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TRANSPORTATION RESEARCH FORUM

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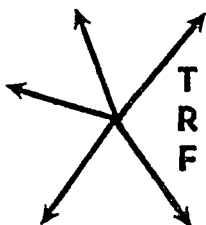
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TRANSPORTATION RESEARCH FORUM

Financial Stability in the Motor Carrier Industry — The Role of Collective Ratemaking

by Grant M. Davis* and John E. Dillard, Jr.*

THE MOTOR CARRIER Ratemaking Study Commission has forwarded its highly controversial report to Congress recommending the elimination of anti-trust immunity for collectively published motor carrier rates.¹ This contentious report examined a myriad of issues associated with the collective pricing process ranging from small shippers and communities to overall trends in the general rate level. Needless to say, the report is not only generating considerable controversy, but is being seriously questioned by proponents of collective ratemaking on virtually every point.²

During the course of its hearings, the Commission examined congressionally mandated issues, as well as ancillary issues such as rate stability, discounting, ad infinitum.³ In fact, more issues evolved than were resolved during the public hearings conducted by the Commission.⁴ Many of the evolved issues appear in many respects to be more meaningful in terms of public policy than those required by Congress.⁵ These issues, moreover, may never be resolved within the context of this seemingly interminable debate.⁶

However, the current financial conditions of the motor carrier industry demand the following public policy dilemma be resolved: can the industry remain financially viable and ergo capable of providing a common carrier type service in the absence of collectively established rates? The primary purpose of this pithy paper is to attempt to resolve this significant public policy question. To accomplish this herculean objective, this paper: (1) examines some of the salient recommendations proffered by the Commission; (2) assesses the financial environment in which the industry functions; (3) contrasts national policy and the role of ratemaking with collective

ratemaking's status; and (4) tests the hypothesis that collective ratemaking contributes to financial stability in trucking.

ISSUES AND RECOMMENDATIONS BY THE MCRSC

Congress specifically directed the Motor Carrier Ratemaking Study Commission to address the following issues associated with the collective ratemaking debate.

1. A free and complete investigation of the collective ratemaking process for all rates of motor common carriers;
2. The need or lack of need for continued antitrust immunity;
3. The elimination of such immunity upon:
 - a. rate levels;
 - b. rate structures;
 - c. impact upon the ICC and its staff;
4. Special considerations given to the effect of any elimination upon:
 - a. rural areas;
 - b. small communities.

Given this compendium of issues, all effectively related to price and the financial environment of the industry and shippers, the Commission's report consisted of nineteen specific recommendations recommending the elimination of antitrust immunity for collective ratemaking activities for a variety of putative reasons. Generally the Commission concluded that collective ratemaking has no salutary effects, results in cartel profits, is a cost-plus operation, ad infinitum. The industry's financial conditions—bankruptcies, excess capacity, and pervasive price cutting—were concluded to be the result of the current recession rather than provisions contained in the Motor Carrier Act of 1980.⁷ Unfortunately, or fortunately dependent upon one's individual perspective, the issues cannot be as simply dismissed as the Commission's report to Congress would indicate.⁸

Pertinent issues raised during the evidence gathering hearings facet of the

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Commission's investigation of collective ratemaking included excess capacity in the industry, the validity of the common carrier concept, economic growth rate stability, and a milieu of other price/service issues.⁹ The quintessential feature of these issues not recognized by the Commission in its report was simply that collective ratemaking did possess positive features, i.e., an observation supported by over 1,200 shipper-users of the collective ratemaking process.¹⁰ These shippers favored collective ratemaking and appeared to believe that the financial stability of the industry is functionally related to the pricing process. Service availability (quality), moreover, was considered interrelated with the collective ratemaking capability of carriers inasmuch as shipper input played a major role in bureau published prices. Another way of viewing this particular shipper stance is, bureau prices are not cartelizing prices because rates can be published independently, meeting or open, and markets are not allocated.¹¹ Ominously, the Commission's recommendations became a paramount issue when considering shipper evidence, the ICC's rate activity (lack of activity) and the National Transportation Policy in that the agency concluded that collective ratemaking conflicts with national policy. At this point, the national policy should be tersely examined since collectively established rates are involved:

. . . . (7) With respect to transportation of property by motor carrier, to promote competitive and efficient transportation services in order to (A) meet the needs of shippers, receivers, and consumers; (B) allow a variety of quality and price options to meet changing market demands and the diverse requirements of the shipping public; (D) enable efficient and well managed carriers to earn adequate profits, attract capital, and maintain fair wages and working conditions; (E) provide and maintain service to small communities; (F) improve and maintain a sound, safe, and competitive privately owned motor carrier system; (G) promote greater participation by minorities in the motor carrier system; and (H) promote intermodal competition.¹²

This comprehensive policy statement, when considered in conjunction with the general rate level and overall financial

ambience of the industry is illuminating relative to the Motor Carrier Ratemaking Study Commission's report. That is, does the industry possess the capability to earn an adequate profit, attract capital, maintain fair wages and working conditions, sans collective ratemaking? Shippers testifying before the Commission appear to believe the answer is no.¹³

For example, excess capacity does not constitute a long-term problem in the industry, according to the Commission; and rate and financial stability is not enhanced by collective ratemaking constitutes yet another finding of the agency.¹⁴ But is this truly an accurate assessment of the end result of the pricing process? Again, the answer, based on financial data and evidence presented before the Motor Carrier Ratemaking Study Commission, would appear to be no. Indeed, if collective ratemaking is cost-plus pricing predicated on some prevalent union wage scale, the evidence clearly indicates different interpretations or perspectives of the positive benefits of collective ratemaking.

Given our national policy dictum of providing for-hire on demand service that provides an adequate profit to carriers, Section 10701 (e) Title 49 U.S. Code directs the ICC to:

. . . . Authorize revenue levels that are adequate under honest, economical, and efficient management to cover total operating expenses, including the operation of leased equipment and depreciation, plus a reasonable profit. The standards and procedures adopted by the Commission under this subsection shall allow the carriers to achieve revenue levels that will provide a flow of net income, plus depreciation, adequate to support prudent capital outlays, assure the repayment of a reasonable level of debt, permit the raising of needed equity capital, attract and retain capital in amounts adequate to provide a sound motor carrier transportation system in the United States, and take into account reasonable estimated or foreseeable future cost.¹⁵

Ostensibly, the Interstate Commerce Commission should be vitally concerned with attaining a viable trucking industry, and if collective ratemaking contributes to the financial stability of the industry, then the process does have a salutary effect.

The mandated issues and the Motor Carrier Ratemaking Study Commission's report deal with a plethora of issues, the essence of which is financial stability and a concurrent ability to provide a for-hire service that emphasizes price/service options to shippers. In this regard, how has the industry's ability to attract capital, earn adequate profits, and maintain its physical capital since collective ratemaking came under serious attack during the late 1970's? The financial-economic environment is crucial in measuring the significance and magnitude of the collective pricing process' contribution to financial stability in the industry and its concurrent ability to attract capital and provide a demand-type for-hire service without undue preference, prejudice, or discrimination.

To gain essential perspective regarding the performance of the industry, only those financial data associated with general freight motor common carriers are examined, because the Motor Carrier Ratemaking Study Commission's mandate was restricted to this classification of carrier. In this regard, the following financial data have been gleaned from a group of 288 carriers of general freight that constitutes the National Financial Data Base, and the composition has subsequently declined because of numerous bankruptcies.¹⁶ Regarding operating ratio performances for these carriers, Table 1 depicts operations ratios for the ten largest carriers and the "others" comprising the Data Base.¹⁷ As shown, ORs have increased from 91.63% for the ten largest carriers in 1976 to 95.97% in 1981. For all other carriers in the Data Base, ORs have increased from 94.49%

to 97.84% during the same time interval. Regarding return on equity, the top ten carriers experienced a decline in returns from 18.70% in 1976, to 8.95% in 1981; while the remaining carriers in the Data Base experienced a decrease from 12.51% to 1.55%. Table 2 provides another view of the financial data for 1981. As illustrated, the proportion of debt and interest expense for the smaller carriers is substantial reflecting the parlous financial conditions of these carriers, a situation that has exacerbated during 1982.¹⁸

Regarding carriers in the Data Base that experienced operating ratios of 97 or more, Table 3 reflects the fragile financial situation existing in this segment of the industry. Revenues, as indicated, provided by this group represents 35.4% of aggregate industry revenues, and a negative (23.84%) return on equity was experienced. Almost 47% of industry interest expenses were attributable to this group of carriers. Table 4 illustrates selected data from carriers that have exited the market since 1979. Significantly, almost one sixth of industry revenues was generated by this group, and their collective rate of return on net equity is almost as strong as the top ten carriers remaining in the market. The number of carriers that have departed trucking could conceivably be even larger if it were not for certain provisions associated with the ERISA Act.¹⁹

What economic-public policy inferences can be gleaned from these woeful financial data? The answer is several. First, the current recession obviously impacted significantly upon trucking be-

TABLE 1
COMPARATIVE OPERATING RATIOS
TOP TEN AND "ALL OTHER" CARRIERS

	Return On Equity Top Ten	All Other	Operating Ratio Top Ten	All Other
1981	8.95%	1.55%	95.97%	97.84%
1980	14.00	6.72	94.58	96.71
1979	15.71	8.38	94.95	96.62
1978	20.40	14.99	92.37	94.76
1977	21.94	14.26	91.79	94.60
1976	18.70	12.51	91.63	94.49

Source: Compiled from statement of Irwin H. Silberman, before the Subcommittee on Surface Transportation Committee on Commerce, Science and Transportation, Washington, D.C., December 14, 1982.

TABLE 2

	Operating Revenues	Operating Ratio	Proportion of Debt	Return On Equity	Operating Income	Interest Expense	Of Less Interest Expense	Net Ordinary Income
Ten Largest	\$6,078,183	95.97%	24%	8.95%	\$244,713	\$58,311	\$186,402	\$134,776
All Others	9,253,032	97.84	35	1.55	199,789	149,317	50,472	25,394
Industry	\$15,331,215	97.10%	30%	5.02%	\$444,502	\$207,628	\$236,874	\$161,170

Source: Compiled from statement of Irwin H. Silberman, before the Subcommittee on Surface Transportation Committee on Commerce, Science and Transportation, Washington, D.C., December 14, 1982.

TABLE 3

**FINANCIAL CHARACTERISTICS OF THOSE
109 CARRIERS WHICH HAD OPERATING RATIOS
OF 97% OR MORE IN BOTH 1980 AND 1981**

(\$ in thousands)

Revenues in 1981	\$5,421,338 (35.4% of industry revenues)
Operating Ratio	101.9%
Return on Equity	(23.84%)
Proportion of Debt	49%
Interest Expense	\$96,966 (46.7% of industry interest)

Source: Compiled from statement of Irwin H. Silberman, before the Subcommittee on Surface Transportation Committee on Commerce, Science and Transportation, Washington, D.C., December 14, 1982.

cause of the derived demand features of transportation. Secondly, market liberalization in the area of entry has obviously contributed materially to the present degree of excess capacity in the industry. Third, interest expenses were and continue to be inordinately high by 1972-1977 standards, thereby reducing profit levels generated by operations. Fourth, pervasive rate discounting has occurred, exacerbating profit levels. Fifth, truckload traffic has been diverted from general commodity carriers to newer, specialized carriers distorting commodity mix for LTL carriers. Sixth, and most importantly, collective ratemaking's efficacy diminished along with the entry liberalization, demise of the common carrier concept, and the accompanying uncertainty regarding the loss of anti-trust immunity for both single and joint line rates.²⁰ The commonality of these

factors is price; and price certainty that insures financial stability was dramatically reduced.²¹ Shippers sensed this demise of transportation price as a function of product demand in markets, and probably for this reason alone supported collective ratemaking of a perceived need for stability. Regulators obviously downplayed the policy dictums contained in the Motor Carrier Act of 1980 and the new rule of ratemaking, and the Motor Carrier Ratemaking Study Commission found almost ludicrously that collective ratemaking does not contribute to stability.²²

**MOTOR CARRIER STABILITY
AND COLLECTIVE RATEMAKING**

In terms of empirical evidence or data, several opinion surveys have been conducted and made available to the Com-

TABLE 4

CARRIERS THAT HAVE GONE OUT OF BUSINESS SINCE JANUARY 1, 1979

Financial Status in 1978 (\$ in thousands)

Proportion of Industry Revenues in 1978	14.10%
Operating Ratio	98.06%
Rate of Return on Net Equity	4.67%
Proportion of Debt in the Capital Structure	55.96%
Operating Income (before interest)	\$38,449
Interest Expense	\$28,495

Source: Compiled from statement of Irwin H. Silberman, before the Subcommittee on Surface Transportation Committee on Commerce, Science and Transportation, Washington, D.C., December 14, 1982.

mission from samples of professional groups of affiliated shippers, and these surveys represent subjective empirical evidence regarding how users perceive the collective ratemaking process. Moreover, hypotheses regarding efficiency from a perspective of shipper/users of the process with respect to the stability-efficiency aspect of collective ratemaking can be employed to gain insight into the efficacy of the process, particularly when supplemented with evidence presented before the Motor Carrier Ratemaking Study Commission. In this regard, the relative efficiency expressed in proxy form by shippers favoring or not favoring the process is measurable and hence provides valuable insight into the demand side of pricing equations for carrier services. These perceptions regarding the importance of financial stability, while they vary substantially, are quite meaningful to policy makers, particularly when reinforced with testimony presented before the Commission.²³ In this regard, the shippers' perceptions and the Commission's conclusions provide further insight into the polemical nature of the collective ratemaking debate, and hence support the original observation stated in this paper that the Commission's report has generated more contention than the original debate surrounding the collective pricing process, and that collective ratemaking is functionally interrelated to financial stability in the industry.

The Motor Carrier Ratemaking Study Commission's report to Congress contained nineteen recommendations re-

garding collective ratemaking, each of which are subject to vigorous rebuttal.²⁴ While the issues mandated by Congress were examined in one form or another, only one recommendation dealt specifically with financial or price stability (an equilibrium price equating supply and demand for freight services). Finding Ten of the report stipulated:

Collective ratemaking has little salutary effect on the stability of the rate level. The rate level changes in response to changes in underlying cost conditions.²⁵

This particular finding is representative of the Commission's entire report, but should be examined carefully for several reasons. First, throughout the hearings a paucity of empirical data associated with collective ratemaking was deemed to exist; a position supported by the opponents of the process. Secondly, evidence in the form of empirical studies of shippers existed prior to the Commission's hearings that clearly indicated not only the magnitude of support for collective ratemaking, but particularly rate stability. Thirdly, evidence presented to the Commission clearly revealed shipper desires for carrier stability because of distribution planning strategies and desires to avoid undue preference, prejudice, and discrimination.²⁶ Fourth, this finding and others reveals the Commission's position to be one that can aptly be described as "collective ratemaking makes no difference and should be eliminated." Fifth, and most importantly, fi-

financial stability is no longer being maintained in the industry.

Without collective ratemaking, financial stability is virtually impossible, ergo a strong argument can be made that long-range strategic planning may not be optimized. From a price/service option perspective, moreover, shipper support for collective ratemaking clearly indicates some form of efficiency will be lost if antitrust immunity is ended because financial stability will deteriorate even more because of inadequate price information.²⁷ Hence, shipper perspectives of the process is crucial in any evaluation of public policy in that these individuals are the primary users of the collective pricing process. Indeed, lack of stability can result in a reduction of capacity to a point where concentration in the industry can and will be significant.²⁸

Because carrier financial stability and shipper support are interrelated with virtually every finding reported by the Commission, even though the evidence suggests otherwise, data regarding the

process are crucial to analyzing collective ratemaking's role in stability and any resulting efficiency associated with this pricing process. In this regard, the following hypotheses are tested:

H₀: Collective ratemaking and stability in the motor carrier industry are not related.

H₁: There is a significant relationship between collective ratemaking and stability in the motor carrier industry.

Table 5 represents a chronology of the empirical research regarding collective ratemaking and stability, a composite which includes a tabulated enumeration of witnesses filling submissions with the Commission. Whether we consider the accumulated data represent five or six studies (two samples were formally presented to the Commission), we are 95% confident that these results could not have occurred by chance if the true state of nature were the null hypothesis, and it is concluded that a signifi-

TABLE 5

EMPIRICAL RELATIONSHIP BETWEEN COLLECTIVE RATEMAKING AND STABILITY

Article/Authors or Proceedings and Date of Publication	Composition of Sample	Relevant Question(s) and/or Findings	Response to Relevant Question(s)
"An Empirical Assessment of the Traffic Executive's Perceptions Regarding Controversies in Transportation Regulation" Davis, Rosenberg, Sherwood (1976)	475 certified members of AST&T	(1) Would your business firm benefit if the rate bureau system of establishing rates were abolished? (2) If ICC and other regulatory agencies were abolished, what effect would it have on overall freight rates?	(1) No - 93% (2) Rates would increase - 73% rates would not change - 12%
"Rate Bureau Cost and Benefits: The Carrier Perspective" Chow and Poist (1980)	850 members Middle Atlantic Conference Rate Bureau 306 non-members	(1) Would rate instability and uncertainty occur without rate bureaus? (2) Do rate bureaus help prevent rate instability and uncertainty?	(1) Yes - 98.7% (2) Yes - 98%
"The Case for Single Line Immunity" Davis and Sherwood (1973)	25 shippers all conferences	(1) Existing marketing activities of shippers and carriers would be disrupted.	(1) Yes - 94.6% No - 5.4%
"Does Collective Ratemaking Have a Future in the Motor Carrier Industry?" Davis and Dillard (1982)	400 traffic executives randomly selected from Annual Directory of Traffic Executives in U. S.	(1) Do you feel that collective ratemaking is needed for rate stability?	(1) Yes - 62%
"Proceedings of the Motor Carrier Ratemaking Study Commission (1983)	456 shippers, carriers, associations, and traffic consultants 1238 transportation industry users	(1) Do you support the continuation of collective ratemaking? (1) Collective ratemaking provides efficient price information to shippers. (2) The loss of single line antitrust immunity will increase operating costs for shippers.	(1) Yes - 91% (1) Agree - 100% (2) Agree - 100%

cant relationship does exist between collective ratemaking and stability in the motor carrier industry.

Even though the studies conducted before 1980 were concerned with deregulation and market entry, support for collective ratemaking was pervasive.²⁹ The industry is currently suffering from the impact of the recession, but the liberalization of market entry and rate discounting has diminished the impact of collective ratemaking, which has contributed substantially to the current instability in the industry.³⁰ Indeed, financial stability is virtually impossible in the current milieu of discounting which clearly impacts upon small shippers and communities.³¹

SUMMARY AND CONCLUSIONS

Collective ratemaking has played an important role in stabilizing the one segment of the motor carrier industry that collectively publishes rates. Following the eight months of public hearings, the Motor Carrier Ratemaking Study Commission recommended to Congress that antitrust immunity for collective ratemaking be ended and bureaus reduced to mere publishing agencies. This highly contentious report has generated not only minority reports to Congress by four commissioners, but has generated considerable controversy within the shipping community in light of the inordinate number of witnesses that supported collective ratemaking.

The purpose of this brief paper was to identify the quintessential feature of collective ratemaking—industry financial stability—and contrast the Commission's findings regarding stability with financial data associated with carriers as well as the positions of witnesses before the Commission. The empirical data clearly conflicts with the Commission's finding that collective ratemaking has little salutary effect on the stability of the rate level or financial stability in the industry. Based on studies and evidence presented before the Commission, the hypothesis H₁: There is a significant relationship between collective ratemaking and stability in the motor carrier industry, was accepted. That is to say, collective ratemaking does play an important role in stabilizing the motor carrier industry to provide the capacity for providing for-hire service on a non-discriminatory basis.

Finding Ten of the Commission's report is not atypical of the other eighteen findings reported to the Congress. Indeed, this interminable debate needs to be resolved, but not on the basis of ignoring evidence and shipper support for

this institutional pricing process. In short, the Commission report has not resolved the issues; it has become an issue itself. Rate discrimination, service to small communities and shippers, and rate structures remain important public policy issues that have not been resolved. Not only is financial stability associated with collective ratemaking, but the rule of ratemaking involving adequate profits and attracting capital investment is jeopardized by terminating the remaining vestiges of collective ratemaking.

FOOTNOTES

1 Executive Summary, Motor Carrier Ratemaking Study Commission, January 24, 1983, Washington, D.C.

2 Consult Minority Reports to Congress by Congressmen Schulster, Rowe and Siberman, former U.S. Senator Cannon, and Commissioner Murphy, Washington, D.C., May, 1983.

3 Although the Commission attempted to structure the basic format of the public hearings, ancillary issues are injected because of the broad congressional mandate to the agency and by the nature of the subject matter.

4 For example, the role of the common carrier was discussed, capacity cost, alternative pricing techniques, etc.

5 The Commission, in its report, appeared to minimize the alternative cost features of transportation pricing information, as well as the alarming degree of concentration in certain parts of the industry. More notably, from a public policy perspective, the agency failed to deal with the modification of transportation pricing from a "good moved" perspective to a mere "unit of capacity" for sale.

6 There is no question but that the highly contentious report will be seriously questioned in Congress and legislation extending antitrust immunity introduced.

7 Supra, note 1.

8 Grant M. Davis, "Evidential Issues in Collective Ratemaking," *Traffic World*, (May, 1983).

9 Consult transcripts of public hearing, Motor Carrier Ratemaking Study Commission, Phoenix, Arizona; Washington, D.C.; Akron, Ohio; San Francisco, California; Cambridge, Massachusetts; and Orlando, Florida, November, 1981 through May, 1982.

10 One resolution alone filed with the Commission contained over 1,200 shipper signatures supporting collective ratemaking. A review of the position of all parties appearing before the agency and filing submissions reveals that 90% of the witnesses supported the continuation of antitrust immunity for collectively established rates.

11 A cartel traditionally allocates prices, output, or markets. Collective ratemaking through bureaus is not a true cartel because compulsory membership is not required. Non-members and members can price their services as they so desire, and there is no market or output allocation. Nevertheless, collective ratemaking has an image problem simply because of its "collective" name. See Donald V. Harper, before the Motor Carrier Ratemaking Study Commission, Kansas City, Missouri, March, 1982.

12 49 U.S. Code, 10101 (7).

13 Supra, note 10. The Commission, however, concluded that collective ratemaking was not harmonious with our "National Transportation Policy."

14 Supra, note 1. This finding is almost ludicrous in light of the deleterious financial conditions of the industry. See statement of Irwin H. Silberman before the Subcommittee on Surface Transportation Committee on Commerce, Science, and Transportation, Washington, D.C., December 14, 1982.

15 49 U.S. Code, 10701 (e).

16 The reader must bear in mind that more than 5,000 new carriers have entered the trucking racket, and many have departed through Chapter 7 bankruptcy proceedings.

17 The National Financial Data Base has contracted substantially because of exits from the trucking market.

18 For the latest dismal financial report consult Economic Research Committee, *Quarterly Results of the Motor Common Carriers of General Freight: 1982* (Washington, D.C.: American Trucking Associations, Inc.).

19 See American Trucking Associations, Inc.; Miller Transporters, Inc.; Dean Truckline, Inc.; T.I.M.E. - D.C., Inc.; and East Texas Motor Freight Line, Inc. VERSUS Pension Benefit Guaranty Corporation and Central States, South-east and Southwest Areas Pension Fund, Civil Action No. J82-0061C(B).

20 Joint-line traffic, for example, has decreased almost 60% in some geographical areas. The major impact to date may well be on small carriers serving small points.

21 Price discounting has increased the need for long-range strategic planning which many carriers do not utilize. See Grant M. Davis and William P. Cunningham, "The Impact of Monopsony Shippers on Motor Carrier Strategic Planning: A Modeling Approach for Initial Approximation," *Papers and Proceedings, American Marketing Association: Research Methods and Casual Models in Marketing*, Sarasota, Florida, March 2, 1983.

22 *Supra*, note 1.

23 Collective ratemaking and the motor carrier industry cannot be considered a monopoly

or a purely competitive industry. More than likely the industry and collective pricing can be approximated or classified as a differentiated oligopoly. The pervasive degree of shipper support, however, certainly should indicate a need for this type of institutional pricing system.

24 *Supra*, note 2.

25 *Supra*, note 1.

26 See statements of Professors Stanley Hille and Donald V. Harper before the Motor Carrier Ratemaking Study Commission, Kansas City, Missouri, March, 1982.

27 The Commission's concern for price information to shippers was explained in one session of the San Francisco hearings, February, 1982. Also see Paul Roberts before the Motor Carrier Ratemaking Study Commission, Cambridge, Massachusetts, March, 1982, for an estimate of shipper price/cost/expense if collective ratemaking is ended. Also, Grant M. Davis and Charles S. Sherwood, "The Case for Single-line Immunity," *ICC Practitioners' Journal*, Vol. 43, No. 6 (September-October, 1976), pp. 740-747.

28 Concentration in the industry is already substantial, and the top ten carriers have increased their respective market share to 42% in 1981.

29 For a compilation of many of these studies, see Grant M. Davis, *Collective Ratemaking in the Motor Carrier Industry* (Danville, Illinois: Interstate Publishers, Inc., 1980).

30 Silberman, loc. cit.

31 For a brief discourse on the polemical nature of this segment of the collective ratemaking controversy, see Grant M. Davis and William P. Cunningham, "Deregulation — A Green Light for Trucking Efficiency — A Comment," *Regulation*, (November-December, 1982).