



Transportation Economics

Spring 2018
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 22: Introduction to Transportation Economics

Jonathan Mahler, 'The Case for the Subway,' *The New York Times*, January 3, 2018.

2. Wednesday, January 24: 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 29: 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, January 31, Supply of Transportation

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 5: Guest Speaker (Alexander Heil)

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

6. Wednesday, February 7: Transportation and Poverty

Sarah Maslin Nir, 'Left Behind by the Nation's Largest Subway System,' *The New York Times*, December 27, 2017.

7. Monday, February 12: Guest Speaker (Sarfraz Maredia)

Sarfraz Maredia is General Manager, Uber, NYC.

8. Wednesday, February, 14: 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 19: No class (Presidents' Day)

9. Wednesday, February 21: 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 26: Guest Speaker (Andrew Parker)

Andrew Parker is Director of Revenue Management at JetBlue.

11. Wednesday, February 28: Guest Speaker (Lawrence Mielnicki)

Lawrence Mielnicki is Chief Economist, Office of the New York City Comptroller.

12. Monday, March 5: Midterm Review Session

13. Wednesday, March 7: Midterm Exam

Monday, March 12 and Wednesday, March 14: No classes (Spring Break)

14. Monday, March 19: 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 21: Guest Speaker (Helane Becker)

Helane Becker is Managing Director of Cowen and Company.

16. Monday, March 26: Economics of Transportation Safety

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

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

17. Wednesday, March 28: Guest Speaker (Justin Ginsburgh)

Justin Ginsburgh is Director, JFK Infrastructure Strategy & Development at JetBlue.

18. Monday, April 2: Guest Speaker (Ian Trainor)

Ian Trainor is Director of Fleet Operations at CitiBike.

19. Wednesday, April 4: Economics of Traffic Congestion

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

20. Monday, April 9: Guest Speaker (Linda Spock)

Linda Spock is President, Spock Solutions.

21. Wednesday, April 11: 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 16: Economics of Parking

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

23. Wednesday, April 18: Guest Speaker (Pierre Vilain)

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

24. Monday, April 23: Guest Speaker (Rodney Stiles)

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

25. Wednesday, April 25: 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, April 30: Group Presentations

27. Wednesday, May 2: Group Presentations

28. Monday, May 7: Group Presentations

Final Exam, Monday, May 14, 2:00 pm to 3:50 pm in our usual location.