Recall the inclusive value term from the bus choice model:

$$I_{iB} = \log\left(1 + \exp\left(\frac{u_{iRB|B}}{\lambda}\right)\right)$$

$\lambda I_{iB} + \gamma$ is the expected utility of riding a bus, from the standpoint of the top-level nest

Can think of it as the expected value over the $\lambda\epsilon_{ij}$'s within the nest

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Second period:

- Errors distributed TIEV, independent from each other and first period errors
- Expected value of second period decision is $\lambda I_{iB}$ plus Euler's constant