

Syllabus August 25

Fall 2014

Transportation Finance and Economics

Updated August 25, 2014

Professor David King

Monday 9-11am

Buell 300N

Office Hours: Monday 3-5

Overview:

In this course students will engage with contemporary debates on how to finance transportation systems, and learn to evaluate transportation concepts through economic analysis. Large issues that will be discussed include congestion, transit fare policy, governance of transport investments, equity and transport regulation. Policies such as dynamic pricing for roads and parking, user fees and privatization (and its discontents) will also be discussed. The readings and lectures will draw from U.S. and international experiences.

This course is of interest for students who want to learn more about how finance affects planning decisions and how local planners are now at the forefront of how transportation will be financed.

Readings and materials:

Most readings are journal articles or reports that are available online. Readings for each week are listed below.

In addition to required weekly readings students are expected to use the Transportation Economic wikibook created by David Levinson. (http://en.wikibooks.org/wiki/Transportation_Economics)

Assignments:

There are three assignments that represent 90% of the total grade, with the remaining 10% from class participation. These assignments are to be done individually and represent original work. Existing research must be cited appropriately.

Students are expected to fully participate in class discussions (10% of grade)

Critical summary of five weekly readings (30%)

Case study of how a transit agency pays for and prioritizes operations and capital costs (30%)

Literature review of transport finance topic (e.g. gas tax, congestion pricing, fare policy, value capture, etc.) (30%)

Weekly Readings:

The readings are available on Courseworks. The required readings will be updated as the semester progresses. Expect 3-5 journal articles per week.

Week 1 (September 8): Paying for Transport: Historical and Current Issues in North America, Europe and Asia

http://en.wikibooks.org/wiki/Transportation_Economics/Introduction

Taylor, Brian D. (2006) "Putting a Price on Mobility: Cars and Contradictions in Planning," *Journal of the American Planning Association*, 72 (3), p. 379-284.

Brown, Jeffrey. (2005) "Paying for Transit in an Era of Federal Policy Change," *Journal of Public Transportation*, 8(3), pp.1-32.

Munoz, Juan Carlos, and Louis de Grange. (2010) "On the development of public transit in large cities," *Research in Transportation Economics*, 29, pp. 379-386.

Week 2(September 15): How Finance Leads Planning and Infrastructure Bias

Sciara, Gian-Claudia. (2012) "Peering Inside the Pork Barrel," *Access* 41 (Fall), pp. 16-22.

Taylor, Brian D., and Kelly Samples. (2002) "Jobs, Jobs, Jobs: Political Perceptions, Economic Reality, and Capital Bias in U.S. Transit Subsidy Policy," *Public Works Management and Policy*, 6 (4), pp. 250-263.

(Part 1: Costs of Transport)

Week 3 (September 22): Congestion

http://en.wikibooks.org/wiki/Transportation_Economics/Pricing

Cortright, Joe. (2010) "Measuring Urban Transportation Performance: A Critique of Mobility Measures and a Synthesis," CEO for

Cities Research Papers.

King, David A., Michael Manville and Donald Shoup. (2007) "The Political Calculus of Congestion Pricing" Transport Policy

Manville, Michael and David A. King. (2012) "Credible Commitment and Congestion Pricing" Transportation.

Small, Kenneth A. (2012) "The Valuation of Travel Time," Economics of Transportation.

Week 4 (September 29): Congestion (Continued) and Costs of Environmental Review

Eklind, Ethan. (2014) "Back in the Fast Lane: How to Speed Public Transit Planning and Construction in California." Pritzker Environmental and Policy Briefs, No. 6. The Emmett Institute on Climate Change and the Environment. UCLA School of Law. August.

Regional Plan Association. (2012) "Getting Infrastructure Going: Expediting the Environmental Review Process." Regional Plan Association. New York. June.

Week 5 (October 6): Regulations

http://en.wikibooks.org/wiki/Transportation_Economics/Regulation

Sperling, Daniel. (2004) "The Price of Regulation," *ACCESS*, 24, pp. 9-18.

Due, John F., (2003) "A New Look at Urban Transit: Control vs. Market Approaches." Working Paper, available: http://business.illinois.edu/working_papers/papers/03-0101.pdf

Dempsey, Paul Stephen. (1996) "Taxi Industry Regulation, Deregulation and Reregulation: the Paradox of Market Failure." *Transportation Law Journal*, 24, pp. 73-120.

(Part 2: Benefits of Transport)

http://en.wikibooks.org/wiki/Transportation_Economics/Revenue

http://en.wikibooks.org/wiki/Transportation_Economics/Costs

Week 6 (October 13): User benefits

Delucchi, Mark. (2007) "Do motor-vehicle users in the US pay their way?" *Transportation Research A*, 41. Pp.982-1003.

Week 7 (October 20): Non-transport economic benefits

Dev Bhatta, Saurav, and Matthew P. Drennan. (2003) "The Economic Benefits of Public Investment in Transportation: A Review of Recent Literature," *Journal of Planning Education and Research*, 22, pp. 288-296.

Banister, David, and Yossi Berechman. (2001) "Transport investment and the promotion of economic growth," *Journal of Transport Geography*, 9, pp.209-218.

Week 8 (October 27): Student Presentations of Case Studies

Each student will make a brief presentation.

(Part 3: Models of governance and revenue)

Week 9 (November 10): Institutional models of transport provision

Buehler, Ralph, John Pucher and Uwe Kunert. (2009) "Making Transportation Sustainable: Insights from Germany." Report prepared for *Brookings Institution Metropolitan Policy Program*. April. Available via link through:
<http://www.brookings.edu/research/reports/2009/04/16-germany-transportation-buehler>

Week 10 (November 17): Implications of local control and finance, local voting

Small, Kenneth. (2005) "Unnoticed Lessons from London: Road Pricing and Public Transport." *ACCESS*, 26, pp. 10-15. Spring

Wachs, Martin. (2003) "Local Option Transportation Taxes: Devolution as Revolution." *ACCESS*, 22, pp. 9-15. Spring

Week 11 (November 24): Privatization: It doesn't mean what you think it does

Bel, Germa, and John Foote. (2009) "Tolls, Terms and Public Interest in Road Concessions Privatization: A Comparative Analysis of

Recent Transactions in the USA and France,” *Transport Reviews*, 29 (3), pp. 397-413.

Ashton, Philip, Marc Doussard and Rachel Weber. (2012) “The Financial Engineering of Infrastructure Privatization,” *Journal of the American Planning Association*, 78 (3), pp. 300-312.

(Part 4: Paying for Transit)

http://en.wikibooks.org/wiki/Transportation_Economics/Productivity

Week 12 (December 1): Fare policy

Readings TBA

Week 13 (December 8): Value capture and other revenue sources

Ryback, Rick. (2004) “Using Value Capture to Finance Infrastructure and Encourage Compact Development,” *Public Works Policy and Management* 8, pp. 249-260.

Dye, Richard and Richard England. (2010) *Assessing the Theory and Practice of Land Value Taxation*, Washington, D.C. Lincoln Institute for Land Policy.

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