This is a course in microeconomic theory and policy as applied to the transportation sector of the economy. The first part of the course provides an overall introduction to the transportation sector of the economy including terminology and history. Microeconomic principles are then applied to transportation including pricing of transportation infrastructure, congestion pricing, and transportation investment. The second part of the course examines the transportation industries (rail, motor carrier, air, and water) and assesses the impact(s) of governmental regulation/deregulation. Emphasis will be on the airline and motor carrier industries although other for-hire modes will be considered.

There is not a single text that adequately covers all of the topics in this course. Thus, readings will be assigned from a variety of sources. Required readings will be assigned from these books, available at the OSU bookstore:


The following books will be placed on reserve at the Valley library:

- Harper, Donald V., Transportation in America: Users, Carriers, Government
- Sampson, R.J. and M.T. Farris Domestic Transportation: Practice, Theory, and Policy

Finally, additional articles listed below are available either at the Valley Library (on reserve for this class for 465), the Emery Castle Reading Room (for 565 students), or at the WEB site specified on the reading list.

The following is a tentative list of assigned readings --- any changes/revisions will be announced in class. Attendance is required.

**Week 1: Introduction to Transportation**

4/1-4/3

- Harper, Ch. 1
- Sampson and Farris, Ch.2
- *McCarthy: Chapter 1
Articles:

Weeks 2-6: **Transportation Demand, Costs, and Pricing**
4/8- 5/6

Small, Winston, and Evans, Road Work
Introduction: pp.3-8
Road Pricing and Investment: pp.9-21
Skim chapters 3, 4, and 6.
Congestion and Highway Capacity: pp.80-98

Downs, Stuck in Traffic
Chapters 1-5

**McCarthy: Chapter 3, skim Ch.4, Ch. 5 to p. 171 (Take a look at Ch. 2 if you need a review of econometrics).**

Articles/Readings

Merriss, J. Krukar, M., Burgess, G. and L. Henion, "A Proposal for an Axle-Weight Distance Road User Charge"


WEB Pages: http://www.path.berkeley.edu/%7Eleap/TTM/Demand_Manage/pricing.html
(On congestion pricing)


“The High Cost of Bad Roads” at http://www.tripnet under “State Information”

Weeks 6-10: **Intercity Transportation and Regulation/Deregulation**
General:
  * McCarthy: Ch 5 pp. 171-end; Ch 7-8 (exclude pp. 254-258)

Railroads
Harper: Chapters 12-14, 16-21, 23

WEB Page: http:www.bts.gov/NTL/DOCS/contents/ch4e.htm
http:www.bts.gov/NTL/DOCS/contents/ch4j.htm

Motor Carriers:

NAFTA Web Page: http:www.bts.gov/NTL/DOCS/contents/ch4i.htm

Maritime
"The Efficacy of Maritime Policy Regulation" (Xerox on reserve)

Airlines
Morrison & Winston: pp. 1-73.

Grades: Course grades for Economics 465 will be based on a take home midterm, a final project/paper or take home exam, various homework assignments, and class attendance/participation/presentation. Students enrolled in Economics 565 are expected to read the starred assignments (*) in the above syllabus in addition to the 465 readings. Readings with the (**) designation are recommended, not required. Students in 565 are expected to do the paper/project option for the final.

Plagiarism and Cheating: University guidelines and policies apply.

Office Hours: Mondays and Wednesdays, 3-4:30 in 311 Ballard Extension Hall, or by appointment (call 7-1480 or email me at s.mcmullen@orst.edu).