

# Contents

<b>List of contributors</b>	<b>ix</b>
<b>1 Theodore Keeler's impact on transportation economics and policy</b>	<b>1</b>
<i>John D. Bitzan, James H. Peoples</i>	
1.1 Introduction	2
1.2 Airlines	4
1.3 Airports	8
1.4 Railroads	8
1.5 Trucking	14
1.6 Automobile regulation	16
1.7 Highway pricing and investment and resource allocation in urban transportation	18
1.8 Remaining chapters	20
References	28
<b>2 Theodore Keeler's analysis of the early effects of deregulation of US transportation industries</b>	<b>31</b>
<i>Kenneth Button</i>	
2.1 Introduction	32
2.2 Applied economic analysis	34
2.3 Keeler's views on the forces for regulatory reform	36
2.4 Aviation	38
2.5 Long-haul freight transportation	43
2.6 Conclusions	47
References	48
<b>3 Commoditization and segmentation of aviation markets</b>	<b>53</b>
<i>David Gillen, Ashish Lall</i>	
3.1 Introduction	54
3.2 Impact of entry by LCCs	56
3.3 Airline business models	62
3.4 Long-haul low cost	69
3.5 Summary and conclusions	70
References	72



<b>4</b>	<b>Mergers, efficiency, and productivity in the railroad industry: An attribute-incorporated data envelopment analysis approach</b>	<b>77</b>
	<i>Rolf Färe, Taylor K. McKenzie, Wesley W. Wilson, Wenfeng Yan</i>	
4.1	Introduction	78
4.2	Productivity and efficiency	79
4.3	Conceptual framework	82
4.4	Data sources	86
4.5	Empirical application	87
4.6	Summary and conclusions	98
4.7	Appendix A	99
4.8	Appendix B	100
	References	102
<b>5</b>	<b>Policy in the deregulated and newly competitive railroad industry: A global analysis</b>	<b>105</b>
	<i>Curtis M. Grimm, Russell Pittman</i>	
5.1	Introduction	106
5.2	US competition policy issues	107
5.3	Competition policy issues in North America	115
5.4	Competition policy issues outside North America	120
5.5	Summary and conclusion	122
	References	123
<b>6</b>	<b>Designing future merger policy in North American Rail: Lessons from the past?</b>	<b>129</b>
	<i>James F. Nolan, Eric T. Micheels, Lindsay A. Pollard</i>	
6.1	Introduction	130
6.2	The turning point—an overview of the (failed) CNBN merger	132
6.3	Qualitative data and analysis	133
6.4	Comparing merger information from yesterday to today	139
6.5	Conclusions	142
	References	143
<b>7</b>	<b>Ocean container shipping</b>	<b>145</b>
	<i>Wayne K. Talley</i>	
7.1	Introduction	145
7.2	An historical overview of ocean container shipping	147
7.3	Ocean container shipping lines' business strategies in a changing economic environment	155
7.4	Containerization in the United States	158
7.5	Conclusion	164
	References	166



<b>8</b>	<b>Evolution of transportation policy and economics</b>	<b>169</b>
	<i>B. Starr McMullen</i>	
8.1	Introduction	170
8.2	Highway infrastructure finance	173
8.3	Impacts of a VMT tax	176
8.4	Transit investment and subsidies	179
8.5	Multimodal investment decision-making for freight	180
8.6	Conclusions: the role of the economist	181
	References	182
<b>9</b>	<b>Competing with the private sector: The welfare-maximizing response</b>	<b>185</b>
	<i>Philip A. Viton</i>	
9.1	Introduction	186
9.2	The model	187
9.3	Empirical parameters	191
9.4	Results	195
9.5	Conclusions	203
	References	204
<b>10</b>	<b>Devolution of transportation: Reducing big-government involvement in transportation decision making</b>	<b>207</b>
	<i>Randall Pozdena</i>	
10.1	Introduction: the role of government in transportation	209
10.2	The role of governance in transportation	215
10.3	Transport propensities and devolution	221
10.4	The implications for devolution	231
10.5	Conclusions	243
	References	244
<b>11</b>	<b>The elusive effects of CAFE standards</b>	<b>251</b>
	<i>Kenneth A. Small</i>	
11.1	Introduction	252
11.2	Modeling issues	253
11.3	The modified NEMS model	257
11.4	Results	264
11.5	Conclusion	285
	Appendix A: Modifications of NEMS	286
	Appendix B: Other simulations	297
	References	308



<b>12</b>	<b>Broker/third party logistics provider and shipper responsibility in motor carrier selection: Considering carrier safety performance</b>	<b>311</b>
	<i>Thomas M. Corsi</i>	
12.1	Introduction	312
12.2	The dynamics of large truck fatal and injury crash rates	312
12.3	FMCSA's programs to reduce the large truck fatal and injury crash rates	314
12.4	Brokers/third party logistics providers	320
12.5	Shippers	325
12.6	Conclusions	327
	References	328
<b>13</b>	<b>Sturdy inference and the amelioration potential for driverless cars: The reduction of motor vehicle fatalities due to technology</b>	<b>331</b>
	<i>Richard Fowles, Peter D. Loeb</i>	
13.1	Introduction	331
13.2	Background	334
13.3	Data	341
13.4	Classical econometric results	342
13.5	Bayesian S-values and the determinants of motor vehicle fatality rates	344
13.6	Some additional insights on the relative importance of explanatory variables	348
13.7	Some caveats	351
13.8	Concluding comments	352
	Appendix A: Data sources	355
	References	357
<b>Index</b>		<b>363</b>