DOWNLOAD PDF CRITERIA FOR TRANSPORT PRICING

Chapter 1 : Bookshelf v Creating Pricing Criteria

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The actual opportunities forgone as a consequence of doing one thing as opposed to another. Opportunity cost represents true economics costs, and thus, must be used in all cases. The cost the society incurs when its resources are used to produce a given commodity, taking into account the external costs and benefits. The cost a producer incurs in getting the resources used in production. Shared costs[edit] The production of transport services in most modes involves joint and common costs. A joint cost occurs when the production of one good inevitably results in the production of another good in some fixed proportion. For example, consider a rail line running only from point A to point B. The movement of a train from A to B will result in a return movement from B to A. Since the trip from A to B inevitably results in the costs of the return trip, joint costs arise. Some of the costs are not traceable to the production of a specific trip, so it is not possible to fully allocate all costs nor to identify separate marginal costs for each of the joint products. For example, it is not possible to identify a marginal cost for an i to j trip and a separate marginal cost for a j to i trip. Only the marginal cost of the round trip, what is produced, is identifiable. Common costs arise when the facilities used to produce one transport service are also used to produce other transport services e. The production of a unit of freight transportation does not, however, automatically lead to the production of passenger services. Thus, unlike joint costs, the use of transport facilities to produce one good does not inevitably lead to the production of some other transport service since output proportions can be varied. The question arises whether or not the presence of joint and common costs will prevent the market mechanism from generating efficient prices. Substantial literature in transport economics Mohring, ; Button, ; Kahn, has clearly shown that conditions of joint, common or non-allocable costs will not preclude economically efficient pricing. Traceable cost untraceable cost: A cost which can cannot be directly assigned to a particular output service on a cause-and-effect basis. Traceable untraceable costs may be fixed or variable or indivisible variable. Traceability is associated with production of more than one output, while untraceable costs possess either or both common costs and joint costs. The ability to identify costs with an aggregate measure of output supplied e. A cost which is incurred simultaneously during the production for two or more products, where it is not possible to separate the contributions between beneficiaries. These may be fixed or variable e. A cost which is incurred simultaneously for a whole organization, where it cannot be allocated directly to any particular product. External and Internal Costs[edit] External costs are discussed more in Negative externalities Economics has a long tradition of distinguishing those costs which are fully internalized by economic agents internal or private costs and those which are not external or social costs. The difference comes from the way that economics views the series of interrelated markets. Agents individuals, households, firms and governments in these markets interact by buying and selling goods are services, as inputs to and outputs from production. A firm pays an individual for labor services performed and that individual pays the grocery store for the food purchased and the grocery store pays the utility for the electricity and heat it uses in the store. Through these market transactions, the cost of providing the good or service in each case is reflected in the price which one agent pays to another. As long as these prices reflect all costs, markets will provide the required, desirable, and economically efficient amount of the good or service in question. The interaction of economic agents, the costs and benefits they convey or impose on one another are fully reflected in the prices which are charged. However, when the actions of one economic agent alter the environment of another economic agent, there is an externality. An action by which one consumers purchase changes the prices paid by another is dubbed a pecuniary externality and is not analyzed here further; rather it is the non-pecuniary externalities with which we are concerned. More formally, "an externality refers to a commodity bundle that is supplied by an economic agent to another economic agent in the absence of any related economic transaction between the agents" Spulber, The essential distinction which is made is harm committed between strangers which is an external cost and harm committed between parties in an economic transaction which is an internal cost. A factory which emits smoke forcing

nearby residents to clean their clothes, cars and windows more often, and using real resources to do so, is generating an externality or, if we return to our example above, the grocery store is generating an externality if it generates a lot of garbage in the surrounding area, forcing nearby residents to spend time and money cleaning their yards and street. There are alternative solutions proposed for the mitigation of these externalities. Closer to our research focus, an automobile user inflicts a pollution externality on others when the car emits smoke and noxious gases from its tailpipe, or a jet aircraft generates a noise externality as it flies its landing approach over communities near the airport. However, without property rights to the commodities of clean air or quiet, it is difficult to imagine the formation of markets. The individual demand for commodities is not clearly defined unless commodities are owned and have transferable property rights. It is generally argued that property rights will arise when it is economic for those affected by externalities to internalize the externalities. These two issues are important elements to this research since the implicit assumption is that pricing any of the externalities is desirable. Secondly, we assume that the property rights for clean air, safety and quiet rest with the community not auto, rail and air users. Finally, we are assuming that pricing, meaning the exchange of property rights, is possible. These issues are considered in greater detail in Chapter 3 where the broad range of estimates for the costs of the externalities are considered. Other terms[edit] Sunk costs: These are costs that were incurred in the past. Sunk costs are irrelevant for decisions, because they cannot be changed. Do not vary continuously with different levels of output or must expenditures, but be made in discrete "lumps". Indivisible costs are usually variable for larger but not for smaller changes in output Escapable costs or Avoidable costs: A cost which can be avoided by curtailing production. There are both escapable fixed costs and escapable variable costs. The escapability of costs depends on the time horizon and indivisibility of the costs, and on the opportunity costs of assets in question. Time Horizon[edit] Once having established the cost function it must be developed in a way which makes it amenable to decision-making. First, it is important to consider the length of the planning horizon and how many degrees of freedom we have. For example, a trucking firm facing a new rail subsidy policy will operate on different variables in the short run or a period in which it cannot adjust all of its decision variables than it would over the long run, the period over which it can adjust everything. Long run costs, using the standard economic definition, are all variable; there are no fixed costs. However, in the short run, the ability to vary costs in response to changing output levels and mixes differs among the various modes of transportation. Since some inputs are fixed, short run average cost is likely to continue to fall as more output is produced until full capacity utilization is reached. Another potential source of cost economies in transportation are economies of traffic density; unit cost per passenger-kilometer decreases as traffic flows increase over a fixed network. Density economies are a result of using a network more efficiently. The potential for density economies will depend upon the configuration of the network. Carriers in some modes, such as air, have reorganized their network, in part, to realize these economies. The long run average cost curve, however, is formed by the envelope of the short run average cost curves. For some industries, the long run average cost often decreases over a broad range of output as firm size both output and capacity expands. This is called economies of scale. The presence of economies at the relevant range of firm size means that the larger the size of the firm, the lower the per-unit cost of output. These economies of scale may potentially take a variety of forms in transportation services and may be thought to vary significantly according to the mode of transportation involved. Time horizon in economic theory Short run: That is, the short run cost functions represent the behavior of costs when at least one factor input is fixed. If one were to develop cost functions for each level of the fixed factor the envelope or lower bound of these costs would form the long run cost function. Thus, the long run cost is constructed from information on the short run cost curves. The firm in its decision-making wishes to first minimize costs for a given output given its plant size and then minimize costs over plant sizes. In the diagram below the relationship between average and marginal costs for four different firm sizes is illustrated. Note that this set of cost curves was generated from a non-homogeneous production function. You will note that the long run average cost function LAC is U-shaped thereby exhibiting all dimensions of scale economies.

Chapter 2 : Frozen Embryo Transfer Costs | Costs - Pricing - Criteria

united nations economic and social commission for asia and the pacific policy guidelines for road transport pricing a practical step-by-step approach.

Land or structure costs associated with parking are recovered through increased real estate development costs and sales prices, leases, and rental rates. Selected thoughts from that website are: Most vehicle parking is provided free or significantly subsidized. When parking is priced, there are often substantial discounts for long-term leases and sometimes there is no hourly or daily rental option, leaving motorists with little financial incentive to use alternative modes part time. Given a choice, motorists usually prefer unpriced parking. But unpriced parking is not really free. Consumers ultimately bear parking costs through higher taxes and retail prices, and reduced wages and benefits. The choice is actually between paying for parking directly or indirectly. Paying directly for parking is more equitable and efficient Much of the resistance to paying directly for parking reflects the inconvenience of current payment methods, and obstacles to using alternatives. Parking Pricing can become more accepted if: Better pricing methods are used that make pricing more convenient and fair. Marketing is used to provide better information on parking prices and availability, and transportation alternatives Manage and price the most convenient parking spaces to favor priority users. Charge higher rates and use shorter pricing periods at more convenient parking spaces such as on-street spaces, and parking near building entrances to increase turnover and favor higher-priority uses. Encourage businesses to price, cash out and unbundle parking by providing rewards to those that do, legislating it, or by imposing special property taxes on unpriced parking. Unbundle parking from housing, so apartment and condominium residents pay only for the parking spaces they need Location Efficient Development. If parking must be subsidized, use targeted discounts and exemptions, rather than offering free parking to everybody. For example, to subsidize customer parking, allow businesses to validate parking tickets or provide free parking coupons to customers. To subsidize parking for people with low incomes or disabilities, provide discounts directly to those individuals. Parking Pricing , by the Victoria Transport Policy Institute, contains a section entitled Setting Parking Rates and Fines, with useful tables showing typical parking facility costs, fees needed to recover costs and typical parking rates across the US and Canada. In particular, this document contains a Parking Cost Spreadsheet, helping illustrate the cost of providing various types of parking. Developers and elected officials alike often ask: Too much parking means money wasted on maintenance, lease payments, mortgages, or inefficient land use. As noted in Parking Evaluation , by the Victoria Transport Policy Institute, a typical off-street parking space uses square feet sf of land, whether in a surface lot or parking structure. On-street parking requires sf per space. Land costs can vary from just a few thousand dollars for a rural acre to more than a million dollars an acre in major urban areas. Even if land is available for parking at little or no additional cost, such as a part of existing road right-of-way, or part of a parcel that is not needed for buildings, there may still be missed opportunity costs: Using curb space for parking may require trade-offs with traffic lanes, landscaping or sidewalk space. Public land devoted to parking facilities is often treated as having no cost, but there is usually an opportunity cost, as the land could be rented or sold, or converted into parks. CBDs thrive on high density because the prime advantage they offer over other parts of a metropolitan area is proximity-the immediate availability of a wide variety of activities. The clustering of museums, theaters, restaurants, and offices is the commodity a downtown can offer that other areas cannot. Yet downtowns have long been plagued by questions about access, for they can either thrive on or be destroyed by congestion. In order to thrive, a CBD must receive a critical mass of people every day but do so without clogging itself to the point of paralysis. One way to do this is to require off-street parking spaces. Off-street parking can reduce cruising for parking that often congests the streets of CBDs. However, off-street parking requires parking lots or structures with associated high costs. A downtown surface lot often has a very high and very visible opportunity cost. Instead of a building teeming with activity there is an expanse of asphalt with one employee manning a booth; But even when off-street parking is dressed up or hidden-when it is placed underground, or in a structure that has retail uses at the street level-it is inimical to density. Because land is most expensive in

the CBD, off-street parking is also most expensive there, and constructing it uses up capital that could otherwise be invested more productively. More important, if off-street parking is required, as it is in many cities notably Los Angeles , then it becomes rational for firms to locate in places where land is less expensive, meaning it becomes rational to locate outside the CBD. This ratio-of parking area to total land area- is called the "parking coverage rate", and it is higher in downtown LA than in any other downtown on earth. In San Francisco, for instance, the coverage rate is 35 percent, and in New York it is only 18 percent. People, Parking, and Cities, p4 Ask yourself: Name one city famous for its cheap, abundant parking. Free parking is not what makes cities great. Their willingness to limit rather than require parking makes them worthy of emulation. Shoup and Manville conclude that perhaps the simplest and most productive reform of American zoning would be to declare that all existing off-street parking requirements are maximums rather than minimums. January 08, more.

Chapter 3 : What is pricing policy? definition and meaning - www.nxgvision.com

*Criteria for Transport Pricing: A Collection of Edited Papers Presented at the International Symposium on Transportation Pricing Held Between June 16 and 20, , the American [Washington, D. C., International Symposium on Transportation Pricing, Marvin Luke Fair, James R. Nelson] on www.nxgvision.com *FREE* shipping on qualifying offers.*

Transport Supply and Demand Authors: Jean-Paul Rodrigue and Dr. Theo Notteboom Transport supply is the capacity of specific transportation infrastructures and modes over a period of time. Transport demand are mobility needs for the same time period, even if they are only partially satisfied. The Supply and Demand for Transportation Each transport more shares the common goal of fulfilling a derived transport demand , and each transport mode thus fills the purpose of supporting mobility. Transportation is a service that must be utilized immediately since unlike the resources it often carries, the transport service itself cannot be stored. Mobility must occur over transport infrastructures having a fixed capacity, providing a transport supply. In several instances, transport demand is answered in the simplest means possible, notably by walking. However, in some cases elaborate and expensive infrastructures and modes are required to provide mobility, such as for international air transportation. Transportation is a market composed of suppliers of transport services and users of these services. Well-functioning transport markets should allow transport supply to meet transport demand so that transport needs for mobility are satisfied. An economic system including numerous activities located in different areas generates movements that must be supported by the transport system. Without movements infrastructures would be useless and without infrastructures movements could not occur, or would not occur in a cost efficient manner. The capacity of transportation infrastructures and modes, generally over a geographically defined transport system and for a specific period of time. Supply is expressed in terms of infrastructures capacity , services frequency and networks coverage. Capacity is often assessed in static and dynamic terms where static capacity represents the amount of space available for transport e. The number of passengers, volume for liquids or containerized traffic , or mass for freight that can be transported per unit of time and space is commonly used to quantify transport supply. Transport needs, even if those needs are satisfied, fully, partially or not at all. Similar to transport supply, it is expressed in terms of number of people, volume, or tons per unit of time and space. The supply side of the transport market can be divided into two categories: Transport companies offer transport services to users who require such services, often on open markets. Transport users pay for the services delivered according to the terms of the agreed contract. Examples include third-party trucking companies, container shipping lines, railway operators and bus companies. Competitiveness is a key advantage of third-party transportation as providers strive to offer better and lower cost services for their customers. There is also the risk of fluctuating prices due to changing market conditions and that transport capacity may not be available when a customer requires it. Third-party transportation companies comes in a variety of sizes depending of the characteristics of the transportation markets they service. There are large scale global third-party transportation companies such as maritime shipping lines and third-party logistics providers UPS, Fedex, DHL , was well as small operations such as trucking and local delivery companies. The transport user deploys his own transport means to move freight or to travel e. The transport user has a direct access to a known capacity, but at the risk of a lower level of asset utilization e. There is no specific relation between firm size and the use of own account transportation since such arrangement is used by small local firms having their own delivery vehicles as well as large corporations such as mining and wood companies. Transport demand is generated by the economy, which is composed persons, institutions and industries and which generates movements of people and freight. A distinction can be made between consumptive and productive transport needs. Productive transport needs have a clear economic focus. For example, the transport of semi-finished products from one production site to the final production or assembly site creates added value in the production process by benefiting from the locational advantages of each of the production sites. Consumptive transport needs generate less visible added value. For example, a road trip does not really add value in a pure economic sense, but generates subjective utility and satisfaction to the users. A discussion on the functioning of transport markets is particularly relevant where it concerns the

fulfillment of productive transport needs, but the consumptive dimension of transport must also be considered. The location of resources, factories, distribution centers and markets is obviously related to freight movements. Transport demand can vary under two circumstances that are often concomitant; the quantity of passengers or freight increases or the distance over which these passengers or freight are carried increases. For the movements of passengers, the location of residential, commercial and industrial areas tells a lot about the generation and attraction of movements. Supply and Demand Functions Transport supply and demand have a reciprocal but asymmetric relation. While a realized transport demand cannot take place without a corresponding level of transport supply, a transport supply can exist without a corresponding transport demand. This is common in infrastructure projects that are designed with a capacity fulfilling an expected demand level, which may or may not materialize, or may take several years to do so. Scheduled transport services, such a public transit or airlines, are offering a transport supply that runs even if the demand is insufficient. Infrastructures also tend to be designed at a capacity level higher than the expected base scenario in case that demand turns out to be is higher than anticipated. In other cases, the demand does not materialize, often due to improper planning or unexpected socioeconomic changes. Transport demand that is met by a supply of transport services generates traffic trucks, trains, ships, airplanes, buses, bicycles, etc. The traffic capacity is generally larger than the actual transport demand since the average utilization degree of vehicles rarely reaches percent. For instance, empty hauls of trucks, an underutilized container ship capacity sailing on a shipping route characterized by imbalanced container flows, an underutilized off-peak bus service and the one person per car situation in commuter traffic. There is a simple statistical way to measure transport supply and demand for passengers or freight: The passenger-km or passenger-mile is a common measure expressing the realized passenger transport demand as it compares a transported quantity of passengers with a distance over which it gets carried. The ton-km or ton-mile is a common measure expressing the realized freight transport demand. Although both the passenger-km and ton-km are most commonly used to measure realized demand, the measure can equally apply for transport supply. For instance, the transport supply of a Boeing ER flight between New York and London would be passengers in a 3 classes configuration over 5, kilometers with a transit time of about 6 hours depending on the direction. This implies a transport supply of 1,, passenger-kms. In reality, there could be a demand of passengers for that flight 1,, passenger-km , even if the actual capacity would be of passengers. When the potential demand is much higher than the realized demand, fares are usually increasing until there is a better match. Higher fares may lessen the potential demand while they may at the same time be an incentive to add additional capacity. This process is usually iterative until supply and demand converges. Transport supply can be simplified by a set of functions representing what are the main variables influencing the capacity of transport systems. These variables are different for each mode. For road, rail and telecommunications, transport supply is often dependent on the capacity of the routes and vehicles modal supply while for air and maritime transportation transport supply is strongly influenced by the capacity of the terminals intermodal supply. The supply of one mode influences the supply of others , such for roads where different modes compete for the same infrastructure, especially in congested areas. For instance, transport supply for cars and trucks is inversely proportional since they share the same road infrastructure. Transport supply is also dependent of the transshipment capacity of intermodal infrastructures. For instance, the maximum number flights per day between New York and Chicago cannot be superior to the daily capacity of the airports of New York and Chicago, even though the New York â€" Chicago air corridor has potentially a very high capacity. Types of Bottlenecks Major Supply Variables for Transportation Modes Impacts of Modal Competition and Intermodal Capacity on Transport Supply Transport demand tends to be expressed at specific times that are related to economic and social activity patterns. In many cases, transport demand is stable and recurrent, which allows a good approximation in planning services. In other cases, transport demand is unstable and uncertain, which makes it difficult to offer an adequate level of service. For instance, commuting is a recurring and predictable pattern of movements, while emergency response vehicles such as ambulances are dealing with an unpredictable demand that can be expressed as a probability. Transport demand functions vary according to the nature of what is to be transported: For the road and air transport of passengers, demand is a function of demographic attributes of the population such as income, age, standard of

living, race and sex, as well as modal preferences. For freight transportation, the demand is function of the nature and the importance of economic activities GDP, commercial surface, number of tons of ore extracted, etc. Freight transportation demand is more complex to evaluate than passengers. For telecommunications, the demand can be a function of several criteria including the population telephone calls and the volume of financial activities stock exchange. The standard of living and education levels are also factors to be considered. From a conventional economic perspective, transport supply and demand interact until an equilibrium is reached between the quantity of transportation the market is willing to use at a given price and the quantity being supplied for that price level. Price changes not only affect the level of transport demand, but can also lead to shifts of demand to other routes, alternative transport modes and or other time periods. In the medium or long term structural changes in the pricing of transport can affect location decisions of individuals and businesses. These are the costs incurred to operate at least one vehicle in a transport system. In some sectors, notably maritime, rail and air transportation, entry costs are very high, while in others such as trucking, they are very low. High entry costs imply that transport companies will consider seriously the additional demand before adding new capacity or new infrastructures or venturing in a new service. In a situation of low entry costs the number of companies is fluctuating with the demand. When entry costs are high, the emergence of a new player is uncommon while dropping out is often a dramatic event linked to a large bankruptcy. Consequently, transport activities with high entry costs tend to be oligopolistic while transport activities with low entry costs tend to have many competitors. Few other sectors of the economy have seen such a high level of public involvement than transportation, which creates many disruptions in conventional price mechanisms. The provision of transport infrastructures, especially roads, was massively funded by governments, namely for the sake of national accessibility and regional equity. Transit systems are also heavily subsidized to provide accessibility to urban populations and more specifically to the poorest segment judged to be deprived in mobility. As a consequence, transport costs are often considered as partially subsidized. Government control and direct ownership was also significant for several modes, such as rail and air transportation in a number of countries. The recent years have however been characterized by privatization and deregulation. The notion of price elasticity is at the core of transport demand and refers to the variation of demand in response to a variation of cost. For example, an elasticity of Variations of transport costs have different consequences for different modes, but transport demand has a tendency to be inelastic. While commuting tends to be inelastic in terms of costs, it is elastic in terms of time. For economic sectors where freight costs are a small component of the total production costs, variations in transport costs have limited consequences on the demand. For air transportation, especially the tourism sector, price variations have significant impacts on the demand. There are thus differences among the obtained price elasticities, which raises questions about the transferability of the results to other locations and or other time periods. All these factors combined can make the behavior of transport users somewhat different across regions and settings.

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Chapter 4 : Transportation Economics/Costs - Wikibooks, open books for an open world

Criteria for transport pricing a collection of edited papers presented at the International Symposium on Transportation Pricing held between June 16 and 20, , the American University, Washington, D.C.

Price administrators set up the pricing criteria that are the key factors in determining the pricing strategy for their business. You use the values for the pricing criteria when you define the pricing segments and pricing strategies. You can assign one of the following two categories to pricing criteria: Criteria in this category represent the characteristics of a customer account. You use the values for the criteria in this category to define the pricing segments. Also, you assign the values for the criteria in this category to customer accounts. Siebel Deal Management includes the following primary criteria: Very high, High, Medium, and Low. This criterion indicates the cost to service the customer account. Criteria in this category represent the characteristics of a deal. You use the values for the criteria in this category and the other elements to define the pricing strategies. Also, you can select the values for the criteria in this category in header records for quotes and orders. Siebel Deal Management includes the following conditional-deal specific criteria: Price administrators use the procedure in this topic to set up additional criteria. After they create new pricing criteria, they must use Siebel Tools to configure the new criteria and to delete the existing criteria that are not relevant to their business. For more information about pricing criteria, see Configuring Pricing Criteria. This task is a step in Process of Creating Pricing Strategies. The Profile Framework list appears. This list contains fields for the current criteria. Create a new criterion, and complete the fields as appropriate. The following table describes some fields. This field is not required. Criteria Category Select the category for the criterion. If you select a category of Primary, the criterion is available for selection in a customer account and a pricing segment. If you select Conditional-Deal Specific, the criterion is available for selection in a pricing strategy, a quote header, and an order header. Active If you select this field to place a check mark in the check box, this criterion is available for selection in the appropriate application screens after you configure the pricing criteria. For more information, see Configuring Pricing Criteria.

Chapter 5 : MRSC - Parking Demand and Pricing

Environmental transport pricing based on air quality criteria ambient air quality standards (or future targets). The dependent variable in the.

Chapter 6 : Transport Supply and Demand | The Geography of Transport Systems

URBAN TRANSPORT PRICING AND FINANCE niques of different degrees of technological sophistication and cost. While, theoretically, dif-ferent prices can be set for each link in the net-.

Chapter 7 : Airline Rules and Fares | US Department of Transportation

Criteria for Evaluating Transfer Pricing Methods 63 2. www.nxgvision.comer prices should not interfere with the process wherein the buy-ing center manager rationally strives to minimize his costs and the selling center.

Chapter 8 : Does Medicare Cover Wheelchairs | Does Medicare Cover Transport Chairs

- Second-best pricing strategies address this issue Some transportation services are shared by different types of users (e.g. cars and trucks on highways).