



The Daily Dish

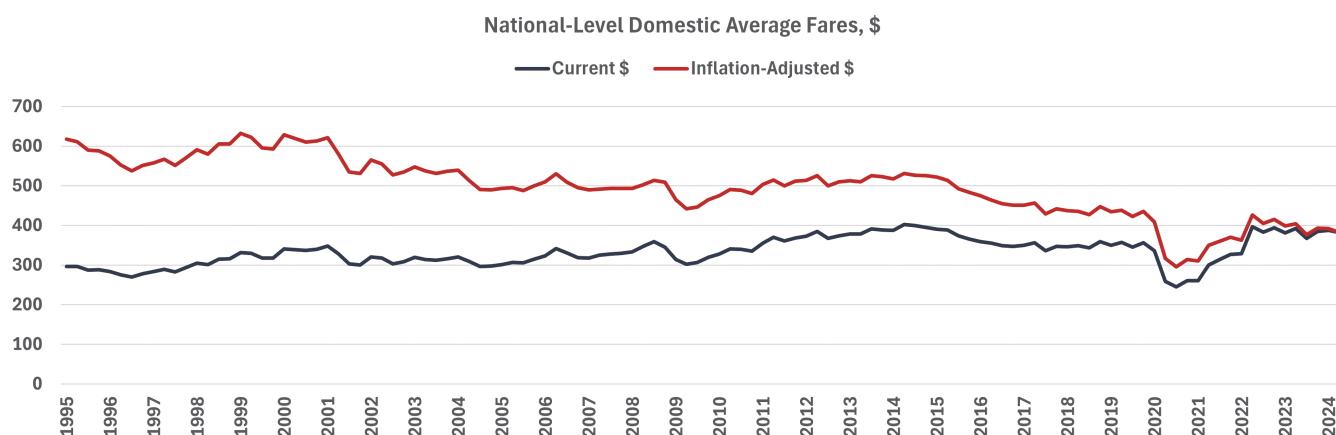
A Deregulation Success Story

DOUGLAS HOLTZ-EAKIN | JANUARY 9, 2025

In an (unplanned) tribute to the late President Jimmy Carter, Fred Ashton released [Competition in Air Transportation](#). Ashton's research comes in response to a Department of Justice (DOJ) and Department of Transportation (DOT) [request for information](#) on competition in air transportation. As Ashton notes:

*President Joseph Biden signed the [Executive Order on Promoting Competition in the American Economy](#) (EO). The principal concern of the EO was market concentration, which the president asserted had become "excessive" and "threaten[ed] economic liberties, democratic accountability, and the welfare of workers, farmers, small businesses, startups, and consumers." Since the signing of the EO, much of the federal antitrust enforcement agenda has focused on the further consolidation of markets. Past research by the American Action Forum refutes the assertion that [markets have become more concentrated](#) over time and demonstrates that [market share](#) is *not the proper way* to assess competition.*

The larger reason to re-examine competition in commercial aviation is the growing narrative that somehow deregulation had "failed" and the United States should return to federal micromanagement of air travel. AAF's previous research had debunked this notion in other markets, but even a cursory inspection suggested this was wrong in commercial aviation. In my youth, airline travel was so expensive that real people did not fly; only elites did. Deregulation delivered enormous consumer benefits in the form of lower (inflation-adjusted) airfares and greater access to travel.



Ashton provides some context: “President Jimmy Carter signed the Airline Deregulation Act of 1978. The Airline Deregulation Act removed the [Civil Aeronautics Board]’s ability to fix prices and set routes in favor of a competitive market. The [Reason Foundation](#) provides a more comprehensive regulatory history of the airline industry.”

What followed was a sustained period of lower prices, greater choice, and more innovation. The increased competition resulted in newer business models that provided customers with new options for flying.

This is a huge success story that should be preserved and expanded, not reversed.