

1.201J/11.545J, ESD.210J *Introduction to Transportation Systems*

Fall 2006

LECTURES 2, 3, & 4

DISPLAYS

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Part II

TRANSPORTATION SYSTEMS COMPONENTS:

AN EXTERNAL PERSPECTIVE

EXTERNAL COMPONENTS OF THE TRANSPORTATION SYSTEM

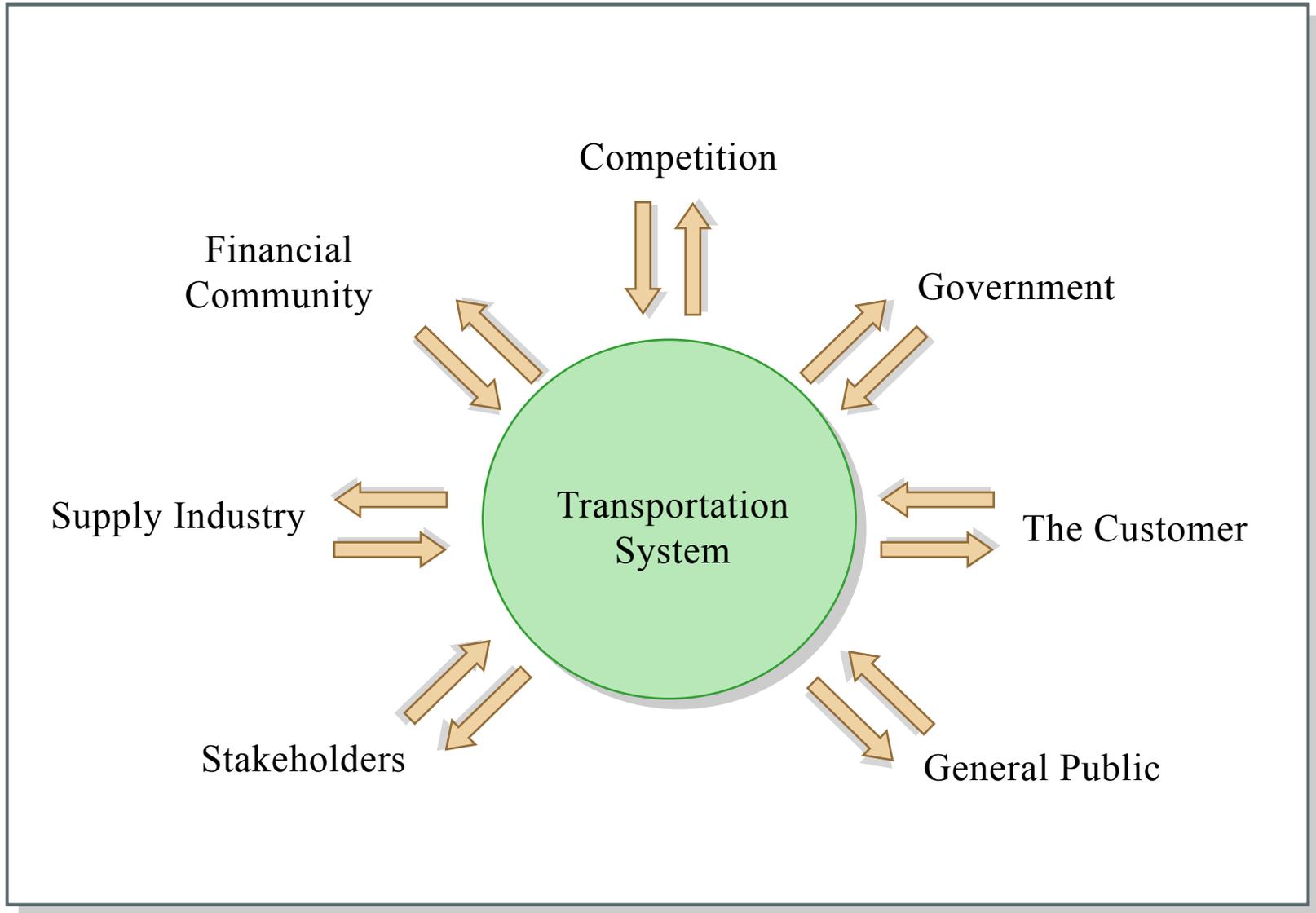


Figure by MIT OCW.

GOVERNMENT

- ◆ Taxes
- ◆ Safety regulation
- ◆ User Fees
- ◆ Financial Regulation
- ◆ Entry and Exit from Market
- ◆ Monopolies
- ◆ Provider of infrastructure
- ◆ Provider of funding

THE COMPETITION

- ◆ Intra-modal (e.g., other airlines)
- ◆ Inter-modal (rail vs. truck)
- ◆ For the consumer's money
 - ◆ Buy a house or take a vacation
- ◆ Transportation/Communication System Competition

**COMMON ERROR: VIEWING THE
COMPETITION AS STATIC**

FINANCIAL COMMUNITY

Provider of:

- ◆ Equity
- ◆ Debt

Also concerned with oversight:

- ◆ Who is on your board?
- ◆ Why are you missing your financial targets?

SUPPLY INDUSTRY

- ◆ Vehicle Providers (and their importance in the global economy) -- automobiles, airplanes
- ◆ Infrastructure Builders
 - ◆ Low-tech
 - ◆ High-tech
- ◆ Components
 - ◆ Electronics
 - ◆ Materials
- ◆ Research Community
- ◆ Insurance Industry

STAKEHOLDERS

- ◆ People/Organizations who are *not* customers or suppliers but are nonetheless concerned
 - ◆ Environmental Community
 - ◆ Abutters, e.g., of airports
 - ◆ The General Public -- concerned with quality of life, national defense, economic development, as enabled by the transportation system

THE CUSTOMER

THE CUSTOMER -- the most important external element. That's why we are in "business," but consider the difference between public sector (e.g., MBTA) and private sector (e.g., United Airlines) views of the "customer."

EXTERNAL COMPONENTS OF THE TRANSPORTATION SYSTEM

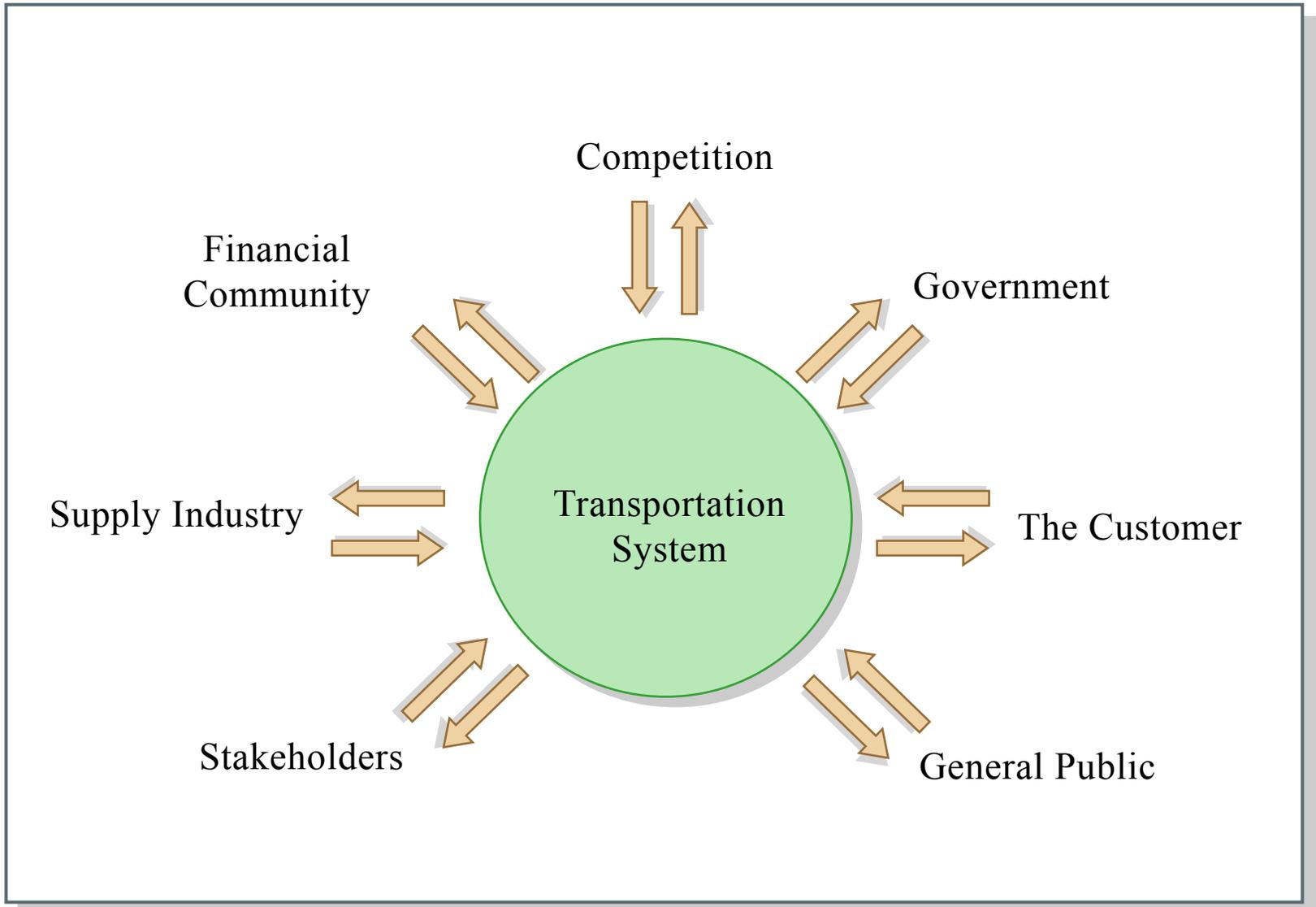


Figure 3.1

Figure by MIT OCW.