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# London Underground's 150th birthday

## Tube offers a model of how infrastructure projects should be owned, operated and financed

**H**appy 150th birthday, London Underground. You are a remarkable monument to public transport, and to private enterprise. The world's first underground railway – which opened for passengers on January 10 1863, between Paddington and Farringdon – began as a private-sector initiative. Today most of the world's metro systems are publicly owned strategic assets. But they are also substantial businesses, offering a model of how public infrastructure projects should be owned, operated and financed.

Public ownership was a late development for many celebrated metros. The Tube, as London's is known, was not nationalised until 1948. The Paris metro's operating company, RATP, was created in 1949. (It was run by private companies mostly from its inception in 1900.) The New York subway was unified and brought under public ownership from the 1950s. Private entrepreneurs proved good at financing and building underground systems, but operationally they need single ownership, which is the best model for what is in essence a utility.

But funding is increasingly and properly falling on the passenger. More than 90 per cent of New York City Transit's 2012 revenue of \$4bn will come from fares on the subway, buses and so on; in London the figure is about 85 per cent of £4bn of 2011-12 revenue. But that just covers operating costs (if that); big capital investment projects have to be funded, or at least guaranteed, by the taxpayer. Even austerity-minded governments should know that. It is crucial to keep investing.

If the Tube were being built today one would hope it would look different (a better Bank station, for starters). It may define London as the metro defines Paris and as airports seem to define Asian cities. But like all great public works, it remains unfinished. Here's to the next 150 years.

*Email the Lex team in confidence at [lex@ft.com](mailto:lex@ft.com)*

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