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- In his challenge to the notion of the lighthouse as a "public good", Coase looked at the British Lighthouse System in the 19th Century.
- · Coase connected that the lighthouses in the UK were managed by Trinity House, a private corporation charged by royal charter over 500 years ago e.co.uk/about-us/trinity-house-
- So if the British lighthouses are managed by a private corporation, are their management a "public good?"
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- Lighthouses as a "Public Good"

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- Lindberg, Erik. "From Private to Public Provision of Public Goods: English Lighthouses between the Seventeenth and Nineteenth Centuries." *Journal of Policy History* 25.04 (2013): 538-56.
- Van Zandt, David E. "The Lessons of the Lighthouse:" Government" Or" Private" Provision of Goods." *The Journal of Legal Studies* 22.1 (1993): 47-72.



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- However, the tradition in the United States is for publicly funded and managed aids to navigation.
- 1789-1910 United States Lighthouse Establishment & United States Lighthouse Board Department of the Treasury (9th law passed by Congress)
- 1910-1939 Bureau of Lighthouses -Department of Commerce
- . 1939 Joined the United States Coast Guard Department of the Treasury (etc.) http://www.terrypepper.com/lights/lists/chronology.htm



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Lighthouses as a "Public Good"

 There is no question that maintaining buoys, towers, lights, lighthouses, daymarks and shapes is an expensive and labor-intensive undertaking. But the unalterable fact is that these physical aids are essential to the safety of navigation on our waterways. Funding this infrastructure is always going to be a challenge. It is my opinion that the Coast Guard is the best organization to provide nationalinternational continuity, and they should receive sufficient funding to provide for the continued maintenance of these critical navigation items.

Captain Lynn Korwatch (executive director of the Marine Exchange of the San Francisco Bay Region) hearing before the Subcommittee on Coast Guard and Maritime Transportation of the House Committee on Transportation and Infrastructure, February 4, 2014. (Finding Your Way: the Future of Federal Aids to Navigation, p. 26)

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- · Core element in this discussion is "nonexcludability"
- "In its purest form, non-excludability means that once a good has been created, it is impossible to prevent other people from gaining access to it (or more realistically, is extremely costly to do so)."
 - Blakeley, N., Lewis, G., & Mills, D. (2005). The Economics of Knowledge: What makes ideas special for economic growth? New Zealand Treasury.
- Excludability is when you can prevent consumers from getting access to a good or service who have not paid for it.

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Lighthouses as a "Public Good"

- If we think about the true nature of a "Public Good" – it is about providing a service for people who extend beyond who will pay taxes or fees.
- Faro Paredón (Ciego de Avila Province, Cuba) not near a port and serves as a beacon for all ships traveling north of Cuba. First lit in 1859.

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