

**Transportation Economics**  
**ECON 5640 and LOM 5340**  
**Fall 2015**  
**Monday-Wednesday: 5:30PM - 6:45PM**  
**Express Scripts Hall 104**

**Course Overview**

These cross-listed courses examine the nature of markets in which transportation services are provided. These courses are designed for business graduate students who wish to explore the role and impact of transportation in business processes and for graduate students in public policy and economics wishing an economic based understanding of transportation and related issues.

Basic concepts covered include: the critical role of transportation services in developed economies, the demand for transportation services, the supply of transportation services, the performance characteristics and industrial organization of different modes of transportation, the nature of transportation cost functions, transportation investment planning and evaluation, transportation's impacts on business logistics and supply chains, and other current topics in transportation economics such as the regulation-deregulation of transportation markets and identifying the true social costs and benefits of transportation.

Prerequisite: Econ 3001 or permission of the instructor

**Topical Course Outline**

I. TRANSPORTATION IN ECONOMIES

II. TRANSPORTATION DEMAND

1. The Source of Transportation Demand
2. The Demand for Freight Transportation
3. The Demand for Passenger Transportation

III. TRANSPORTATION SUPPLY, COSTS, AND THE INDUSTRIAL ORGANIZATION OF TRANSPORTATION MARKETS

4. Transportation Cost Concepts
5. Fixed Costs of Transportation
6. Variable Costs of Transportation

7. Transportation Networks and Externalities

8. Industrial Organization of Transportation Providers

#### IV. OPTIMAL TRANSPORTATION PRICING

9. Pricing Strategies

10. Efficient Pricing

11. Second-best Pricing

#### V. TRANSPORTATION ISSUES

12. Environmental Externalities

13. Congestion

14. Infrastructure

15. Planning

16. Logistics

#### **Course Structure, Workload, and Grading**

Course materials will be presented as described in the preliminary schedule of activities below. There will be three in-class examinations including a final exam and a formal term paper that will determine your final grade for the course. Each examination and the term paper will be equally weighted and determine 95 percent of the course grade. The other five percent of the final grade will be determined by class participation. The first examination will cover the material presented in Module I, the second examination will cover the material presented in Module II, and the final examination will cover the material presented in Module III and be scheduled during the final examination period for the semester.

For your term paper, you will select an article from an academic or business journal that is relevant to an issue in transportation economics and write a short (less than 10 double spaced pages) paper reviewing the article. Your paper should have three main sections: (1) a summary of the article, (2) a discussion of how the article relates to or examines an issue in transportation economics, and (3) your critical comments regarding the conclusions, findings and/or recommendations in the article. You may use an article cited in the course text as the subject of your paper, or you may find an article of interest on your own. The subject article must be approved by me in advance of your paper submittal and everyone must choose a different article to review.

**Office Hours:** Mondays and Wednesdays from 3:00 PM – 5:00 PM and by appointment. After class appointments will normally be possible. 240 JCP-North.

**Class Schedule:** Mondays and Wednesdays, 5:30 PM – 6:45 PM, 104 ESH Building

**Preliminary Schedule of Activities:**

<b>Date</b>	<b>Class Activity</b>
08/24/2015	Introduction to Transportation Economics
08/26/2015	Movement, Transport and Location
08/31/2015	Movement, Transport and Location
09/02/2015	The Demand for Transportation
09/07/2015	<b>Labor Day Holiday</b>
09/09/2015	The Demand for Transportation
09/14/2015	The Demand for Transportation
09/16/2015	The Demand for Transportation
09/21/2015	No Class
09/23/2015	The Demand for Transportation
09/28/2015	The Demand for Transportation
09/30/2015	<b>End of Module I-First Exam</b>
10/05/2015	The Direct Costs of Transportation
10/07/2015	The Direct Costs of Transportation
10/12/2015	The Direct Costs of Transportation
10/14/2015	The External Costs of Transportation
10/19/2015	The External Costs of Transportation
10/21/2015	Pricing of Transportation Services
10/26/2015	Pricing of Transportation Services
10/28/2015	Pricing of Transportation Services
11/02/2015	Pricing of Transportation Services
11/04/2015	<b>End of Module II-Second Exam</b>
11/09/2015	Containing The Environmental Costs of Transportation
11/11/2015	Optimizing Traffic Congestion
11/16/2015	Optimizing Traffic Congestion
11/18/2015	Investment Criteria
11/23/2015	<b>Thanksgiving Break</b>
11/25/2015	<b>Thanksgiving Break</b>
11/31/2015	Investment Criteria
12/02/2015	Transport Planning and Forecasting
12/07/2015	Economics of Transportation Logistics
12/08/2015	Economics of Transportation Logistics
12/14/2015	<b>End of Module III-Third (final) Exam</b>

**Course Materials:** The required textbook for this class is: Kenneth Button, *Transport Economics-3<sup>rd</sup> Edition*, Edward Elgar Publishing Limited, 2010. Other course materials will be made available at the MyGateway course website or distributed in class as needed. Daily lectures in PowerPoint format will be posted to the course web site no later than noon of the day of class meetings.

**Class Attendance and Preparation:** Please come to class on time and prepared. Late arrival is disruptive for other students. You should prepare for class by reading the relevant assigned materials before class.

**Drop Policy:** If you drop the course before the first examination, you will receive a grade of "Excused". If you drop after the first examination, you will receive an "Excused" or "Failing" grade based on your grade at the time I receive written notification that you are dropping the course.

**Academic Honesty:** Students are responsible for being attentive to and observant of campus policies about academic honesty as stated in the University's Student Conduct Code (p. 60): <http://www.umsl.edu/~studentplanner/index.html>. Plagiarism is the use of another person's words or ideas without crediting that person. Plagiarism and cheating will not be tolerated and may lead to failure on an assignment, in the class, and dismissal from the University. View this campus policy here: <http://www.umsl.edu/services/academic/policy/academic-dishonesty.html>.

**Civility:** Turn off (or put in silent/airplane mode) beepers, cell phones, and other communication devices during class. Adherence to the Student Conduct Code is expected. My commitment is to create a climate for learning characterized by intellectual diversity and a respect for each other and the contributions each person makes to class. I ask that you make a similar commitment. I am committed to insuring a positive learning environment by respecting that University policy (p. 66): <http://www.umsl.edu/~studentplanner/index.html>. It is vitally important that our classroom environment promote the respectful exchange of ideas. This entails being sensitive to the views and beliefs of others expressed during class discussions. Please speak with me before recording any class activity. It is a violation of University of Missouri policy to distribute such recordings without my authorization and the permission of others who are recorded.

**Title IX Policies:** Under Title IX, all UMSL faculty, staff, and administrators (with limited exception) are obligated to report any incidents of sexual harassment, sexual misconduct, sexual assault, or gender discrimination to the Student Affairs office and/or other University officials. This ensures that all parties are protected from further abuses and that victim(s) are supported by trained counselors and professionals. Note: There are several offices at UMSL (e.g., Counseling Services, Health Services, Community Psychological Service, Center for Trauma Recovery, and Student Social Services) whose staff are exempt from Title IX mandated reporting, when the information is learned in the course of a confidential communication.

**Access, Disability, Communication:** Students requiring special accommodations should meet with me during office hours so that we can discuss how to meet your needs this semester. Prior to our meeting be sure you have met with someone in Disability Access Services (MSC 144).

**Campus Safety:** All members of the UMSL community are encouraged to register their home, cell, and office phone numbers to receive notification of any pending danger on campus. Find instructions here: <http://safety.umsl.edu/police/notification/index.html>. In the event of an emergency on campus, call Campus Police at 314.516.5155. A call to 911 on a cell phone only, will go to the St. Louis County Police. The St. Louis County Police will notify UMSL Police, but this may cause a delay in response. Campus Police know the best way to escort emergency vehicles to locations on campus. If you do not feel comfortable walking to a parking lot, MetroLink stop, or anywhere else on campus, contact the Campus Police for an escort: 314.516.5155. The University of Missouri – St. Louis is committed to creating and maintaining a safe environment for all members of the campus community (faculty, staff, students and visitors). Please familiarize yourself with campus emergency procedures by reviewing the UMSL Police Department web pages at: <http://safety.umsl.edu/police/emergency/index.html>. These pages highlight possible safety concerns and alert you to procedures to follow should there be an emergency on campus. The site also includes a link to the campus plan for disaster preparedness. It is important to review this information and be prepared to take action in the event of an emergency. If a person's safety is ever at risk, call the Campus Police at 314-516-5155 immediately.