

## Some issues in transport economics

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This report is a collection of on the methods of transport project appraisal. One of the purposes of the report is to establish rules for computing and reporting costs and benefits of all kinds of transport policies. The basics of these rules are already well established in Norway, but we also propose to calculate impacts not taken into account under the present regime. Another purpose is to show that small conceptual models can be used to good effect to derive rules concerning transport policy. Such models will usually only consist of an aggregate demand function, a cost function, and a budget constraint.

For such a simple design to produce valid recommendations and rules for the whole of society, people will have to be more equal than they usually are. That is, a so-called representative consumer will have to exist. But if not, we will have to make do with the so-called average consumer. Provided we take steps to reduce economic and social inequality, we think we may indeed recommend policies that improve the net benefits of the average consumer – or the average traveller, in our case. It is on this not totally stable foundation we base our transport economics advice and recommendations.