HOW TO INSTITUTIONALIZE PUBLIC TRANSPORT EFFECTIVELY

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INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT
A WORLDWIDE ASSOCIATION

16 regional offices, 2 centres for transport excellence
A DIVERSE MEMBERSHIP

1600 member companies from 100 countries

- Operators
- Authorities
- Policy decision-makers
- Research institutes
- The public transport supply and service industry
OUR MISSIONS

We engage with decision-makers, international organisations and other key stakeholders to promote and mainstream public transport and sustainable mobility solutions.

We inspire excellence and innovation by generating and sharing cutting-edge knowledge and expertise.

We bring people together to exchange ideas, find solutions and forge mutual beneficial business partnerships.
UITP INFORMAL TRANSPORT STEERING GROUP

Main Objectives of Steering Group:

• Steering UITP activities on the relevant topic at global level
• Facilitating networking and exchange between members specific to formalisation
• Compiling, developing and building international knowledge
• Benchmarking projects and experiences
• Focusing on hot issues, analyzing and promoting innovations,
• Stimulating debates and interactions
• Preparing advocacy arguments and positions
Driving change: reforming urban bus services

A policy paper of the EBRD’s Sustainable Infrastructure group

ESTABLISHING A PUBLIC TRANSPORT AUTHORITY (PTA) IN AFRICAN CITIES

November 2018

INTRODUCTION

Organising Urban Mobility Systems is a complex issue as it depends on the context. In the 2019 Trends Report, UITP looked at different cities all over the world to demonstrate the challenges to tackle as a specific form of organization regardless of cities specific circumstances. While there is a global awareness of the need to improve the structures and the processes that underline the delivery of mobility, institutions and services, the diversity of solutions and arrangement prevails at the local level. Still, there is some promising practices. One of them is the establishment of a Public Transport Authority (PTA).

This paper argues for the establishment of Public Transport Authorities (PTAs) in Africa and forward some principles to do so based on the Organising Authorities Committee (OAC) of UITP and SSATP experience.

ORGANISING URBAN MOBILITY SYSTEMS: A GLOBAL CHALLENGE

Mobility-related challenges are increasingly becoming "global" problems. A related problem is a second issue that cannot be formulated in a definitive or universal manner because there is no statement that can contain all information regardless of the context. This refers to the fact that the problem translates differently from place to place. To provide an illustration of a similar problem one can mention how transport interventions affect the health of cities. Even if social, economic, and political concerns are one of the main drivers, health concerns manifest in terms of road safety and security. The incidence of injuries is increasing, partly due to the rapid growth of motorized transport and could be mitigated with measures such as education campaigns, driver training, road design and maintenance, vehicle safety checks, separation of pedestrian and vehicle traffic and speed limits as well as the enforcement of road traffic legislation and law. Limiting traffic in cities is not possible to achieve that such conditions are due to a decoupled decision-making process that systematically favors road infrastructures, regardless of the possible systemic effect that transport interventions could have on the city and the urban environment. This put segregation issues to the fore and call for change, breaking away from geographical path-dependencies.

To put it differently, cities increasingly face global issues...
Three simultaneous trends present a significant transport challenge to cities in developing countries:

- **Rapid urbanization**
  
  Source: United Nations

- **Rapid economic development**
  
  Source: World Bank

- **Rapid motorization**
  
  Source: United Nations
EMERGENCE OF INFORMAL TRANSPORT

**Society (Stakeholders)**

- Need for transport
- Need for employment
- Limited public funds for (public) transport

**Individual (Operators)**

- Became an investment tool (plate value)
- Limited only to individual entrepreneurs (artisans)
- Harmful competition and diminishing system performance
WHAT IS INFORMAL TRANSPORT?

• **Individually** owned or small scale operators in environment where **regulation** is inexistent or poorly **enforced**

• Informal transport services may be licensed and **legal** but:
  - operate on a particular route, in an unorganised manner, outside mobility plans or routes, and have flexible timetables, and/or fares
  - fail to meet certification requirements for commercial vehicles

Source: Damian Robinson
PREVALENCE OF INFORMAL TRANSPORT

• Informal transport represents a significant share of the market in emerging cities.

• It provides vital (and sometime only) services to a large part of the population, where regular public transport is inadequate or limited.

• It also acts as a feeder to main public transport services (when they exist).

• Sector employs and supports the livelihood of a large number of families in societies suffering high unemployment rates.
WHAT IS AT STAKE?

• Informal Transport services often fail to meet basic customer service requirements, including safety, reliability, and comfort.

• Mainly due to their large number and fragmented ownership and operations, authorities struggle to enforce service standards.

• Informal transport players often oppose strong resistance to public transport development projects.
IMPORTANT QUESTIONS?

Informal public transport should be left alone, with minimal regulation -- the number of vehicles plying, vehicle safety and condition and driver skills?

Source: Informal Public Transport Good or Bad?? Damian Robinson
IMPORTANT QUESTIONS?

1. Informal public transport should be left alone, with minimal regulation -- the number of vehicles plying, vehicle safety and condition and driver skills?

2. Informal public transport should be eliminated in favor of more highly regulated, formal public transport.

Source: Informal Public Transport Good or Bad? Damian Robinson
IMPORTANT QUESTIONS?

1. Informal public transport should be left alone, with minimal regulation -- the number of vehicles plying, vehicle safety and condition and driver skills?

2. Informal public transport should be eliminated in favor of more highly regulated, formal public transport.

3. Informal public transport should be formalized and it should be integrated with existing formal public transport network?

Source: Informal Public Transport Good or Bad?? Damian Robinson
In 2007-08, half of the Delhi’s stage carriage fleet comprised buses known as Blue-lines (~3500) and the other half was owned by public operator.

Blue-line buses competed with each other and with PTO buses on road for passengers, seriously compromising safety of road users. Other key issues were reliability of services, service quality and passenger safety.

In 2008, government of Delhi prepared a scheme to corporatize these buses under new system – Cluster model. All 657 routes were grouped under 17 distinct clusters.

Each cluster was bid by open tendering system under Gross Cost Model.
CASE STUDY OF DELHI, INDIA (1/2)

Key Facts
- Public Operator (DTC) and Private Operator (Concessionaire) run the operation in the ratio of 50:50.

Unified Time Table (UTT)
- Public and Private operators follow Unified Time Table to ensure timely and reliable bus service to public.

Contract Type – Gross Cost
- Resource contract with Ops risk
- No transfer of revenue risk
- Fare Box Collection to Govt.

Real-time Vehicle Tracking

Real-time Electronic Ticketing

Operations Control Center

Fare Box
Collection

Funding

Payments to
Concessionaire
CASE STUDY OF DUBAI, UAE (1/2)

Before 1995, the Dubai taxi sector was unorganized and informal. Dubai Transport Corporation (DTC) was established in 1994 to modernize taxi sector.

Taxis were owned by local Emirati who leased them to drivers for fixed rent per day. There was no control over the service quality.

DTC started by paying individual operators 1000 AED a month to buy their taxi plates as part of social welfare. Within the first few years of operation, 50% of the informal fleet were bought out of the market.
CASE STUDY OF DUBAI, UAE (2/2)

How did it happen?

- 1994: Establishment of Dubai Transport Corporation (DTC)
- 1995: Commencement of DTC operation
- 1995: Fare system introduced
- 1998: Driver training programs, dispatching, customer service center
- 2001: DTC begins to make net profit
- 2002: Last informal plate in circulation
- 2002: Franchising scheme

- After getting the taxi plates, DTC came up with a franchising scheme in 2000 to 3 franchising companies: Metro Taxi, Cars Taxi, and National Taxi.
- Each company got 754 plates for a 5 years license fee of AED 1,000, and monthly usage fee of AED 1,500 per plate.
- The reform process was a great success achieving most of the desired goals, including profitability, 100% formalization and improved service and quality.

Source: RTA
THANK YOU!

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