

The Transportation Marketplace: How Free?

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Recent news from space has been dominated by congratulatory reports of the first successful private launch of a space craft making a successful delivery of cargo to the International Space Station. No question about it, Elon Musk and his SpaceX team deserve such recognition, but does anyone really believe this remarkable accomplishment could have occurred absent billions of dollars of taxpayer investment, and Astronaut lives lost, getting us to this point?

How often do we hear folks talk about the marketplace as though it is a sacred zone created and perpetuated by some supernatural force, pure and free of human intervention? “Let the marketplace decide”, they say. The marketplace will reward those vendors, products and service providers that are the most desirable, the most efficient, and those which achieve such success without the hand of government picking winners and losers. BUNK! Can you really think of such an economic state of being? A case of economic immaculate conception?

Admittedly, some markets may be “freerer” than others, but transportation is not one of them. Kings, Queens, and Governments, from time immemorial, have sponsored exploration, development, transport, commerce and trade. Long before the new federal government embraced it, Virginia was investing in “internal improvements”. From 1830 to 1861, the Commonwealth, together with many of our towns and cities, was the majority owner of most of the State’s railroads. The story of public highway, aviation and port development by the public sector is better known, even if not very accurately understood by the public today.

This writer asserts and maintains that no marketplace has historically been, nor continues to be, more influenced, capitalized, developed, directed, funded, regulated, controlled and “managed” by legislative policy decisions than transportation. Over time, this has been the case, to varying degrees, with each and every modal participant in the transportation arena, from railroads to aerospace. It might be said, with considerable justification, that nothing new occurs in transportation without the hand of government.

With respect to rail, we have witnessed about 185 years of history, ranging from enthusiastic public support and investment, to repressive regulatory control, a federal takeover during WWI, and now a 21st century renaissance in public involvement in rail,

including substantial federal and state grants for capital investment and operating support. Public transportation policy seems always to be a study in incoherence. Now, as always, the aggregate effect of our transportation policies – all modes – is worthy of review.

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