

Information session on the

Commission Notice on well-functioning and sustainable local passenger transport-on-demand (taxis and PHV)

17 June 2022, 10:00 - 12:30, on-line

Director of Land Transport Kristian Schmidt (DG MOVE) presented the [Commission Notice on well-functioning and sustainable local passenger transport-on-demand \(taxis and PHV\)](#) published in February 2022¹ and its main elements. Afterwards, participants (more than 120 external participants, notably from public authorities, PHV-, taxi- and ride-hailing-stakeholder associations, and NGOs) were given the opportunity to ask questions and share their views on the Notice and the subject matter.

Take-aways from the questions and comments part of the session:

Summary of Discussion:

In the discussion, participants welcomed the Commission Notice as well as the information session. Large majority of participants taking the floor expressed the view that this sector needs to be regulated at local level. Participants also expressed appreciation of the non-binding nature of the Notice, of the Notice's respect for the competencies at local level, highlighting the principle of subsidiarity, as well as for the Notice's clarifications regarding existing EU law (freedom of establishment). The discussion also highlighted the importance of accessibility and availability of local passenger transport on demand, the decarbonisation efforts which need to be undertaken as well as the importance of public (mass) transport. Some participants furthermore shared information about how the sector is regulated in their area, which provided an insight into different regulatory approaches.

DG MOVE took the opportunity to express thanks for the information and input received over recent years. DG MOVE confirmed that there were many possible approaches to regulating the sector within the current framework set by the existing rules at EU level, notably the freedom of establishment guaranteed by the Treaty on the Functioning of the EU. DG MOVE reiterated the need to ensure adequate and safe local mobility for citizens and emphasised the environmental challenges. DG MOVE encouraged Member States and local regulators to work together and share their experience.

In more detail:

Participant from a Spanish PHV stakeholder association started the discussion by calling for a level playing field for taxis and PHV and expressing discontent with the PHV legislation in Spain.

Participant of an international ride-hailing stakeholder association welcomed the Commission Notice and thanked the Commission for having achieved a balanced approach. Regarding regulation of the markets, this participant saw some progress in some Member States, but remaining issues in others, mentioning return-to-garage rule, minimum waiting times, driver exams.

¹ OJ C 62, 4.2.2022, p. 1

DG MOVE highlighted importance of taxi and PHV sector as part of the mobility offer and acknowledged the principle of subsidiarity.

Participant of a German Taxi (and PHV) stakeholder association congratulated the Commission on the Notice, emphasising its non-binding character and the importance of taking into account local specificities. Regarding “unfair competition”, an argument often brought forward, this participant also explained that where PHV and taxi operators/drivers may freely choose if they want to work as a PHV or a taxi operator/driver, there is no need to complain about unfair competition. Regarding environmental aspects and specifically the return-to-garage rule, this participant said that this association does not only look at the empty runs of a vehicle, but the total of all runs, and the implications thereof for a city, referring to cities in the USA which had seen a strong increase in PHV as negative examples.

Participant from German authority briefly informed about the new German legislation adopted in 2021, which aims at economic certainty for new providers, at balanced competition and allows for innovation. The new legislation will be evaluated in 2026. Participant said that legislation of the sector should remain in the hands of the Member States.

Participant from a European NGO said that on-demand-transport should be complementary to public transport and stressed the importance of public (mass) transportation.

Participant from Norwegian authority informed about reforms undertaken in 2020 in Norway, which ended numerical limitation of taxi licences and mandatory affiliation to dispatch centres. Due to the Covid pandemic, effects can only be seen in the last few months. Challenges arising from the 2020 reforms: More offer in highly densely populated areas, (too) little in sparsely populated areas. New government will look into possibilities to amend current regulation in two steps: First, introducing requirement of minimum professional experience, economic guarantee and taxi roof light; second, appointing government committee to examine and assess by 2023 if all areas in Norway are sufficiently covered with taxi services. Like previous participants, the participant from Norway advocated regulation of the sector at local/national level, and stressed merits of Notice in explaining the freedom of establishment with regard to regulation of the sector.

Participant from Spanish authority explained the division of competencies between different levels of legislators in the field of taxis and PHV in Spain and notably the competencies for regulating interregional services on the one hand and intra-urban services on the other. Participant did not agree with criticism voiced about the Spanish legislation.

Participant of a Belgian taxi and PHV association drew attention to the benefits of transport-on-demand for society, notably pointing to the public utility of taxis. According to this participant, a completely free and unregulated market would not make sense. Transport-on-demand should be available around the clock, cover the entire territory and have a price guarantee. Participant spoke out against surge pricing as taxis need to be affordable.

Participant of an Italian taxi association welcomed the non-binding nature of Notice, stressed that local differences do exist and appreciated that the Notice recognises these differences. This participant also expressed the view that taxis and PHV should stay different.

Participant of an international stakeholder organisation thanked the Commission for the Notice and stressed that taxi services operate locally and should therefore be regulated at local level. Participant also pointed out that taxis have more obligations than PHV and advocated that Member States should balance this. In view of the objectives of the Green Deal and the recommendations of the Notice in this regard, the participant highlighted the importance of technical neutrality, of the necessity for financial incentives and of the integration with public (mass) transport.

Participant from an Austrian authority referred to recent legislative reforms in Austria which abolished the differences between PHV and taxis. Fares are now calculated before the ride which customers appreciated. Within a price range (minimum and maximum fare) pricing is free (no fixed fares) which allows for competition on price. There is currently a study being undertaken about the latest reforms.

DG MOVE pointed out that Estonia, like Austria, does not distinguish between taxis and PHV.

Participant from a French/European taxi organisation underlined that different solutions fit different places and that drivers operate at a local level. Participant welcomed that the Notice respects the subsidiarity principle. Citizens should be able to choose between more cars and more space for cars or less cars and less space for cars and more for e.g. bikes. The situation in France differs considerably between Paris and rural areas.

Participant of the same European taxi organisation added that passenger transport-on-demand services need to be available for everyone at any time and at affordable prices and that this challenge was not solved by new service providers operating with surge pricing (example: passenger in wheelchair on a rainy day needing a ride). According to this participant, mobility is something everyone needs and should be for everyone, not for a small number of people. Regulations should be made at local level, regulation of the market is important. With regard to the Green Deal and its objectives as well, a local approach is necessary; Member States need the possibility to develop local approaches and solutions. Participant thanked the Commission for clarifying that the Notice is a non-binding document.

DG MOVE explained that the Notice deliberately does not address the question of pricing as this should be decided at local level and is closely related to accessibility and affordability. Social aspects and the role taxis play as public services are recognised in the Notice.

Participant from Hungarian authority explained that taxis and PHV used to exist in parallel in Hungary. Since 2015, however, same services are regulated in the same way, aiming at fair conditions for all market participants. Participant further explained measures undertaken in view of making the fleet more environmentally friendly (ex. maximum age for vehicles, emission standards).

Participant from a Spanish PHV association said that citizens should be able to choose between taxis and PHV and hence both services should be kept (separate). Participant informed that in Spain a separate licence is needed for intra-urban PHV services, but the competent regions have (with the exception of Madrid) not (yet) created respective legislation, which leaves many PHV without a licence for intra-urban services.

Participant of a German Taxi (and PHV) stakeholder association informed about shortage of drivers of both taxis and PHV. This participant further drew attention to the fact that transforming the fleet

towards zero emission vehicles is the right thing to do but is costly. Whereas climate is global, related costs occur at local level.

In reply DG MOVE confirmed that there was no EU funding for the shift of taxis and PHV towards zero emission vehicles, but pointed to phasing out of the internal combustion engine and the EU support for the roll-out of charging stations.

Participant of French authority congratulated the Commission for the interesting information session and expressed appreciation that Notice respects national and local rules. In France, differences exist between taxis and PHV. The broader mobility picture needs to be taken into account.

Participant of Belgian (Flemish) authority mentioned that Flanders, like Austria and Estonia, abolished the difference between taxi and PHV. All new licenses delivered as of 2020 are called individual remunerated transport and valid all over the region. The transition will be done by the end of 2024. There are further European countries (e.g. Netherlands and Finland) that have brought PHV under the taxi licence, which in this case is more liberalised than in the past (e.g. with regard to fares), with more persistent systems to control the work. Participant added that it however remains challenging to guarantee the public utility of the service. Flanders strives for a complete shift to e-vehicles, at the latest by 2030. All rides should be on a digital device linked to national ride database.

In the chat of the online information session, a participant from a German PHV stakeholder thanked for the information session and suggested to invite customers of taxi and PHV to a next session and to listen to their views about the services and regulations.

Participant of an international ride-hailing stakeholder association drew a line from driver shortage to unnecessary requirements for drivers. Furthermore, the participant warned that abolishing the difference between taxis and PHV should not result in abolishing PHV services.

Participant from an Italian taxi association thanked the Commission for the Notice. Participant expressed the view that the distinction between taxis and PHV was important. Same rules should apply on same markets. This participant argued in defence of the return-to-garage rule and mentioned that the controls of the sector were difficult. In defence of taxi services, the participant drew attention to the obligations imposed on taxis.

DG MOVE mentioned the Commission's proposal for EU legislation on platform work, addressing social rights of drivers.

Participant of an international stakeholder association called for "same service – same rules" as well as a level playing field and stressed that taxis have caught up with PHV with regard to app-based services. Participant welcomed that the Commission Notice had brought everyone together, "breaking the ice" between taxis and PHV.

Participant from Slovenian authority outlined the regulation of taxi and PHV services in Slovenia.

DG MOVE thanked everyone for their participation and contributions and encouraged notably regulating authorities and legislators to share experiences; whereas situations on the ground differ, challenges are often similar. DG MOVE confirmed that the Commission is not working on a legislative proposal and will continue to follow developments in Member States.