

THE PRIVATIZATION OF THE NEW YORK CITY SUBWAY

by

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ABSTRACT

The privatization of the New York City subway is proposed. Each line should be operated separately. The operator should pay a fixed price for the capital associated with the line and bid a profit share to be paid to the city. Statistics suggest the New York City subway is operated similarly to other subways and that similar benefits would be realized by the privatization of other subways. We provide an upper bound on the competitive fare which compares favorably with fares charged by buses and taxis.

KEY WORDS: New York, privatization, subway.

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