

The real lesson of Bridgegate: Privatize the Port Authority

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<u>USA Today reports</u>: "The Port Authority, which operates the bridge at the heart of a New Jersey scandal, says a key appointee of Gov. Chris Christie directed the controversial closing of access lanes to the George Washington Bridge ... David Wildstein and Bill Baroni, who were appointed to the Port Authority by Christie, have resigned in the wake of the scandal."

Don't you see the real problem here? It's that a politician or one of his staffers has the power to willy-nilly reach their hand down into the local machinery of the economy and screw-up the lives of thousands of people needing to get to work.

The sprawling government bureaucracy that is the <u>Port Authority of New York and New Jersey (PANYNJ)</u> runs multiple bridges, tunnels, bus terminals, airports, and seaports, as well as rail transit and real estate development. It operates a range of crucial business activities as bloated monopolies.

But why? All these things done by the PANYNJ could be done better by private businesses, and they *are* done by private businesses in many other cities around the world. PANYNJ owns five airports including LaGuardia and JFK. Why not split them apart, sell them to entrepreneurs, and have them competed against each other?

If the governor's office called the CEO of a private and unsubsidized bridge company and asked her to harm her customers by creating traffic chaos for political gotcha reasons, she would say "Are you nuts?"

People wonder why American government is so scandal-prone. One reason is that it is so darn big. It's an octopus with tentacles into everything, which may give politicians and bureaucrats ego trips, but it undermines economic growth and opens up public administration to corruption.

Here's an ironic statement <u>from Wikipedia</u>: "The idea for the Port Authority was conceived during the <u>Progressive Era</u>, which aimed at the reduction of <u>political corruption</u> and at increasing the efficiency of government." The progressives were right to go after political corruption, but they were often way off-base on how to do it.

The way to reduce corruption is to separate as much of the economy as possible from the government, and to allow open entry for entrepreneurs into businesses — such as bridges, airports, and seaports — to stimulate competition to the greatest extent possible.

The center of global capitalism, the city with the great beacon of individual freedom in its harbor, can do much better than this. Overgrown monopoly government bureaucracies are out of step with New York's famous dynamism and entrepreneurship. New York and New Jersey should begin selling off the assets and activities of the PANYNJ.

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