

Report Summary

Report of the Committee to Propose Taxi Policy Guidelines to Promote Urban Mobility

- The Committee to propose Taxi Policy Guidelines to promote urban mobility constituted by the Ministry of Road Transport and Highways submitted its report in December 2016. The Committee reviewed issues related to taxi permits in cities and suggested taxi policy guidelines. The guidelines will provide states with a common detailed framework to formulate regulations for taxi operations. Key observations and recommendations of the Committee include:
 - **Growth of cars:** The Committee noted that Indian cities suffer from severe traffic congestion which amounts to losses of about Rs 60,000 crore per annum, and adds to pollution levels. One of the major reasons behind this is the uncontrollable growth of cars in Indian cities. Lack of reliable and convenient transport alternatives has resulted in the growth of car ownership in the country. Further, the current scenario is with only about 5% of Indians owning a car. With car ownership increasing, the problem will only worsen in the future. The Committee recommended the need for a national level policy intervention to promote shared mobility over private vehicle ownership, in order to reduce congestion and pollution in cities.
 - **Taxi permits:** The Committee noted that in most cities taxi permits have not been issued after 1998. Further, several conditions attached to these permits have become outdated with technology. These act as barriers to entry into the market. It recommended that states should facilitate unhindered grant of permits for all taxis without any restrictions. In addition, states should allow the online grant of permits. Further, the conversion of personal vehicles to commercial vehicles should be allowed online on the payment of certain charges.
 - **Aggregators:** An aggregator is defined as a digital intermediary or market place for a passenger to connect with a driver for the purpose of transportation. The aggregators can aggregate all types of vehicles. However, it must be ensured that the vehicle complies with all the regulations. Their services can be provided for intra city as well as inter-city operations.
- The Committee recommended that aggregators must get their apps validated from the Standardisation Testing and Quality Certification or any other agency authorised by the Ministry of Electronics and Information Technology. They should also have a physical presence in the states where they are operating. They must also include a firewall for the security of personal data of the passengers. A grievance redressal mechanism and an emergency response centre to handle alert calls by passengers should also be provided.
- **Taxi permissions:** The Committee recommended that city taxis may be allowed to continue as street hailing taxis. However, they must also be allowed to ply on aggregator platforms. Taxis with All India Tourist Permits may be allowed to operate for all purposes except as street hailing taxis. The taxis must carry a valid permit, insurance, fitness certificate, and pollution under control certificate at all times. The taxis must also be fitted with a global positioning system (GPS).
- **Types of taxis:** The Committee recommended that taxis may be segregated into two categories: economy (less than four metre in length), and deluxe (more than four metre in length). The tariff of deluxe taxis should not be regulated and must be determined by market dynamics.
- **Taxi operations:** The Committee recommended avoiding unreasonable restrictions that would make taxi operations economically unviable. All taxi operators (including aggregators) must not have restrictions on the composition of their fleet (economy or deluxe cars).

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