OF ALL TRANSPORTATION modes, air seems to be the most fascinating. Although the airline business has not been around for the thousands of years that surface transportation modes have enjoyed, it often is a leading indicator of transportation development. Recently, there has been a lot of airline news, leading to questions of whether something’s up for other areas of transportation.

Merger mania? In August, the Justice Department approved the merger of United and Continental airlines, taking only token actions to resolve competitive issues. Such a lax approach surprised many industry observers, and caused some to consider if the political stars were aligned for mega-mergers in other transportation sectors, such as railroads.

Looking at labor: Unlike other recent mergers, this one seems to lack an understanding with unions. Although the Air Line Pilots Association testified in June in favor of the merger, carriers and pilots since then have failed to agree on basic integration items, such as seniority.

The transportation industry has not seen a major labor dispute since 2002 when West Coast port employers locked out the International Longshore and Warehouse Union. Transportation labor may or may not seek to reassert its greatly diminished historic strength and upset current labor peace.

Privatization problems: In July, the Port Authority of New York and New Jersey announced $50 million in new spending at Stewart International Airport in Newburgh, N.Y., continuing repairs begun after the authority acquired the airport in 2007. The acquisition was completed after the first U.S. commercial airport privatization for six years failed to establish a 99-year contract. Meanwhile, the commonwealth of Virginia rejected three proposals by private investors to take over the port operations of the Virginia Port Authority.

Many view the reacquisition of Stewart and the rejection of VPA bids as a repudiation of the infrastructure privatization model. Public trepidation is no doubt fueled by the buyers’ remorse of a private sector lamenting billions of dollars spent on questionable deals. Because public-private partnerships are viewed as an answer to limited government spending, this changed thinking could cause problems for both parties.

Trade troubles: The two major aircraft manufacturers, Airbus and Boeing, have been involved in a World Trade Organization dispute. And the Doha Round of talks continues without resolution, endangering multilateral trade that has been so important to our industry.

Meanwhile, the United Steelworkers has alleged China is unfairly subsidizing its clean energy technology sector. While this issue is focused on trade, many believe it would disappear if the U.S. were to place a predictable price on carbon. This would certainly transform the transportation industry. Is it time for transportation to face the inevitable changes this would entail?

National no more: Once proud Japan Airlines is in bankruptcy protection. Although many painful cuts have been made, they might not be sufficient. This is just the latest realization that a national flag carrier is an expensive luxury. In many sectors, (container shipping, for instance) the national flag carriers—whether or not specifically guaranteed by the government—still are major carriers.

Are we seeing a retrenchment in support for national flags? The three Japanese container carriers have recently announced their intention to focus on other, more profitable, shipping sectors. If so, how will positions be wound down, and how will the transportation market evolve for shippers?

Considering customers: Undoubtedly, it has been an interesting time for air customers.

• Passenger airfares have been rising steadily and now approach pre-recession levels in many markets. The airlines have managed this through stringent control of capacity. We have seen the same process in ocean shipping. However, nobody knows if price discipline will continue as new capacity proliferates.

• Major fines continue to be announced around the world in cases related to air freight pricing collusion, and a prominent air cargo executive indicted last month became the latest carrier official to face jail time over the allegations in this price-fixing case. Many shippers believe ocean carriers should be subject to similar action, but only “fact-finding” initiatives are under way.

• Michael O’Leary, CEO of Ryanair, is attempting to remake travel by removing all amenities in exchange for cheap and inexpensive fares. Some ocean carriers are doing the same by focusing strictly on port-to-port operations. The permanent imposition of slow steaming may represent a tipping point in how lines view their value proposition.

The economic problems of the past two years have challenged the entire transportation sector. The air sector may be the most visible to those outside our industry, but our challenges across all modes remain large, and cyclical recovery may not be enough for all players to recover.