation. Comparing FLICC with the results of the authors' four Florida surveys, which were conducted one year to eighteen months after deregulation, provides an indication of the evolution of the deregulation experience. Furthermore, FLICC contains information regarding rate levels and structures not examined in the other works.

RESULTS AND IMPLICATIONS

Competition, Rates and Service Levels

There was a general consensus among the respondents that competition has increased since Florida motor carrier deregulation. In the authors' surveys, 80 percent of C, 49 percent of

S/R, 50 percent of PC, and 53 percent of ATB reported that competition had increased in the year since deregulation (see Tables 2 and 3). Only one percent of S/R, 12 percent of C, and 8 percent of ATB indicated reduced competition. Spillover effects were suggested by the fact that 71 percent of ATB reported increased competition for always-exempt interstate produce traffic originating in Florida (3 percent noted declines).

Underscoring the widespread beliefs that competition had increased, most of the respondents believed that rates had been lower than or the same as they would have been if regulations had remained in force (85, 52, 87, and 94 percent of S/R, C, PC, and ATB, respectively). Again, there appeared to be spillover effects into the always-exempt sector. Forty-nine percent of ATB felt that produce rates had been depressed due to deregulation, while only six percent thought the effect had been inflationary (Table 3). The FLICC study results corroborate the perceptions regarding rate changes found in the four surveys. An analysis of rate levels in eight traffic corridors revealed "substantial rate reductions during the year, despite considerable changes in energy prices and the general inflation rate" (ICC, 1981a, p. 9). Furthermore, rate reductions for small communities and only slight increases for small shippers were observed.

If pre-deregulatory entry restrictions were binding, then theoretically it would be expected that, with deregulation, competition would increase and possibly depress rate levels. This appears to have been the case in Florida. It is still too early to infer if the same will hold true for Maine. As of June, 1982, the Maine State Police had noted no unusual increase in

² The seven Northeast states are Connecticut, Delaware, Massachusetts, Maryland, Maine, New Jersey, and Rhode Island. The remaining three states in the study are Idaho, North Dakota, and Nevada.

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Table 2: Carrier and Shipper/Receiver Perceptions of Deregulation One Year After Deregulation

	Shipper/Receivers			Private Carriers	Carriers		
	Urban	Rural ¹	Total		Household Goods	Other	Total
	No. %	No. %	No. %	No. %	No. %	No. %	No. %
Prefer:							
regulation	14(11)	0 (0)	14(10)	5(10)	9(29)	37(55)	46(47)
deregulation	64(52)	13(65)	77(53)	34(67)	17(55)	20(30)	37(38)
no preference or no answer	46(37)	7(35)	53(37)	12(23)	5(16)	10(15)	15(15)
Since deregulation, competition has:							
increased	59(48)	11(55)	70(49)	26(50)	22(71)	56(84)	78(80)
decreased	2 (2)	0 (0)	2 (1)	na	5(15)	7(10)	12(12)
no change	53(42)	7(35)	60(42)	na	na	na	na
no answer	10 (8)	2(10)	12 (8)	19(37)	4(14)	4 (6)	8 (8)
not increased	na	na	na	7(13)	na	na	na
Rates charged for freight hauled by you (or your company) have increased:							
more	na	na	na	3 (6)	20(65)	16(24)	36(37)
less	72(58)	13(65)	85(59)	17(33)	2 (6)	19(28)	21(21)
same	35(28)	3(15)	38(26)	28(54)	6(19)	24(38)	30(31)
no answer	17(14)	4(20)	21(15)	4 (7)	3(10)	8(12)	11(11)
Effect of deregulation on profits:							
decreased	na	na	na	5(10)	10(32)	31(46)	41(42)
increased	na	na	na	12(23)	12(39)	17(26)	29(30)
had no effect	na	na	na	33(65)	7(23)	14(21)	21(21)
no answer	na	na	na	1 (2)	2 (6)	5 (7)	7 (7)
Overall service levels since deregulation:							
improved	31(25)	8(40)	39(27)	17(33)	na	na	na
stayed same or mixed	79(64)	11(55)	90(63)	na	na	na	na
declined	12(10)	1 (5)	13 (9)	na	na	na	na
no answer	2 (1)	0 (0)	2 (1)	25(48)	na	na	na
not improved	na	na	na	10(19)	na	na	na
Speed of service:							
speeded up	24(19)	2(10)	26(19)	na	na	na	na
stayed same	86(70)	15(75)	101(70)	na	na	na	na
slowed down	12(10)	3(15)	15(10)	na	na	na	na
no answer	2 (1)	0 (0)	2 (1)	na	na	na	na
Difficulty in arranging freight since deregulation:							
increased	12(10)	1 (5)	13(9)	na	na	na	na
not increased	99(80)	17(85)	116(81)	na	na	na	na
no answer	13(10)	2(10)	15(10)	na	na	na	na

Note

na = not asked
¹Rural is not in or near a major metropolitan area or a major highway.

Table 3: Florida Agricultural Truck Broker Perceptions of Deregulation After One Year of Deregulation (percentages in parentheses)

	No. %
Since deregulation, competition has:	
For always-exempt goods: ¹	
Increased	78(71)
No change or no opinion	29(26)
Decreased	3 (3)
For previously not exempt goods: ¹	
Increased	58(53)
No change or no opinion	43(39)
Decreased	9 (8)
Deregulation has had the following effect on rates:	
For always exempt goods: ¹	
Increased	7 (6)
No change or no opinion	49(45)
Decreased	54(49)
For previously not exempt goods: ¹	
Increased	7 (6)
No change or no opinion	67(71)
Decreased	36(33)
Regulatory preference:	
In Florida:	
Deregulation	29(25)
No preference or no answer	28(25)
Regulation	54(50)
Nationally:	
Deregulation	56(51)
No preference or no answer	13(11)
Regulation	41(37)

¹Always exempt commodities are unprocessed agricultural goods both intra and interstate. Previously not exempt goods refer to intrastate shipments of processed agricultural and all nonagricultural goods.

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intrastate carrier applications.³ The severe winter weather; a possible response lag between the enactment of deregulation and carrier entry response; a generally depressed economy (especially with respect to lumber and wood products); and the increased competition from carriers already possessing intrastate authority and offering their services in markets which they formerly had not served may be inhibiting carrier entry.

Critics of deregulation argue that entry and rate regulations are necessary to prevent chaotic market conditions with low and erratic service levels. The data in Florida, however, suggest that deregulation has had a positive effect on service levels. In the FLICC study, S/R were asked to comment on four aspects of service both for receiving and shipping; on-time performance, service availability, number of service options, and frequency of freight loss. In all cases, those who saw improvements since deregulation outnumbered those who noted erosions in service by severalfold (see Table 4). These results are important and even more impressive because Florida's deregulation came suddenly, as the result of a last minute failure by the Florida legislature to prevent the sunseting of the intrastate regu-

latory apparatus (Rubin, 1980), and because the surveys were conducted only six months after deregulation. Evidently the transportation markets were resilient enough to absorb quickly the shock of deregulation and to take advantage of the opportunities presented by the change.

That post-deregulation service improvements have been maintained or increased is evidenced by the results of the authors' three surveys conducted one year after deregulation. Twenty-seven percent of the S/R reported that service has improved since deregulation, as opposed to 9 percent who felt that service levels had declined (Table 2). Thirty-three percent of PC also reported improved overall service levels since deregulation (72 percent of PC reported employing at least some for-hire carriage). Nineteen percent of S/R said that service had sped up, while 59 percent reported offers of new service. Only one S/R stated that his firm had experienced more service cutbacks than offers of new service.

Service to Small Shippers and Rural Areas

Proponents of regulation argue that, without the common carrier obligation, service to small communities and rural areas, as well as to small shippers with primarily less-than-truckload (LTL) shipments would suffer. In the FLICC study, there is evidence supporting this position in that some rate structures were found to have been redesigned in order to reflect costs more closely. For example, one company surveyed has

³ Conversation with Neal Tate, Office Administrator, Maine State Police, Traffic Division, June 17, 1982.

Table 4: Service Levels Indicators for Florida Shippers and Receivers Six Months after Deregulation.¹

	Percent ²	
	Receiving	Shipping
Service availability:		
More since deregulation	20.9	16.5
Same, no change	75.0	82.1
Less since deregulation	4.1	1.4
On-time performance:		
More since deregulation	17.2	10.7
Same, no change	80.4	86.2
Less since deregulation	2.4	3.1
Number of service options:		
More since deregulation	10.7	10.4
Same, no change	86.0	85.1
Less since deregulation	3.3	4.5
Frequency of freight losses:		
More since deregulation	18.7	16.7
Same, no change	78.0	81.2
Less since deregulation	3.3	1.2

¹Source: Initial Carrier and Shipper Responses to Intrastate Trucking Deregulation in Florida (ICC, 1981b).

²Sample size not reported by ICC.

resorted to charging by the number of pieces as well as by overall load volume and weight. Others were found to offer incentives or discounts for LTL loads over 5,000 pounds. Reflecting this, in the authors' surveys, 13 percent of C reported that, since deregulation, more emphasis has been placed on larger volume shippers. What this increased emphasis on larger shipments and cost-based tariffs has apparently meant to small shippers, however, has been lower service and elevated rates relative to large shippers but not in absolute terms. After 6 months of deregulation, the FLICC study found that most small shipment rates had barely risen and, in real terms, had actually fallen. The results of our work indicate that smaller S/R (with annual gross sales under five million dollars) perceive that they have gained from deregulation. After one year of deregulation, only 9 percent of smaller S/R indicated that overall service levels had declined, while 24 percent noted improvements. In addition, 60 percent stated that rate levels had been reduced by deregulation. Finally, 59 percent of these smaller S/R indicated a preference for continued deregulation versus 11 percent who expressed a desire to return to regulation.

No evidence was found to suggest that carriers were avoiding rural areas. After six months of deregulation most carriers appeared to continue voluntarily to list small community points and had not taken action to shed this service or substantially increase small community rates (ICC, 1981a, p.11). After one year of deregulation, sixty-five percent of the S/R not located near a major highway or metropolitan area (rural S/R) stated that rates had been reduced due to deregulation (Table 2). Forty percent said that service had improved, while only 5 percent noted declines. In addition, only 5 percent reported that it had become more difficult to arrange carriage since deregulation. Finally, 65 percent indicated a preference for deregulation, while none stated that a return to regulation was desirable. In all of these aspects, rural S/R responded more positively toward deregulation than did their nonrural counterparts.

The common carrier obligation, with rate regulation, in effect rations the available trucking supply among all users. Its removal allows market forces to dictate that allocation. This implies that with deregulation, those with less convenient freight due to location, shipment size, commodity characteristics, etc., would have to pay more for the same service or accept reduced service levels. The evidence of Florida deregulation suggests that individual carriers have indeed begun to favor larger shippers and TL shipments to some degree. However, the negative impacts to small and rural shippers appear to have been mitigated by the effects of increased competition throughout the state. Therefore, because carriers have attempted to eliminate cross-subsidies, these shippers may have benefitted less from deregulation than larger and more conveniently located shippers. Nevertheless, they have enjoyed absolute gains when compared to their status in a regulated environment.

Whether this would also hold in the Northeast is uncertain. There is some evidence which

suggests that the impacts of increased carrier freedom would not be negative to small communities in the Northeast. As of mid-June, 1982, the Maine State Police Tariff Division was not aware of any carrier intent to cease service to any community.⁴ The SCICC study found that "the vast majority of shipper/receivers [in small communities] indicated that service availability and service quality were about the same as before or better in the six months following the Act than prior to July 1, 1980" (ICC, 1981b, p. I-1). Considering the heavy weighting of this study to the Northeast, the implication is that the loosening of regulations actually improved service to rural areas.

Private Carriage

Deregulation may alter the incentive to employ private (as opposed to for-hire) carriage. Deregulation eliminates the distinction between private and common carriers, enabling private fleet owners to utilize their equipment more fully, especially for backhauls. On the other hand, to the extent that deregulation lowers rate levels and increases service levels, there is less incentive to maintain a private fleet. These considerations are of concern to those interested in agricultural and rural transport since private carriage is of particular importance in these subsectors.⁵ The evidence in Florida indicates that deregulation has not had a major impact on the usage patterns or existing private fleet acquisition decisions. After a full year of deregulation, only 35 percent of PC reported that they now solicit for-hire business. Two-thirds of the firms so reporting stated that only back-hauls to balance shipments of their own goods were being sought. Furthermore, barely 4 percent of PC indicated that they were or would consider soliciting any and all freight.

In the FLICC study, S/R were asked if they had shifted from or to private carriage. Less than 6 percent reported changes with regard to either shipping or receiving. In the authors' work, after a full year of deregulation, only seventeen percent of PC stated that their fleets had expanded in the year since deregulation. These small reactions were not unexpected as changes in fleet size involve fairly large investment decisions. Therefore, one would expect that firms would adopt wait-and-see attitudes. What was somewhat surprising, however, was the fact that, after one year of deregulation, only eight percent of S/R surveyed by the authors felt

⁴ Under Maine law, any carrier which, prior to January 1, 1982, had authority to serve an area, must give 30 days notice to the community and to the Maine State Police of intent to cease such service.

⁵ The U.S. Department of Transportation's Nationwide Community Flow Study found that over 60 percent of all transport in non-SMSA areas of under 25,000 population is by private carriage (USDOT, 1977). In the ICC small community study, over 70 percent of those surveyed reported that private carriage was used to receive freight (ICC, 1981b).

that deregulation was relevant to the decision to employ private or for-hire service.

There is no obvious reason to hypothesize that deregulation in Northeastern states would have a greater short run impact on private versus for-hire carriage decisions than has been observed in Florida. In most cases the advantages of expanded authority to use private fleets would likely be counterbalanced by the advantages of relying on the services of a more competitive, and perhaps more efficient, for-hire trucking industry. This may be the reason why only a very small number of Florida S/R perceived any connection between deregulation and private versus for-hire usage decisions. In any case, if there is an appreciable net effect from deregulation on use of private fleets, it would not be likely to manifest itself for several years. If the net effect is to disinvest, then essentially garage and maintenance facilities would have to be depreciated. On the other hand, if the effect of deregulation favors increased private fleet operations, companies would probably be cautious and take time to plan expansion (especially in light of current interest rate levels and general economic conditions).

Commodity Flow Imbalance

Another concern surrounding deregulation relates to commodity flow imbalances. It was feared by some in Florida that with deregulation service in the heavy (southbound) direction would suffer, while a ruinous competition would develop in the light (northbound) direction. Some of the results of the FLICC study suggested that this might be true as rates were becoming direction-specific; that is, carriers were beginning to offer discounts or to charge penalties on identical shipments between points depending upon the direction of the movement. The authors' four surveys, however, do not indicate that deregulation has aggravated competitive problems related to traffic flow imbalances. C and PC were asked to indicate if competition had increased in the north and/or southbound direction. Seventy-seven percent of C and 52 percent of PC indicated increased competition in the northbound direction. Almost identical results were found with regard to southbound traffic (72 and 48 percent for C and PC, respectively). S/R were asked to comment on service levels in both directions. Here again, the results were nearly equal with regard to direction. Twenty-four percent noted improvements and 8 percent saw declines in service in the northbound direction. For southbound service, 23 percent indicated improvements and 6 percent reported declines.

Deregulation and the Role of Brokers

Prior to deregulation all truck brokers in Florida had to be licensed and post at least a \$10,000 surety bond. Twenty-six percent of ATB expressed the view that the removal of these requirements had been detrimental, and less than one percent felt that these requirements had been unnecessary. Several established brokers argue that "fly-by-night" brokers are becoming common and are creating problems for shippers and receivers by assigning loads to inexperienced drivers with inadequate equipment, and for carriers, by charging inflated brokerage fees or by

refusing or delaying payment of the carrier's compensation. Some ATB felt that the integrity and efficiency of the entire brokerage system was threatened by these developments.

No doubt some of the above concerns may be attributed to fears about increased competition. Nevertheless, the contention that uncertainty erodes a broker's value as a source of information and coordinator of financial transactions is reasonable. Indeed, minimum bonding requirements for a broker may be viewed as being parallel to minimum safety requirements for a carrier or F.D.I.C. insurance for a banker. In the absence of broker bonding and licensing requirements, the costs of determining broker reliability may act as an inducement to limit business dealings to established, responsible brokers or to by-pass brokers and arrange carriage directly. Since most produce in Florida is sold F.O.B., the receiver customarily has responsibility for carriage. Therefore, as Florida's principal receiver market, the Northeast is directly affected.

Problems with Having Deregulation Only in Part of the Country

With deregulation, barriers to entry are removed. It would be expected from trade theory that importing producers (other-state and interstate truckers) and domestic customers (Florida S/R) would be likely to benefit, while established Florida producers would be likely to lose (established intrastate C and ATB). To some extent, this appears to have been the case in Florida. After a year of deregulation, while only 10 percent of S/R expressed a desire to return to regulation, 47 percent of Florida C stated that regulation had been preferable. In the FLICC study, while some intrastate carriers reported decreased profits due to Florida deregulation, all of the interstate carriers surveyed stated that Florida's deregulation had increased their profits (ICC, 1981a, p.13).

Deregulation, therefore, creates an imbalance which tends to benefit in-state shippers and receivers and out-of-state carriers and brokers. In-state carriers and brokers may be the losers as they are exposed to competitive forces for which there may not be recourse. Whether the advantages of increased operational freedom within the state are sufficient compensation would depend upon each carrier's equipment, location, and management skills.

SUMMARY AND CONCLUSIONS

Regulatory reform or outright deregulation of intra- and interstate motor carriage is one of the principal policy issues of recent years. Understanding the effects of these changes on agriculture and rural areas is of crucial importance. This is particularly true for the Northeast where one state, Maine, has recently deregulated and all but two states in the region are considering or have passed motor carrier reform bills in the last one and one-half years. The experience of Florida, the first state to deregulate, may be instructive in developing this understanding. In this paper, Florida's experience with deregulation has been examined with a view toward developing implications for the Northeast in general

and for Maine in particular.

Overall, deregulation appears to have worked well in Florida. Rate levels have been generally reduced or stabilized, competition has increased, and service levels have remained constant or improved, even in rural areas and for small shippers. Shippers and receivers have overwhelmingly endorsed deregulation, while carrier opinions have been split.

These results to date are highly encouraging. The large size and diversity of the state suggests that if deregulation can be successful in Florida, then it can be successful elsewhere. Indeed, the contention that Florida may be viewed as a testing ground for other areas has been a central thesis in many policy debates concerning the desirability of deregulation. Nevertheless, while the pattern of effects may be similar in Florida and elsewhere, the degree or intensities may, and likely will, differ.

Carriers in Florida have placed more emphasis on service to large shippers, TL business, and possibly, nonrural business. It appears that the negative effects of this change to rural and small shippers and receivers have been largely mitigated by an overall increase in competition for freight throughout the state. This has resulted in improved or constant absolute service levels at nearly constant rate levels even for small and rural shippers and receivers. However, the lot of small and rural shippers and receivers may have deteriorated somewhat relative to service level improvements and rate decreases enjoyed by metropolitan and large shippers and receivers. Essentially, the deregulated or market allocation of trucking services has given a

greater share to large and metropolitan shippers and receivers. But, the amount of trucking services has increased enough that all or virtually all users have gained. If, in another state or region, the supply of trucking services does not grow sufficiently, due to increased equipment utilization or entry or both, then small and rural shippers and receivers may be faced with reduced service at a given rate (i.e., an upward shift of the trucking supply curve) as a result of deregulation.

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