

SLOW DOWN. YIELD. STOP.

Some Transportation Economics

Congestion, 2 a.m. car alarms, paying at the pump, finding a parking spot, getting a ticket, TSA friskers, turf battles between motorists and cyclists, Chicago Parking Meters LLC, plus RTA, CTA, and Metra headlines. These are but a few of our local transportation headaches and embarrassments.

Nationally, the Bureau of Labor Statistics (BLS) produces our most frequently cited measure of inflation, the Consumer Price Index (CPI). As part of that monthly exercise, the BLS utilizes a market basket of goods and services purchased by typical U.S. consumers. The proportion associated with housing costs—the price of homes and rent, utilities, upkeep, furnishings—is 41 percent. But the second heaviest weight—17 percent—is for transportation, including the prices of new and used vehicles, motor fuel, repairs, public transportation, parking and insurance.

Thus transportation is an important and costly component in our daily lives. In Chicago we also have to contend with snow, crowded expressways, accidents, trains and buses that may be running late—or not at all, and getting to O'Hare or Midway. With regard to this last item...

The Quite Safe Skies

The July 2013 crash of Asiana flight #214 in San Francisco spawned several articles pertaining to where one should sit on a plane; that is, which are the safest seats?

First of all, for the most part airplanes don't crash. Over the last four and one-half years there have been a total of three deaths

—all associated with that one landing accident—from flying on commercial carriers within the United States; over that same period our motor vehicle fatalities total more than 130,000. (In Illinois traffic deaths average three per day!) For someone who lives in a Chicago neighborhood, traverses the city via bike or auto, and uses our expressways, dying on an airplane should be of minimal concern.

Second, by nabbing that alleged safest seat you are implicitly increasing the risk for everyone else on that flight. Selfish?

Can't We All Get Along?

Interstate highways restrict the type of vehicles, limit access, and set minimum and maximum speed limits. Thus—unlike the danger

BY ALLEN R. SANDERSON and chaos on roadways in Egypt and India—no pedestrians, bikes or animals. Why? To reduce the variation (or, in statistical jargon, the variance) in speed and mode to create a more uniform traffic flow.

Within urban areas, segmenting groups is far more challenging. Pedestrians (are supposed to) walk on sidewalks not in the street, though nowadays they are also laden with electronic distractions. On lakefront paths we encounter bikers, joggers, dogs, strollers and in-line skaters from pre-teens to Social Security recipients. And

bike lanes embedded in our downtown streets create confusion and pit rear-view mirrors against handlebars. There is no easy solution because these moving populations are far more heterogeneous, and fuses seem to be shorter and skins thinner in denser corridors.

Our Four-Wheeled Friends

As hard as it may be to fathom, gasoline prices—yes, even in Chicago—are too low to offset the con-



gestion, environmental, and accident-related costs associated with automobile traffic. (European pump prices are equally inefficient: they are set artificially—and vindictively—high for political reasons and to augment governmental revenues.)

The economist's solution—higher fuel taxes—is politically unacceptable because

of the fear that voters will punish the courageous politician who proposed it. Thus office holders resort to grandstanding and inferior alternatives such as increasing CAFE (Corporate Average Fuel Economy) requirements, which shift the blame to auto makers as well as exempt 90 percent of the cars on the road because these standards only apply to new vehicles.

On the brighter side, technology, including GPS devices and transponders, will soon enable us to ration road use by assessing congestion (or “peak-load”) charges by time of day as is done in London and Singapore.

It's not about the money. Yeah, right!

When a professional athlete tests free-agency waters and remarks that “It's not about the money,” you can be sure of one thing: It's about the money. When Rahm Emanuel asserts with regard to the installation of red-light and speed cameras that it's about public safety, you can be sure of one thing: It's mainly about revenue for city-hall coffers. To remove money from where his mouth is, there is a simple solution: Let the mayor name 10 Chicago-area charities that will each be given 1/10th of net revenues collected from these moving violations. That way he has no skin in the game and can proclaim loudly and appropriately that it is only about public safety. □