LECTURES 2, 3, & 4

DISPLAYS

SPEAKER: Joseph M. Sussman
MIT

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Part II
TRANSPORTATION SYSTEMS COMPONENTS:
AN EXTERNAL PERSPECTIVE
EXTERNAL COMPONENTS OF THE TRANSPORTATION SYSTEM

- Competition
- Financial Community
- Government
- Supply Industry
- Stakeholders
- The Customer
- General Public

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.