Managing Festive Peaks in Taxi Demand for Everyone's Benefit

Smartphones and other mobile devices are changing the way that we access goods and services. The apps offered on these devices help us to find suppliers and new payment methods help us to transfer payments easily and securely. Portals like eBay and Amazon have already allowed us to compare availability and price of *products*. These apps also allow us to compare *services*; and some of the fastest growing services relate to travel by taxi. Global technology companies like Lyft, Bridj, and in the UK particularly Uber, are leading the growth of these services. eBay blurred the lines between private, car boot sales and retail or wholesale outlets as Uber is blurring the lines between getting a lift and hailing a taxi. Uber is predominantly a tech company, not a transport company, but getting into the car of an unknown driver is a greater risk than buying a book or a DVD online.

A public hire taxi operates under license conditions that exist primarily to protect public safety. The driver and vehicle are tested for their knowledge and reliability respectively, and there are special insurance and other conditions in place to regulate their numbers and make sure they're accessible to those with special or particular needs. People can link up or complete any journey on public transport, whether it's bus, train, tram or aeroplane by filling in the gaps with an on-demand taxi. Any significant taxi company in the world now has an app, takes contactless or mobile payments and have all the benefits of training, knowledge, insurance and regulation to protect safety. There could be advantages in an app like Uber that will find taxis in any city anywhere in the world, but beyond linking taxi services globally do the ride sharing apps have other advantages?

Uber cars can be cheaper than taxis by exploiting gaps in current UK legislation. Taxi meters are heavily regulated for the benefit of the travelling public but Uber cars don't have them. People who want a ride at a quiet time when there are willing drivers in abundance may find the fare a percentage lower than a metered taxi fare. However at busy times when demand increases, taxi fares don't go up: but Uber fares do. It's called "surge charging" and is a cause of controversy in many cities. Uber drivers tend to be part-time workers who focus on working at peak times of demand. Prices reflect the commercial realities of supply and demand but if all taxis operated like this vulnerable people might pay over the odds for getting home from hospital so nobody wants that. That's why the 24/7/365 operation of the traditional taxi trade could even become unsustainable if the peaks get higher and the troughs get lower. Taxi regulation helps to smooth out the peaks. People would not contemplate only allowing buses and trains to operate when it is most profitable. Taxis, buses and trains all need to provide a consistent service available for all who need then at all times.

Uber and other similar apps are surviving on huge speculative investments that allow them to buy market share by subsidising the drivers and passengers in the short term. *They're losing billions in the process, possibly faster than any company has lost money in history but they have billions (of other people's money) to lose*. These companies are prepared to lose money in the short term as they seek to gain market dominance or even monopoly power. If the only way to book a taxi anywhere in the world is through Uber, would safety, service and prices really improve in the long term? What of the employment of drivers and their income? Uber is steadily increasing the percentage of fares that it retains, up to 25% now in some cities. This has caused global protests from their drivers and litigation over employment status. CILT has highlighted the need for

government to review its regulation of these companies, and has welcomed the UK government's new commission on modern employment, but this is only one small step in the right direction.

Traditional taxi operators convey passengers from one place to another safely, efficiently, at a regulated price and offering accessible public transport for everyone. These operators are already offering new technology services so it is important that both transport and technology are regulated to help enhance services for passengers and employees.

The festive season is approaching and it's traditionally a busy time for the taxi trade. 2016 has already seen much wider use of apps, contactless and mobile payments, together win an increased focus on customer service. All operators are raising their game to continue to compete using the latest technologies. The taxi trade is modernising its thinking, but given the global hype there's a surprising lack of understanding from the travelling public about how they want to benefit from the new apps. The change continues to accelerate, driverless taxis, buses and trains, operating at peak times only and with unregulated pricing could be the brave new world o which this "innovation" in public transport is leading, but with questionable benefits.

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