

Overview of Airline Deregulation Act

What Is It?

The Airline Deregulation Act is a 1978 United States federal law that deregulated the airline industry in the United States, removing U.S. Federal Government control over such things as fares, routes and market entry of new airlines, introducing a free market in the commercial airline industry and leading to a great increase in the number of flights, a decrease in fares, and an increase in the number of passengers and miles flown. The Civil Aeronautics Board's powers of regulation were phased out, but the Act did not diminish the regulatory powers of the Federal Aviation Administration (FAA) over all aspects of aviation safety.

What Is It?

The stated goals of the Act included the following:

- the maintenance of safety as the highest priority in air commerce;
- placing maximum reliance on competition in providing air transportation services;
- the encouragement of air service at major urban areas through secondary or satellite airports;
- the avoidance of unreasonable industry concentration which would tend to allow one or more air carriers to unreasonably increase prices, reduce services, or exclude competition; and
- the encouragement of entry into air transportation markets by new air carriers, the encouragement of entry into additional markets by existing air carriers, and the continued strengthening of small air carriers.

How Does It Pertain to HEMS?

The Airline Deregulation Act of 1978 prohibits states from regulating the price, route or service of an air carrier for the purposes of keeping national commercial air travel competitive.

Air carriers that provide air ambulance services are also protected from state regulation of their price, route and service as well.

How Does It Pertain to HEMS?

From the federal government perspective, there is no distinction between an air medical service and an air taxi, as it pertains to FAA regulations.

Essentially, if an agency charges for transportation (regardless of the reason), they are considered to be an airline.

How Does It Pertain to HEMS?

The states have no jurisdiction over, the federally issued, certificate holder's right to operate an airline. The certificate is issued by the FAA, and it is therefore the responsibility of the FAA to regulate the operation, not the states that they operate from. This is the position that the federal courts have taken in related litigation.

Citation Source

[http://www.airmedicaljournal.com/article/S1067-991X\(08\)00272-1/abstract](http://www.airmedicaljournal.com/article/S1067-991X(08)00272-1/abstract)