Taiwan is an island country with shortage of many natural resources. Therefore, the economic development relies heavily on the international trade and specialization. The highway container transportation is the major way to move the goods of export and import between major ports and domestic origin or destination points. The container transportation and other domestic highway transportation markets have been opened by Taiwan government to foreign firms recently. This deregulation should bring out some impacts to the existing container transportation carriers. Furthermore, there have been dramatic changes in Taiwan’s industrial structure, particularly those relating to international trade. This also affects container transportation businesses a lot. This research surveys and analyzes the status and problems in the container transportation industry to gain better insight about the industry, generate strategies for the existing carriers and provide some suggestions for public policy makers.

Using the intercity passenger travel data collected in Taiwan area, this research explores the effect of income on mode choice. First, indirect utility functions were derived based on micro-economic theory to show the income effect. Then, mode choice models were built using empirical data. Three types of models were built: i.e., income effect detection models, expenditure models that assume the work hours and incomes are fixed, and wage rate models that assume variable work hours. The effects of data (stated preference data versus revealed preference data), travel distance (long distance versus medium-short distance), and travel purpose (business versus non-business) on income effect were discussed. Our main conclusions are as follows: 1. The income effect did exist in mode choice behavior of intercity passenger travel. 2. The trips of different travel distance and different trip purpose had different income effect. 3. The stated preference data were not necessarily able to reflect income effect. 4. The empirical results of expenditure models showed that the income effect existed in mode choice behavior of business trips, but not in non-business trips. 5. The results of wage rate models showed that the marginal utility of leisure is greater than that of general goods for business trips. But they were not different for non-business trips.