

## **Scottish Taxi Federation News March 2015.**

### **APPS and the LAW.**

I am sure you have all either read or heard about the spread of Taxi App companies such as "UBER" and more recently "GET TAXI". What you may not be aware of is that the latter of these two companies is now in operation in both Glasgow and Edinburgh and they are operating without having a booking office licence which applies to all taxi or private hire entities where 3 or more vehicles are involved.

Get Taxi are claiming that they have been advised by both Edinburgh and Glasgow City Council's, that since they are essentially a technology company who do no more than provide a means, IE APP, which connects the General public to available taxis who have downloaded their APP to their own smartphone and since they don't operate from an office environment, there is no need for them to have a booking office licence. It seems that ECC at least may have taken the position that since the technology employed works through servers which can be domiciled anywhere, a booking office and therefore a booking office licence may not be necessary. I personally attended a demonstration organised by this group and held in Glasgow last week and received unequivocal assurance that Glasgow City Council had advised them that no booking office licence would be required. On being pressed further they declined to say who or what department of the Council had given this assurance. It appears the advice received, if any, was simply word of mouth.

We have since contacted our solicitors who following consideration of this developing situation, has agreed that not only would a booking office licence not be required, it would be difficult if not impossible for any local authority to issue one. This opinion has since been fortified by a second legal opinion. It appears that these groups have not only studied our laws as they stand, but have found a loophole which allows them to circumvent the same.

Following on from this, we organised a meeting at the Scottish Parliament with two prominent MSP's to discuss this development and presented them with a solution drafted by our solicitors, this, if presented as secondary legislation, could be implemented fairly quickly. This would ensure that all entities dispatching fares to vehicles operating for hire and reward, would be obliged to have a booking office licence and would at least provide some measure of protection to the public using their services and ensure accountability.

We left this meeting feeling reasonably positive and with the assurance that the matter would be taken up with the new Justice Secretary and with ECC. It is to be hoped that the powers that be will agree to act speedily.

As you can no doubt imagine, we are both concerned and annoyed at this development particularly since we raised the question of APPS suppliers with the Government more than 2 years ago. It took till last August for them to respond by arranging an exploratory meeting, but sadly despite continuing to raise our concerns, these appear not to have been taken seriously. If I were a cynic, looking back on the recent LGR committee meeting and the fact of a one-tier system being raised, it may be fair to wonder if some political skulduggery is afoot.

Get Taxi operate on the basis that they levy a charge of 10% commission on each fare passed to drivers, this applies to all fares whether cash or credit card. The commission will be deducted from any taxi fare charged to a credit card. When questioned how they deduct any commission due on cash fares, they were more than a little vague, but eventually agreed this would also be deducted from any credit card fares the driver had accumulated. To facilitate the commission due on fares, each driver is required to pass over their bank details. I was assured the bank account arrangement is one way only, pay in, with there being no facility for them to withdraw cash from the account. Hmm.

In terms of our position, the Federation's view is that while competition is a fact of life and something that we as a trade have no option but to live with, our main concern has always been the serious threat posed to public safety, given that these technology giants appear to have scant regard for the law as it applies to taxis and private hire cars, and that they, for now at least, are now outside of the safety net that regulation provides for the public. We as trade, can and will deal with competition but always provided that a level playing field exists.

Clearly this has some way to run yet and we will keep you posted.

## TECHNOLOGY:

Where does the trade go from here?

The speed with which the aforementioned technology has come upon us should not really have been a surprise as technological advances and the subsequent incursions into our every day lives seem to be speeding along at the speed of light. However, it has caused me to stop and think and to look for solutions, which, for someone as technologically backward as I am is not easy.

Having said this, it should have been obvious and with the benefit of hindsight, that we had as much chance of stemming the advance of technology as old King Canute had of stopping the advancing tide. Therefore, it should also be clear, that we, as a trade must compete if we are not to be swallowed up and lose our history which dates back to the days of the Hansom Cab and beyond . So how can we possibly compete with billion dollar corporations? Consider this;

it seems not so long ago since mobile phones came along and no doubt many of us thought these new fangled ideas would never catch on. How wrong we were. It does not matter where we go these days, the younger generation can be seen with mobiles hanging from their ears. It is therefore logical that this self same younger generation are going to give their business to the most convenient taxi service they can find. Loyalty will be a thing of the past, much like our generation. So how do we compete?

We could start by seriously considering togetherness and by that, I mean pooling resources, getting together as a trade and working for the common good. It may seem so, but in my view it is not too late to act.

There are just over 10.000 licensed taxis in Scotland and although it is unlikely, it is not beyond the realms of possibility that if all operators of taxis could be persuaded to become involved in a joint venture trade group, such as the STF, and if they were prepared to contribute equally, say £10.00 per month, or £1.2 million annually, it would be entirely possible to hire the best brains available to construct an APP that would rival anything our

competitors could offer. Such an APP, if properly constructed, could service the entire Scottish Licensed taxi industry, provide unrivaled customer service and put a stop to such as Google gaining world wide dominance in the Taxi and people transportation business. Pie in the sky? possibly, but perhaps not as far fetched as one might think. A tenner per month, or even a fiver, is surely small drink to secure the trades future. If the trade can not be convinced, it may still be possible to persuade local authorities to grasp the nettle, as has already happened in other countries, and develop an APP to service their own licensing areas taxi needs.

There is no doubt this idea may be viewed as being impossible and despite my obvious enthusiasm for the concept of working together, there would be much to overcome and not the least of these being self interest. So what is the alternatives? Well clearly we can do nothing and wait for the inevitable to happen, or we can do something as individual suppliers by investing more in the APPS market and looking to our laurels in terms of service provision, or we can consider the seemingly impossible by sticking together and starving the APPS giants of what they need most, the licensed service providers without whom their plans will be worthless.

I am personally rapidly closing in on the end of my taxi career, so perhaps I should be taking more of a back seat. However, I care so passionately about our trade that I feel I must at least provoke some kind of debate, for without this nothing will ever be accomplished. Please let me have your views. These can be posted on our web-site via the member forum

IRU/GTN.

We have recently been contacted by the International Road Transport Union (IRU) who are seeking to increase membership of their Global Taxi Network (GTN). Currently they have around 160.000 members and are seeking to extend this facility to licensed taxi operators only. The cost of membership is 5000 Euros annually and if the STF joined our member associations would automatically become associate members. I believe the STF have at some point in the past been members of the IRU.

It seems the main objective of the IRU Global Taxi Network is to promote legal, reliable, safe, and high quality Taxi services, using the latest smartphone technology in full respect of the regulatory framework. The idea is that GTN partners (APPS) will be able to network with each other rendering the APPs interoperable. Loosely interpreted the IRU envisage creating a roaming taxi APP facility, whereby GTN customers on the move between countries can access taxi services from GTN members, IE use the APP they would normally use in their home country to book taxi services in the countries they are visiting.

The strategy behind this seems to be to combat other APP suppliers and to give their customers assurance that the taxi service they are using is both safe and legal. We support the principle, but there is a need to investigate further the whole cost of belonging and to properly evaluate its worth to STF members.

Edinburgh Airport:

There is still no resolution to this ongoing case which I am now find difficulty in understanding.

Stop Press:

I have just been advised that at least one unlicensed driver has been cleared to use an APP being made available to the public in Edinburgh. The individual concerned appears not to be licensed in any shape or form, if factual, where does this leave public safety?

Bill McIntosh

General Secretary.

PS. It is evident that our members are not making use of the new web-site and in particular the members forum. Please let me know if you received the USER NAMES we originally sent out. If not I can resend and by using the username to get into the forum section you will be able to set your own passwords.