The Northwestern University Transportation Center presents:

Sergio Jara-Diaz  
Department of Civil Engineering  
Universidad de Chile

Optimal Design and Pricing of Public Transport  
 stil l crazy after all these years

Friday – Dec. 17, 2010  
4:00 - 5:00 pm

Reception to follow at 5:00 PM

Abstract (from work with Antonio Gschwender):

After the pioneering studies of Mohring (1972, 1976) and Jansson (1981, 1984), the research on the relation between optimal pricing and design of public transport services has remained somewhat stable for a couple of decades. On the other hand, there has been a renewed interest in the development of public transport in urban areas, which has triggered a debate regarding technologies, design and pricing. Motivated by the paradigmatic case of Transantiago, the ill designed bus system that started early 2007 in Santiago, Chile, we synthesized our research since 2003 on the relation between optimal design (frequency, bus size, lines structure and others), optimal pricing-subsidies and the policy decisions in public transport. As a key intermediate result, we show that self-financial policies tend to provoke inadequate designs as users’ costs are implicitly assigned less weight.

About the speaker

Sergio Jara-Diaz is Professor of Transport Economics at Universidad de Chile. He holds a Ph.D. and M.Sc. from M.I.T., where he has taught during various terms. He is the author of Transport Economic Theory (Elsevier, 2007) and of more than 80 articles in journals and books. His research areas include users´ behavior and value of time, time use, multi-output cost functions, public transport and optimal pricing. He resides in Ñuñoa, Santiago with his wife and has recently become double grandfather. He has run a weekly radio show since 1991.