**Course Description**

This course deals with the economic and financial aspects of urban transportation policy and planning. We examine the costs and benefits of transportation systems, paying special attention to who wins and who loses in transportation finance. Because the politics of transportation finance critically shape both the development and use of transportation systems, we focus substantial attention on the political debates surrounding transportation finance.

In the eyes of many politicians, interest groups, and their constituents, transportation finance is simply an issue of “give us more money and let us spend it the way we want.” Their viewpoint, simple as it may seem, raises many political and economic questions. For example, what share of societal resources should be devoted to transportation? Should users of the transportation system pay their own way, and should they pay for direct or total costs? Is mobility a right or a privilege? How should policy making and implementation powers be divided among federal, state, regional, county and local jurisdictions? What blend of public and private entities should provide transportation services?

The answers to these questions are played out in policy setting and finance, through federal transportation bills, state policy, and regional and local plans. Compared with land use planning, transportation policy generally occurs at higher levels of government and involves more parties.

By the end of this course you should:
Know the processes by which transportation infrastructure is funded, and understand the roles of each level of government;

Understand key economic principles that guide economic analyses of transportation systems;

Be familiar with the goals and assumptions that underlie debates about transportation finance and policy; and

Be able to develop well-reasoned oral and written policy positions on matters of current interest in transportation finance and policy.

**Course Format and Requirements**

This course is comprised of four parts: (1) lectures, (2) participation, (3) required (and supplemental) readings, and (4) written assignments. Each part is described in more detail below.

1. **Class Lectures**

Most of the class sessions will be devoted to lectures and discussion guided by the instructor. The required readings will provide an overview of the topics covered in each session, while the lectures and discussions will tend to focus more on specific questions or a piece of research related to the topic; the readings and lectures, in other words, are complementary.

2. **Regular Attendance and Participation**

   *Counts for 10% of final grade*

The course consists of 19 class sessions. Regular attendance is required and participation in class discussions is an essential part of linking and critically analyzing the readings and lectures. Regular attendance and frequent participation in class discussions will enhance both your experience in the course and your attendance and participation grade.

3. **Required and Supplemental Readings**

Careful review of the required readings is an essential part of this course. Links to all of the required readings are available on the course website. This syllabus also includes numerous supplemental readings for each topic, as a reference for those interested in doing deeper reading on a particular topic. Many, though not all, supplemental readings are available on the course website, though nearly all are available on the Internet or through the UCLA Library. Please note that many of the readings on the course website can only be accessed on campus through the UCLA WiFi or remotely by using the UCLA VPN. You are expected to complete all required readings prior to the corresponding class session – including the required readings for which you do not write a critical summary.
4. Written Assignments
   Count collectively for 90% of final grade

There are two parts to the writing portion of the course: (1) eight critical summaries of the required readings, and (2) a medium-length research paper on a transportation economics or finance topic.

Critical Summaries of the Required Reading
Counts for 50% of final grade

Planners and policy analysts are frequently asked to synthesize detailed and sometimes technical work clearly and concisely, and critically analyze sometimes contradictory findings. Accordingly, the critical summaries are designed to improve your critical writing skills in this regard. One way to think of these summaries is as equivalent to movie reviews; good ones manage to synthesize the principal elements of a film, and offer insightful critical commentary on it. This is what you should endeavor to do with these reviews.

The summaries should be submitted (1) electronically through TurnItIn on the course website, and (2) via a hardcopy placed in a tray marked for PP 222/UP 256 papers on Whitney Gouche’s desk in Public Affairs Building room 3357 (wgouche@lusk.in.ucla.edu, 310-825-4025) no later than 3:25 pm on the day we cover the topic in class. Papers submitted late will be marked down by a third of a grade.

Which eight topics from among Topics 2 through 20 you choose to review is entirely up to you. Your reviews should in all cases summarize the substantive content of all of the required readings for that topic and offer comments, criticisms, or insights on their collective content. The summaries should be about 750 to 1,000 words (~3 to 4 pages double-spaced) each, double-spaced with 1-inch margins and 12-point type. They should also clearly indicate the course topic (and not session) number being reviewed, include citations with page numbers for direct quotations, and have a complete bibliography (which does not count toward the word/page requirements).

Research Paper on a Transportation Economics and Finance Topic
Counts for 40% of final grade

In addition to your critical summaries of a little over 40 percent of the course readings, you will also prepare a mid-length research paper on a topic of your own choosing, subject to approval by the instructor. In constructing your research paper, you should pose, investigate, and report on a specific transportation economics or finance question, ideally building on the topics covered in the course.

- Paper Prospectus (5% of final grade; grade based on the final research paper grade).
  Due Wednesday, April 10th at 3:25 pm.
You need to submit a proposal for your paper for review and approval by the instructor. This prospectus should include (1) a ~100 word description of the question you expect to explore, (2) a ~250 word description of how you propose to go about gathering evidence (articles, books, data, interviews, etc.) to answer your question, and (3) a ~100 word description of what you expect to find. You should also include a one-page proposed outline of your paper and a preliminary bibliography. This prospectus will be returned with comments and suggestions for your final paper.

- **Final Paper (35% of final grade).** Due Friday, June 7th at 3:25 pm.

Your paper should run 4,000 to 6,000 words (16 to 24 double-spaced pages), not counting a one-page abstract and complete bibliography (both of which are required) or appendices (which are optional). Be sure to edit your work carefully and include tables, charts, and pictures to support your narrative as appropriate. As with the reading summaries, your research paper should be should be double-spaced with 1-inch margins and 12-point type.

Both the paper prospectus and the final paper should be submitted (1) electronically through TurnItIn on the course website, and (2) via a hardcopy placed in a tray marked for PP 222/UP 256 papers on Whitney Gouche’s desk in Public Affairs Building room 3357 (wgouche@lusk.in.ucla.edu, 310-825-4025). Late prospecti and final papers will be marked down by a third of a grade.

**Academic Honesty**

Planners work together in teams, and much of the work in the Public Policy and Urban Planning programs is collaborative. But whether work for a grade is done collaboratively or individually, academic and professional integrity are absolutely essential. This applies not only to your work submitted in graduate school, but in your professional work in public policy and urban planning. In this age of frequent film remakes, music mash-ups, and the voluminous and instantaneous information available on the Internet, the line between plagiarism and creative reinterpretation has surely blurred. But academic policy at UCLA regarding plagiarism is clear: the sources of all ideas, text, pictures, or graphics that are not your own must be fully cited, all passages copied from other sources must be in quotation marks with the source cited, and you absolutely cannot submit materials that have previously been submitted by other students in earlier iterations of this course, even if you have re-worked this material for your submission. Should you have any questions about UCLA’s academic integrity policies, go to: [http://www.studentgroups.ucla.edu/dos/students/integrity/](http://www.studentgroups.ucla.edu/dos/students/integrity/)

**No Laptops in Class**

While I understand that many of you like to refer to the course readings, previous lectures, and take notes on your laptops during class, past experience suggests that the temptation for multi-tasking – checking email, Facebook, Twitter, or surfing the web – is just too great for many
students. Because the lectures for this course are content-heavy, and class participation is an essential part of the class, you will not be permitted to use any electronic devices – laptops, netbooks, tablets, smart phones, or cell phones – during class sessions.

**Weekly Topics and Required Readings**

**Session 1, Topic 1: Course Introduction and Overview (April 1st)**

Discussion of transportation finance and subsidy issues; definitions of key concepts.

**Required reading**


**Supplemental readings**


**Session 2, Topic 2: Evaluating the Economic Benefits of Transportation Systems (April 3rd)**

How can we systematically balance social and environmental costs of transportation investments in determining project benefits? What does it take to do good analyses and make good decisions? How do we use this information to evaluate the tradeoffs between projects?

**Required reading**


Supplemental readings


Session 2/3, Topic 3: Transportation and the Economy: What’s the Relationship (April 3rd & 8th)

How does the transportation system benefit or hurt the economy? Given limited transportation investment dollars, how do we really know the extent to which a transportation project will benefit the economy? What are the fundamental economic concepts we use to analyze the transportation system?

Required reading


Supplemental readings


Session 3, Topic 4: Transportation Investments and Local Economic Development (April 8th)

Transportation investments are frequently justified as tools for local economic development, though the exact links between transportation systems and economic revitalization are often poorly understood. This session will examine how transportation investments affect land values, stimulate investment, and affect labor mobility.

Required reading


Session 4, Topic 5: Economic Restructuring, Free Trade, and Inter-Regional Transportation (April 10th)

Current and future changes in economic production and distribution have enormous implications for transportation. This session will examine the increasing mobility of goods, information, and labor in economic production, emphasizing future demands on the transportation system, new patterns and trends in goods movement, and upcoming changes in production and transportation technologies. We will explore the pressure to better integrate transportation modes, telecommunications, and industrial facilities to cut sourcing, production, and delivery cycle times.

Required reading

Supplemental readings


Session 5, Topic 6: Externalities and the Full Social Costs of Transportation (April 15th)

This session will explore the dispute over the full social costs of the transportation system and the implications for intermodal transportation. Are single-occupant drivers really subsidized? If so, how much and by whom? Why is this such an ideologically heated issue? What would a full social marginal cost pricing system look like and what effects would it likely have on the transportation system?

Required reading


Supplemental readings


Session 6, Topic 7: Induced Demand and Highway Investments (April 17th)

If we build it, will they come? Is investing in new highway capacity largely a waste of time, money, and environmental quality? How can we measure and evaluate the effects of latent, or induced, demand on new transportation investments?

Required reading


Supplemental readings


**Session 7, Topic 8: The Evolution of Transportation Finance (April 22nd)**

How has the system of Transportation finance evolved over the years? What philosophies have guided its development? Have things been changing recently? How is this system likely to evolve in the coming years?

**Required reading**


**Recommended Reading:**


**Session 8, Topic 9: Overview of Surface Transportation Finance (April 24th)**

How is our transportation finance system structured? And how does it work in practice? Do we have enough money? Or too much money? We will explore these questions from a variety of perspectives.
Required reading


Supplemental readings


Session 9, Topic 10: Heavy Vehicles, Road Wear, and Highway Finance (April 29th)

What costs do heavy vehicles impose street and highway systems, and who pays for these costs? We will explore long debated issue of heavy vehicle road damage and taxation from both an economic and political perspective.

Required reading


Supplemental readings


Session 10, Topic 11: Road Pricing (May 1st)

Concepts, problems, prospects, and politics of applying principles of marginal cost pricing to congestion on streets and highways. Just what is this idea widely embraced by transportation economists and why is it so unpopular with elected officials?

Required reading


Supplemental readings


Session 11, Topic 12: User Fees versus Taxes in Highway Finance (May 6th)

Guest Lecture by Martin Wachs

Do we finance highways with fees or taxes? How have perceptions of this question changed over time? Is the motor fuels tax out of gas? Are there new approaches to financing our highway system on the horizon?
Session 12, Topic 13: The Public and Private Sector Roles in Transportation Finance (May 8th)

Many are advocating greater private sector participation in the provision of new transportation facilities; what has been happening and what are the prospects for genuine benefits?

Required reading


Supplemental readings


Session 13, Topic 14: New Directions in Transportation Finance (May 13th)

Will pricing ever catch on? Or are the technical and political obstacles simply too great? Or, are we headed away from a user-finance philosophy? This topic examines the latest developments in new ways of pricing and funding transportation systems.

Required reading


Supplemental readings

Poole, Robert. 2013. “Funding Important Transportation Infrastructure In a Fiscally Constrained Environment,” *Policy Brief Number 102*, Reason Foundation. 20 pages.


Session 14, Topic 15: Overview of Public Transit Economics and Finance (May 15th)

Why is public transit so heavily subsidized? Why does the financial health of the industry seem to grow worse each year? Why are market share and peaking such problems in public transit? What are the prospects for the future?

Required reading


Supplemental readings


Session 15, Topic 16: Public Transit Economics and Finance: Policy Critiques (May 20th)

In this session, we turn to some case studies of states and region support public transit systems and the influence of this support on the deployment and performance of transit.

Required reading


Supplemental readings


Session 16, Topic 17: Private Sector Public Transit (May 22nd)

Planners often forget that an enormous part of the urban public transit system is privately owned and operated. In this session we will look at the private provision of public transit and explore some the controversies surrounding calls to privatize more public transit services.

Required reading


Supplemental readings


Session 0: No Class: Memorial Day Holiday (May 27th)

Session 17, Topic 18: Fare Policy in Public Transit (May 29th)

How can transit fares minimize or exacerbate problems of transit finance? Why are simple, flat fare structures likely to hurt poor people? What new fare structures and technologies are likely to help transit systems in the future? Why is public transit gradually evolving into a social service for the poor and others without Access to motor vehicles? Why are social equity concerns of increasing importance in transit finance?

Required reading


Supplemental readings


Session 18, Topic 19: Equity in Public Transportation Finance (June 3rd)

In this session, we will turn our exploration of equity in transportation finance specifically to the question of public transit systems in cities.

Required reading


Supplemental readings


Session 19, Topic 20: My Fair Share: Confounding Notions of Equity in Transportation Finance (June 5th)

The complex structure of transportation system finance has evolved to respond to the concerns of a wide array of interests and places. The funding of transportation systems and projects, therefore, does not necessarily relate to the expected economic benefits from investments. This final session will explore the geo-politics of the current system of transportation finance. In this context we will examine the apportionment debate and how transportation funds get distributed from one level of government to another.

Required reading


Supplemental readings

