



## **Transportation Economics**

Spring 2017  
Mondays and Wednesdays  
2:00 pm - 3:15 pm  
Office Hours: Mon. and Wed. 3:30 pm - 4:30 pm

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### **Course Description**

This undergraduate course applies microeconomic analysis to the transportation industry. The scope of the course is broad by design, involving all transport markets, such as the intercity, rural, urban, and international markets, and almost all transport modes, such as railroads, highways, air carriage, transit, and waterways. The objective is for students to acquire an understanding of the underlying economics of transportation provision, including demand, costs, the pricing and quality of service, regulation and regulatory reform, competition between the various modes, highway congestion, and the level of subsidies to mass transit. Since the course is being taught in New York City, where the transportation network is a cooperation of very complex systems of infrastructure, there will be an opportunity for students to hear from a number of guest speakers.

### **Readings**

I have put together a book of readings for the course that will be distributed at the first class.

### **Course Assessment**

Assessment is based on the following items, with weights noted:

Midterm	35%
Final	40%
Group presentation	15%
Class participation	10%

### **Course Website**

I will maintain a website for the course using NYU Classes. The website will include announcements and downloadable files with the class lectures.

## **Classroom Norms**

Laptops, cell phones, smartphones and other electronic devices are a disturbance to both students and professors. All electronic devices must be turned off prior to the start of each class meeting.

## **Class participation**

Class participation will be evaluated on the basis of contributions to class discussions. In the evaluation, quality is more important than quantity. In addition, the evaluation of class participation could be affected adversely by lack of attendance or creating negative classroom externalities (see Classroom Norms above).

## **Ethical Guidelines**

All students are expected to follow the Stern Code of Conduct:  
(<http://www.stern.nyu.edu/uc/codeofconduct>)

A student's responsibilities include, but are not limited to, the following:

1. A duty to acknowledge the work and efforts of others when submitting work as one's own. Ideas, data, direct quotations, paraphrasing, creative expression, or any other incorporation of the work of others must be clearly referenced.
2. A duty to exercise the utmost integrity when preparing for and completing examinations, including an obligation to report any observed violations.

## **Students with Disabilities**

Students whose class performance may be affected due to a disability should notify me immediately so that arrangements can be made in consultation with the Henry and Lucy Moses Center for Students with Disabilities <http://www.nyu.edu/csd/> to accommodate their needs.

## **Course Schedule and Readings**

### **1. Monday, January 23: Introduction to Transportation Economics**

Button, Kenneth, 'Transport and Economics,' *Transport Economics*, pp. 1-18.

### **2. Wednesday, January 25: Demand for Transportation, I**

Dargay, J.M. (1993), 'Demand Elasticities: A Comment,' *Journal of Transport Economics and Policy*, 27 (1): 87-90.

### **3. Monday, January 30: Demand for Transportation, II**

Wardman, M., Batley, R., Laird, J., Mackie, P. and J. Bates (2015), 'How Should Business Travel Time Savings Be Valued?' *Economics of Transportation*, Volume 4, Issue 4, pp. 200-214.

### **4. Wednesday, February 1, Supply of Transportation, I**

Gomez-Ibanez, Jose, Tye B. William, and Clifford Winston (eds.), 'Learning about Transport Costs,' *Essays in Transportation Economics and Policy*, pp. 57-97.

### **5. Monday, February 6: Guest Speaker (Alexander Heil)**

Alexander Heil is Chief Economist at the Port Authority of New York and New Jersey.

### **6. Wednesday, February 8: Supply of Transportation, II**

Button, Kenneth, 'The Direct Costs of Transport,' *Transport Economics*, pp. 142-152.

### **7. Monday, February 13: Guest Speaker (Josh Mohrer)**

Josh Moher is General Manager, Uber, NYC.

### **8. Wednesday, February, 15: Pricing of Transportation**

Gomez-Ibanez, Jose, Tye B. William, and Clifford Winston (eds.), 'Pricing,' *Essays in Transportation Economics and Policy*, pp. 99-136.

### **Monday, February 20: No class (Presidents' Day)**

### **9. Wednesday, February 22: Urban Transit Subsidies**

Parry, I.W.H. and K.A. Small (2009), 'Should Urban Transit Subsidies Be Reduced?' *American Economic Review*, 99 (3): 700-724.

### **10. Monday, February 27: Guest Speaker (Andrew Parker)**

Andrew Parker is Director of Revenue Management at JetBlue.

### **11. Wednesday, March 1: Guest Speaker (Justin Ginsburgh)**

Justin Ginsburgh is Vice President, Business Development at Alta Bicycle Share and former General Manager at Citi Bike.

### **12. Monday, March 6: Midterm Review Session**

### **13. Wednesday, March 8: Midterm Exam**

### **Monday, March 13 and Wednesday, March 15: No classes (Spring Break)**

#### **14. Monday, March 20: Regulation of Transportation**

Savage, Ian (2006), 'Economic Regulation of Transport: Principles and Experience,' in Michael Crew and David Parker (eds.), *International Handbook on Economic Regulation*, Cheltenham, UK: Edward Elgar.

#### **15. Wednesday, March 22: Economics of Transportation Safety, I**

Savage, I. (2013), 'Reflections on the Economics of Transportation Safety,' *Research in Transportation Economics*, 43: 1-8.

#### **16. Monday, March 27: Guest Speaker (Helene Becker)**

Helene Becker is Managing Director of Cowen and Company

#### **17. Wednesday, March 29: Economics of Transportation Safety, II**

Smith, I. (1999), 'Road Fatalities, Modal Split and Smeed's Law,' *Applied Economics Letters*, 6: 215-217.

#### **18: Monday, April 3: Transportation and Poverty**

White, Gillian B. (2015), 'Stranded: How America's Failing Public Transportation Increases Inequality,' *The Atlantic*, May 16.

#### **19. Wednesday, April 5: Economics of Traffic Congestion**

Arnott, R. and K. Small (1994), 'Economics of Traffic Congestion,' *American Scientist*, 82: 446-455.

#### **20. Monday, April 10: Guest Speaker (Linda Spock)**

Linda Spock is President, Spock Solutions

#### **21. Wednesday, April 12: Guest Speaker (Charles Komanoff)**

Charles Komanoff is Director of Komanoff Energy Associates, 'Re-founder' and President Emeritus of Transportation Alternatives, Founding Trustee of the Tri-State Transportation Campaign, Co-ordinator of Right Of Way, and Director of the Carbon Tax Center.

#### **22. Monday, April 17: Economics of Parking**

Inci, E. (2015), 'A Review of the Economics of Parking,' *Economics of Transportation*, 4: 5-63.

#### **23. Wednesday, April 19: Guest Speaker (Pierre Vilain)**

Pierre Vilain is New York Practice Leader at Steer, Davies, and Gleave.

**24. Monday, April 24: Guest Speaker (Rodney Stiles)**

Rodney Stiles is Assistant Commissioner, Data & Technology, NYC Taxi & Limousine Commission

**25. Wednesday, April 26: Economics of Driverless Cars**

Bonnefon, J., Shariff, A., and I. Rahwan (2016), 'The social dilemma of autonomous vehicles,' *Science*, Vol. 352, Issue 6293, pp. 1573-1576.

**26. Monday, May 1: Group Presentations**

**27. Wednesday, May 3: Group Presentations**

**28. Monday, May 8: Group Presentations**

**Final Exam, Monday, May 15, 2 pm to 3.50 pm in our usual location.**