

ISSUE BRIEF

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Airline Safety: The Good News

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The July 6 crash landing of an Asiana jetliner that killed three passengers and injured dozens more was a tragedy. The accident is rightly being thoroughly investigated by federal safety officials as well as aviation industry experts to determine how it happened and prevent such a tragic accident from happening again.

But hidden between the lines in the news coverage of the event is a remarkable story: the breathtaking, long-term improvements in safety in the airline industry. It is exactly the sort of good news that is too often ignored by the media.

A Precipitous Decline. The early days of commercial air travel were shockingly dangerous by today's standards. Ironically, 1929, the year of the great stock market crash, was also one of the most crash-ridden in aviation history, with 24 fatal accidents reported. In both 1928 and 1929, the overall accident rate was about one per every million miles flown. In today's system, an accident rate of that magnitude would result in nearly 7,000 fatal accidents each year.

From that point on, though, the accident rate dropped rapidly and consistently. In the 1970s, there

were 46 fatal accidents involving U.S. carriers. By the 1990s, the total dropped to 30.¹ In the past 10 years, there have been nine.² Astoundingly, there has been only one fatal accident involving a U.S. airline in the past six years: the 2009 crash of a commuter jet near Buffalo, New York.

Critics Massively Wrong. This record of success is even more remarkable given the dire predictions that were made after economic regulation of the airline industry was abandoned in 1978. Critics of deregulation charged that the elimination of federal controls on the rates charged and routes flown by airlines would usher in an era of aviation carnage as heartless businessmen cut corners to make a profit in the marketplace.

Predictions of disaster were made for years after deregulation took place, even as safety records improved. In 1986, for example, former pilot John Nance wrote in one often-quoted book, *Blind Trust*, that “[t]he ultimate cost of [deregulation] may be measurable in more than services lost and leg room sacrificed. The true cost may be paid in passenger lives, because through haste and ignorance, Congress has inadvertently degraded airline safety.”³

His theme was echoed by others. In 1988, Paul Stephen Dempsey of the Economic Policy Institute, a widely cited opponent of deregulation, warned, “The economic strains created by the intense price competition unleashed by deregulation have had a deleterious effect upon carrier safety.”⁴ Similarly, in 1987, syndicated columnist Hobart Rowen warned, “As the grim record of near collisions on the nation’s airways proliferates, you and I are taking a bigger chance flying than ever before.”⁵

This paper, in its entirety, can be found at
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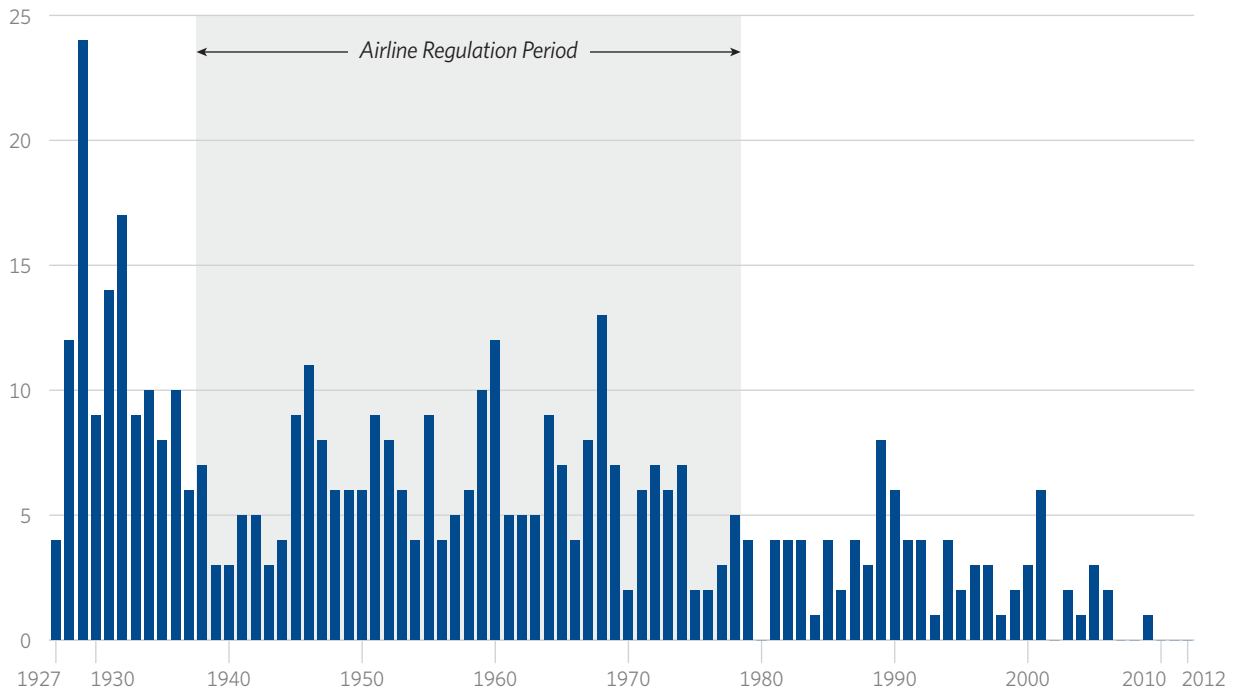
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CHART 1

Frequency of U.S. Aircraft Fatalities Continues Downward Trend

NUMBER OF FATAL AIRLINE ACCIDENTS



Source: Heritage Foundation calculations based on data from Airlines for America, Safety Record of U.S. Air Carriers, <http://airlines.org/Pages/Safety-Record-of-U.S.-Air-Carriers.aspx> (accessed July 11, 2013); Airlines for America, Annual Results: U.S. Airlines, <http://airlines.org/Pages/Annual-Results-U.S.-Airlines.aspx> (accessed July 11, 2013). Accident data prior to 2000 is from Air Transport Association.

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What Caused Gains in Airline Safety? That is not to say that deregulation itself necessarily enhanced air safety. The broad trend line of safety improvement, in fact, seems to have continued at more or less the same pace before and after deregulation. Of course, it is impossible to say what would have happened had there been no changes in policy. What is clear, however, is that the grim predictions of disaster by market opponents did not come true.

Why were the critics so off-base? One obvious reason is that only the economic side of air travel was deregulated; airline safety regulation remained in place. But there is more. Rather than work against safety, marketplace incentives actually worked to further it. Rather than scrimp on safety measures to gain short-term profits, airlines have found it even more in their interest to ensure the safety of their passengers.

1. Data from Air Transport Association, cited in James L. Gattuso, "Air Travel: A Hundred Years of Safety," Mackinac Center, October 6, 2003, <http://www.mackinac.org/5773> (accessed July 15, 2013).
2. Airlines for America, "Safety Record of U.S. Air Carriers," <http://www.airlines.org/Pages/Safety-Record-of-U.S.-Air-Carriers.aspx> (accessed July 16, 2013).
3. John J. Nance, *Blind Trust* (New York: William Morrow and Company, 1987), p. 9.
4. Paul Stephen Dempsey, "The Empirical Results of Deregulation: A Decade Later, and the Band Played On," *University of Denver College of Law, Transportation Law Journal*, Vol. 17, No. 1 (1988), p. 31, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2239310 (accessed July 15, 2013).
5. Hobart Rowen, "Airlines Should Be Re-Regulated," *Philadelphia Inquirer*, August 20, 1987, http://articles.philly.com/1987-08-20/news/26167459_1_deregulation-larger-airlines-american-airlines-flight (accessed July 15, 2013).

Simply put, no one makes money by putting passengers in danger. Dimly remembered carriers such as Air Florida and ValuJet learned that lesson the hard way after catastrophic accidents in 1982 and 1996, respectively. And already there is word that Asiana will suffer a major market loss due to the July 6 mishap.⁶ Markets provide what consumers demand—and air travelers demand safety most of all.

Critics Refuted. There is, of course, room for improvement in air travel safety in preventing

crashes (whether due to accidents and or to intentional acts of violence). It is not yet time to raise the mission-accomplished banner. But the safety gains already achieved are a stunning success for the aviation industry and a refutation of the anti-deregulation pundits who predicted the opposite.

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6. Kyunghye Park, "Asiana's San Francisco Crash Seen Pushing Airline to Loss," Bloomberg News, July 10, 2013, <http://www.bloomberg.com/news/2013-07-11/asiana-s-san-francisco-plane-crash-seen-pushing-airline-to-loss.html> (accessed July 15, 2013).