

# JONATHAN BRAY



## Taxis - a bridge to the future

Taxis are the bridgehead for the TNCs in their mission to reshape global transport - how should urban transport authorities respond?

► Taxis are the bridge between how urban transport is now and where it could be in the future - because taxis, in the form of Uber et al, were the bridgehead for the TNCs (Transportation Network Companies) in their mission to reshape global transport provision around their wider global ambitions. And taxis are the logical place for them to start for the automation of passenger carrying urban vehicles.

Turning taxis into 'taxibots' could also turn balance sheets the right way up at last. Eliminating drivers and controlling the tech that achieved automation could also eliminate any remaining local competition that couldn't afford, or access, that tech. In doing so it would turn years of losses into the paradise of monopoly provision that the likes of Amazon and Google currently enjoy in their respective zones of influence.

Taxis are also where the sharing economy and the 'I want it now' mindset meets the brokering technology that can facilitate both. And it does so through the seductive sheen of clutter-free apps that dispense the digital sugar rush that keeps everyone hooked on their screens. Then there's something more prosaic and immediate than all of this fevered dreaming of a Taxibot future, which is that the disadvantages of travelling by public transport (which doesn't go where you want to go or when you want it to go) can come at a cost premium these days. In short, public transport ain't always cheap, and when there's

more than one of you the economic rationale for not piling into a taxi instead can collapse altogether.

So how did we find ourselves in this pricing predicament when the mark up for having your own driver is not so great over sharing your driver with the rest of the occupants of a double decker bus? There are many and varied reasons but they include the article of faith in UK transport policy, which is that capital funding is good, virtuous and pukka - whilst revenue support (particularly for fares) is a dubious thing bordering on the distastefully continental. And at the same time it's striking that whilst the TNCs are pump priming the taxi market based on the profits they hope to make from it in the future, the big bus groups

have been taking the actual profits they make out of UK bus and spending it on other things.

Another factor has to be the often negligible barriers to entering the Private Hire Vehicle industry, which allows all sorts of people to cruise those mean streets with a minicab sticker on their car. Companies and drivers from the good, the bad to the worse than bad - the downright criminal. The recently jailed taxi industry-based gangs of Rochdale and Rotherham spring to mind.

Do you want to define yourself as set out in the legislation as a 'fit and proper person'?

Do you want to register in one area and operate in another (where enforcement officers can't touch you)?

No problem. Grab your Datsun and get going.

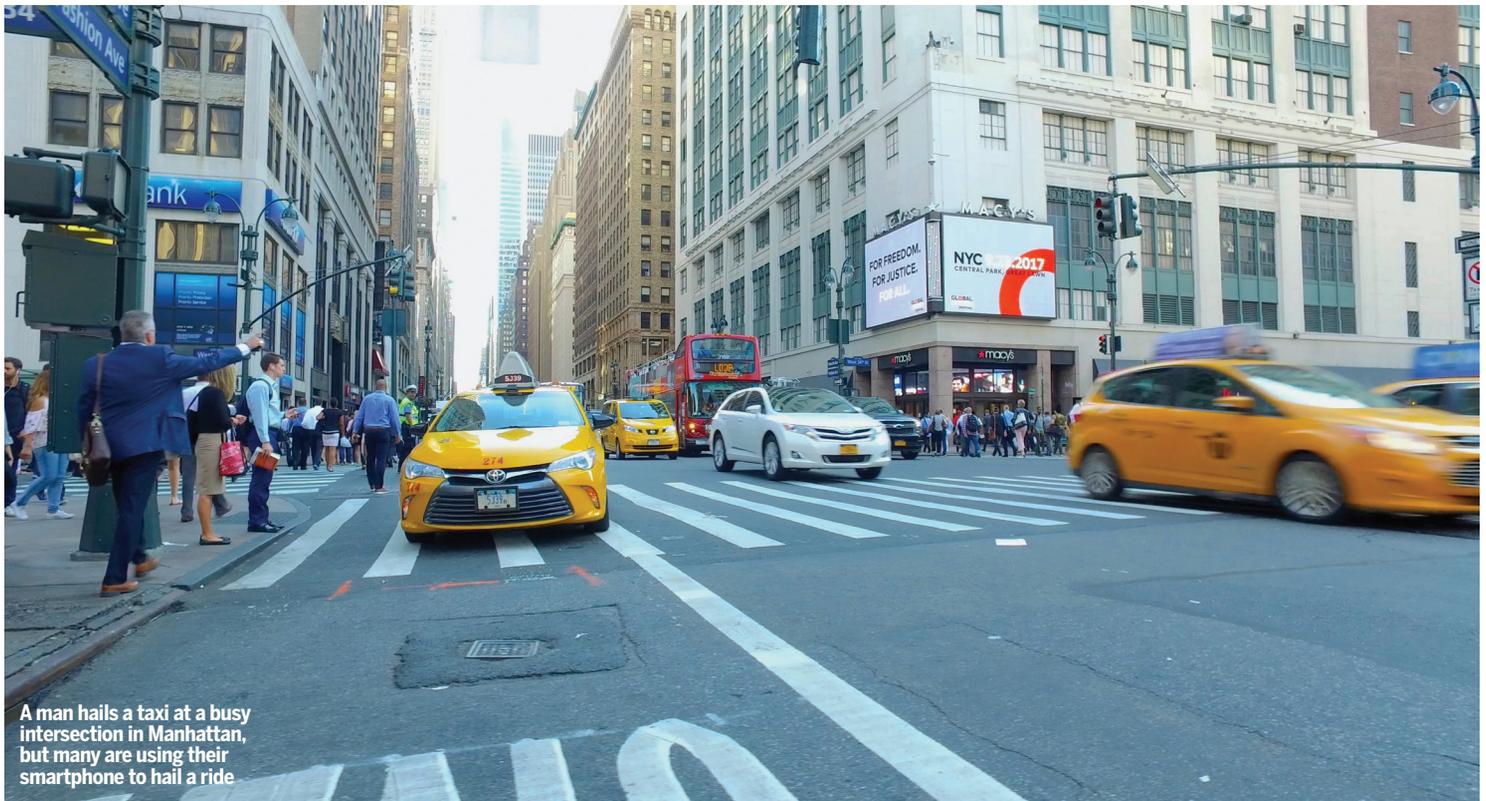
Much, much lower standards can apply to PHVs than those which public transport providers have to meet and pay for... and this is reflected in the price to the user. Although with the caveat that standards can vary markedly between cab licensing authorities.

The shock waves of these global and domestic machinations, as well as cultural and technological changes, are already reverberating on Britain's streets as taxi use (or to be more precise PHV use) soars. In London the number of PHVs has more than doubled in a decade. On average there's now one PHV in London for every one hundred people. Outside of London the number of PHVs has gone up by 14% in the last two years alone. In some city regions there has been some astonishing increases in registered PHV drivers - up 40% in the West Midlands in the last two years alone.

To extent to which soaring taxi use is contributing to traffic congestion already is moot and in dispute. One of the most comprehensive studies I've seen is by Bruce Schaller of New York which found that the TNC ridership tripled in a year and a half from June 2015, contributing to a net increase of 600 million miles of road vehicle traffic in the five boroughs over three years. Most of this upsurge is taking place in the core of Manhattan and not just at night but also concentrated in the peaks. The rise of TNC mileage also coincides with growth in transit use slowing down, and then tipping into ongoing, year-on-year decline. It also coincides with a rapid decline in traffic speeds in the Manhattan CBD (down 11% in the daytime since 2013).



## “If you want to shape those changes ... you need to start thinking about it right now”



A man hails a taxi at a busy intersection in Manhattan, but many are using their smartphone to hail a ride

The scary bit for transport authorities is that if the obvious conclusion from the stats is right, and that Uber et al can abstract users of mass transit in the peak in Manhattan, then they can do it anywhere. And what does that mean for congestion and the viability of transit systems? And what about buses? Do buses even compute as a concept these days for those whose smartphones define their lives offering the right now, the right here at the lowest price?

The counter punch to all this is don't fear the reaper. Replicate the model yourselves or work with the insurgents to turn old school lumbering bus feeder services into demand responsive taxis and taxi buses. Or lock taxis into new 'Mobility as a Service' offers. Where instead of paying off the monthly payments for the cost of the car in the garage, you have a monthly subscription on your phone which buys you access to taxis, car hire, bike hire and of course public transport.

There are also ways of damping down the allure of on-demand, artificially cheap taxis using the busiest streets at the busiest times. Measures both fiscal (such as licensing costs), regulatory (capping numbers) and material (relative allocation of road space). Perhaps the urban transport authorities' job is no longer managing the modes in silos - whilst highways,

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parking and taxi licensing functions sit in different buildings. Instead it could be more about nimbly using every last tool, ounce of leverage and raw cunning to steer a course where citizen and cities can enjoy the benefits that tech can give us (convenience, lower cost provision, and personalisation), but avoid the obvious pitfalls (traffic congestion, a race to the bottom, and poorly regulated private monopolies exploiting their positions).

In some ways this piece is a teaser for two things we at the Urban Transport Group have coming up on taxis. The first is a report we are currently burning the midnight oil over which will make the case for a more strategic approach to taxis from cities and central government. It will also look at all the issues that such strategies should take on board while citing examples of how cities at home and abroad have set about it. The second is UITP's global taxi event which we are sponsoring in London on December 7-8, providing an unbeatable opportunity to get on top of the issue.

Before that, here are some final thoughts...

Firstly it's good to see Transport for London seeking to enforce the rules with Uber. It shows that city authorities have the right to set and enforce the local regulatory regime for TNCs - just as for any other entity that wants to provide transport services.

Secondly, the scale and the rapidity of the changes taking place in the taxi market in cities round the world, from York to New York, demonstrates that if you want to shape those changes, rather than be swept along by them, you need to start thinking about it right now. ■

### ABOUT THE AUTHOR

▶ Jonathan Bray is the director of the Urban Transport Group. Throughout his career in policy and lobbying roles he has been at the frontline in bringing about more effective, sustainable and equitable transport policies.