

School of Urban Studies & Planning
USP537: Economics of Urban Transportation
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Syllabus

The texts for the course are *Essays in Transportation Economics and Policy* ed. by Jose Gomez-Ibanez et al. (hereafter GTW) and *Curb Rights* by Daniel B. Klein et al. (KMR). Several other books have suggested optional readings. They are *Still Stuck In Traffic* by Anthony Downs (AD) (or the earlier version *Stuck In Traffic*), *Last Exit* by Clifford Winston (CW), and *The Economics of Urban Transportation* by Kenneth Small and Erik Verhoef (SV) (or the earlier version of this book *Urban Transportation Economics* by Kenneth Small). Downs has a good exposition of many of the issues that we will be covering. It is fairly light reading and offers a good overview if you are not familiar with urban transportation. The Small and Verhoef book is a highly technical review of the topic, and it is recommended for Ph.D. students with transportation as a field or other students planning to do research related to transportation. I ordered a few copies for the bookstore. Several readings have been assigned from Access magazine. They can be found at (<http://www.uctc.net/>), and click on Access Magazine (A). All other required readings not in the main texts are available through the library web site. All required readings are marked with an *. There will be a series of problem sets, a paper, a midterm, and a final. The problem sets will be graded to encourage completion, but they will not have much effect on grades. You are encouraged to form study groups to discuss the problem sets, but each student should write his or her own solution. The midterm is tentatively scheduled for the first hour of class on May 10.

We cover the material in approximately the order shown below, but some topics will take more than one week and others less.

I. Introduction

*GTW Chapter 11

*KMR Chapters 1-3

* Dean, Thomas B., "Policy Versus the Market: Transportation's Battleground,"
Transportation Research Record No. 1839 (National Academy Press, 2003), pp. 5-22.

AD Chapters 1-5

SV Chapter 1

CW Chapter 1

II. Demand For Transportation

*GTW Chapters 2, 10, and 13

- * Chen, Hong, Anthony M. Rufolo, and Kenneth J. Dueker, "Measuring the Impact of Light Rail Systems on Single-Family Home Values," *Transportation Research Record No. 1617* (National Academy Press, 1998), pp. 38-43.

SV Chapter 2

III. Transportation and Land Use

*GTW Chapter 12

AD Chapters 12-15

IV. Supply of Transportation Services

*GTW Chapters 3-5

- * Flyvberg, Bent et al., "Underestimating Costs in Public Works Projects: Error or Lie?" *APA Journal* 68:3 (Summer 2002), 279-295.
- *A Lave, Charles, "It Wasn't Supposed To Turn Out Like This: Federal Subsidies and Declining Transit Productivity," *Access* 5 (1994), 21-25.
- * Rufolo, Anthony M. and Robert L. Bertini, "Designing Alternatives to State Motor Fuel Taxes." *Transportation Quarterly* 57:1 (Winter 2003), pp. 33-46.

AD Chapters 7-9

SV Chapter 3

V. Externalities

*GTW Chapters 6-8

- * Rufolo, Anthony M. and Thomas J. Kimpel, "Responses to Oregon's Experiment in Road Pricing," *Transportation Research Record* 2079, TRB, National Research Council, Washington, D.C., 2008, 1-7.
- *A Taylor, Brian D., "Rethinking Traffic Congestion," *Access* 21 (Fall 2002), 8-16.
- *A Small, Kenneth A., "Road Pricing and Public Transit," *Access* 26 (Spring 2005), 10-15.
- * Prud'homme, Remy and Juan Pablo Bocarejo, "The London congestion charge: a tentative economic appraisal," *Transport Policy* 12 (2005) 279-287.
- * Mackie, Peter, "The London congestion charge: a tentative economic appraisal, A comment on the paper by Prud'homme and Bocarejo," *Transport Policy* 12 (2005) 288-290.

SV Chapter 4

VI. Planning

*KMR Chapter 4

*A Mannville, Michael and Shoup, Donald, "People, Parking, and Cities," *Access* 25 (2005), 2-8.

VII. Regulation

*GTW Chapter 9, 14-16

*KMR Chapters 5-8

* Portney, Paul R. et al., (Fall 2003) "The Economics of Fuel Economy Standards," *The Journal of Economic Perspectives* 17:4, pp. 203-217.

*A Cervero, Robert, "Informal Transit: Learning from the Developing World," *Access* 18 (Spring 2001), 15-22.

SV Chapter 6

VIII. Efficiency

*KMR Chapters 9-13

*WS Chapters 1-7

* <http://www.slug-lines.com/Index.htm>

Spielberg, Frank, and Phil Shapiro, "Slugs and Bodysnatchers: Adventures in Dynamic Ridesharing," *TR News* 214 (May-June 2001)20-23.

SV Chapters 5 and 7

CW Chapters 2-4, 6-10

Paper Requirements

The paper for this course will require that you research the literature on some urban transportation topic where there is continuing disagreement relating to economic issues. You will be required to present the conflicting arguments and then evaluate the positions being taken. You will be expected to find a minimum of four to five professional articles of reasonably recent vintage that contribute to the debate, and use these as the basis for your paper. Note that the articles are intended to be mostly research articles in the scholarly literature. This excludes newspaper articles and opinion pieces, and it also excludes many professional articles that simply describe a case study or something similar. In general, most articles should be based on some form of research. You should strive to identify the underlying causes of disagreement, but at the very least you should carefully document what the disagreement is and what arguments each side makes.

All students should plan to use some scholarly literature search procedure. A number of databases are available through the library on the Internet. For example, you may want to use ECONLIT for economics articles or TRIS for a transportation focus. However, you are free to use any reasonable search procedure that focuses on scholarly articles. Topics are open, but the following are some examples:

- Congestion pricing: compare and contrast area pricing (e.g., London), road pricing, (e.g., SR91), and distance pricing (e.g., Puget Sound)
- How do land use policies affect transportation patterns or mode choice?
- What are the primary causes of rising transit cost?
- Does privatization lower the cost of transit?
- Is transit ridership rising or declining?
- Does suburbanization affect walking?
- What cost shares are paid by users of transit and/or automobiles?
- Do heavy vehicles pay too much or too little in road fees?
- Light rail versus bus rapid transit
- Does taxi de-regulation lower cost?
- Is demand management effective?
- Do lower speed limits increase safety?
- Does traffic light pre-emption for buses improve traffic flow?
- How do tolls and road pricing affect the equity of transportation funding?

Please discuss your topic with me before preparing a proposal. By May 17, you should turn in a written statement (or e-mail) of the issue for your paper along with a description of the literature search procedure used and a (preliminary) listing of the articles that you plan to use for the paper. These will be returned with comments on May 24. Final papers are due no later than the final exam on June 14.