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**PITFALLS AND CONFLICTS IN THE INTEGRATION OF
TAXIS IN URBAN MOBILITY SYSTEMS.**

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- The urban mobility system builds on a set of different elements (e.g. services, stations, institutions, etc.) that should provide the final user the ability to organise its own mobility chain
- Taxis provide a very important public service with a degree of availability and flexibility not found in any other mode.
- The approach followed by the several countries can be substantially different, with some cities allowing as much as possible taxi services and others limiting the access and regulating the market through several sorts of entry barriers.
- A taxi in its more simple and traditional view, is no more than a vehicle offering point-to-point services on demand. Consequently wherever there is unsatisfied demand for mobility there is a potential market for formal or informal taxis.

- In Brazil taxi service is classified as a service of public utility, of local interest, which administrative and legal competencies and duties are left to the local authorities - the municipalities - to regulate and provide.
- All three types of conventional taxi services are provided within a single regulatory framework.
- Across the Brazilian country we can find many alternative ways of providing this service, namely direct operation through the municipality, or transferring it to a third party through delegation.
- According to the law, the transfer of the right and duties of provision of services by third parties can only be done through tendering processes

- A new Federal Law, designated as “Framework Law for the organisation of Urban Mobility Systems” was recently (July 2007) approved, focusing on the systemic character of urban mobility system and envisaging (in its article 11) that
 - individual public transport, i.e. conventional taxi, must be supervised directly by the municipality and based on minimum safety and security standards, overall quality standards, and settlement by the municipality of maximum tariffs.
- According to the spirit and purpose of this law taxis should be integrated as one of the services contributing for the fitness of the mobility chain. This integration raised a number of difficulties, as we will highlight later.

- Consider taxis as a transport service component of the Passenger Public Transport sub-system, and not as a social group representing a given professional economic activity, as it was commonly done;
- Give taxis the adequate priority given its role in public transport. That is give it priority in relation to the private car but give the collective public transport priority in relation to the taxi.
- Monitor its performance as a public service in line with the users interest, ensuring quality, safety and security

- Regulation, defining market access conditions
- Planning and programming, which includes size of the fleet and level of engagement in the service; location of stops, implementation of equipments for distance call, and ultimately the creation of new services (e.g special access taxi, luxury taxi, collective “lotação”)
- Monitoring (the service, the driver, the vehicle);
- Monitoring general transport systems for taxi tariffs adjustment
- In most cities the service is planned and organised by an organising agency, often the same that organises public transport, which makes integration of services much easier

- The OA is also responsible for the definition of tariffs and presentation of proposals of yearly adjustment to the Mayor. Tariffs are set according to a calculation method developed by the organising agency and also approved by the Mayor.
- The cost items considered are the following ones:
 - Fixed costs:
 - Remuneration of operator;
 - Depreciation of assets (vehicle, taximeter, communication devices);
 - Capital remuneration;
 - Insurances and taxes;
 - Vehicle Cleaning.
 - Variable costs:
 - Fuel;
 - Lubricants;
 - Tires;
 - Maintenance of fixed equipments.

Fare type	Minimum	Maximum
Minimum tariff	0.89 R\$	1.96 R\$
Tariff 1 (per km)	0.76 R\$	1.03 R\$
Tariff 2 (per km)	0.91 R\$	1.24 R\$
Time rate tariff	7.06 R\$	7.09 R\$
Contribution of minimum tariff in construction of total tariff	25%	
<i>Table 1 – Types of Tariffs (ANTP, 2003)</i>		

Besides the differentiation per type of service (i.e. conventional, collective, luxury, etc.), tariffs are also differentiated by hour of the operation, where tariff type 1 is the regular tariff and type 2 applies in the night period and week-ends (from 22h to 6h in week days, Saturday after 14h or 13h and Sundays). Night and week-end tariff has an increase of 20% over the regular tariff.

- The service can be operated by individual drivers or companies. In the city of Belo Horizonte, in the first case only 1 license can be conceded and in the later case a minimum of 6 and a maximum of 30 are allowed.
- Drivers are also subject to very restrictive conditions for their admission to the profession as well as to regular training. Competencies required entail:
 - Ability to deal with clients (communication skills);
 - Defensive driving;
 - First aid;
 - Legislation related to traffic rules and provision of services;
 - Capacitating competencies as tourism agent with local knowledge only
- For these competencies regular training is required and for a typical training course for driver (beyond driving licence requirements) a total of 42 hours is recommended (ANTP, 2003) with the following blocks: interpersonal skills (6h) ; defensive driving (16h); first aid (10h); city knowledge (4h); regulation of public transport by taxi (6h). The amount of hours per block should be adjusted according to the main vocation of the city (i.e. tourism, etc)

- For physical integration no major problems were raised by professionals operating in cities of high quality standards and strict regulation, since it was already in their usual routines to respect stops and stations, and typically these cities (like Belo Horizonte and Curitiba) provide good levels of demand.
- For logical integration, taxi service providers acted in general with a very neutral position as they considered themselves as a passive element. It was their understanding that the effort of providing logical integration should fall in the hands of the organizing agency or even in the other public transport operators;
- For tariff integration, this was clearly the most difficult element which ended by being the main reason to leave the taxi services almost out of the new regulatory framework
 - Taxis see the tariff integration as a threat to their income and are reluctant to understand the bus operators (conventional or alternative) as a potential partner of the mobility chain.
 - Most bus operators are equally reluctant to consider the possibility of a win-win partnership with taxi for areas and periods where demand does not justify the operation with large buses

- A well designed and implemented system requires an effective regulatory system built on a fair balance between competing interests of the stakeholders. But, if this is not achievable, then their second best easily shifts towards relaxing regulation to give room to fair competition with informal economic agents providing similar services.
- Of paramount importance for the stability of the taxi service system is good balances between quantities of supply and demand across the city to prevent emergence of informal services that raise complains of unfairness from formal incumbents and force the system towards its economic limits of feasibility

- Thank you for your attention !

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