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Contribution
by
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COLLABORATIVE ECONOMICS IN TRANSPORT NETWORKS MANAGED BY MOBILE APPLICATIONS, ITS EVOLUTION IN PANAMA

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"Challenges and Perspectives for the Collaborative Economy"
CONTENT

1. Background
2. Legal Framework
3. Public and Private Transport Managed Through Technology Platforms
4. Relevant Markets
5. Main Differences Between Public and Private Transport Systems
6. International Experience
7. Which it is identified? and where should we look?
8. Issues for Discussion
• Managed transport systems through technology platforms
• First established in Panama (2014)
• Started the first voices against (mid-2015, more intense 2016, demands)
• ACODECO comes to discuss the issue, both as consumer protection and competition policy matters
LEGAL FRAMEWORK

- Transport Laws
- Trade laws (electronic)
- Consumer protection and competition Law (Law 45 of 2007)
- Firms operating the service are legally constituted (operation notices)
PUBLIC AND PRIVATE TRANSPORT MANAGED THROUGH MOBILE PLATFORMS
RELEVANT MARKET

- Public Transport
- Private Transport
Both types of transport
Different markets, public transport and private transport. Procurement systems, payment methods, security, assessment of drivers, service costs, etc.; it generates difference
Who uses the service of private transport?
### MAIN DIFFERENCES BETWEEN PUBLIC AND PRIVATE SYSTEMS TRANSPORT

<table>
<thead>
<tr>
<th>CONCEPT</th>
<th>PARTICULAR TRANSPORT SERVICE</th>
<th>PUBLIC (CAB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver's Identity</td>
<td>Before boarding the car, the consumer has the information related to the driver (photos, qualification, registration, make and model of car, etc.)</td>
<td>It is unknown before boarding the car, only visible in the door the number of operating certificate, you have no prior information of the driver.</td>
</tr>
<tr>
<td>Route</td>
<td>The application records the GPS the route taken. Even you can share in real time.</td>
<td>At the discretion of the driver, there is no record.</td>
</tr>
<tr>
<td>Service Requests</td>
<td>Only mobile application</td>
<td>Random on the tracks and some mobile application</td>
</tr>
<tr>
<td>Music and volume inside the car</td>
<td>A consumer choice</td>
<td>A choice of driver</td>
</tr>
<tr>
<td>Air conditioning in the car</td>
<td>Standard</td>
<td>Random</td>
</tr>
<tr>
<td>Denying the Service once required (the famous &quot;I'm not going&quot;)</td>
<td>Basically does not exist (Applies only for security)</td>
<td>Latent at the discretion of the driver</td>
</tr>
</tbody>
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<td>Payment system</td>
<td>Electronically payment (credit card / debit card) at all and in some cash.</td>
<td>Cash</td>
</tr>
<tr>
<td>Receipt by the service</td>
<td>Electronically sent to the user email</td>
<td>Without receipt</td>
</tr>
<tr>
<td>Vehicle condition</td>
<td>Good</td>
<td>Medium condition, marked to the low</td>
</tr>
<tr>
<td>Security</td>
<td>Very good (electronic record is automatically from everything related to the contracted service)</td>
<td>Relatively low, there is no record of the service, beyond that you can manage on their own consumer</td>
</tr>
<tr>
<td>Cost of Service</td>
<td>Dear varies by traffic conditions, as well as for the distances traveled. Essentially more expensive than taxi.</td>
<td>It is known previously, the cost is regulated</td>
</tr>
<tr>
<td>Average user</td>
<td>Consumer own vehicle</td>
<td>Without own car Consumer</td>
</tr>
<tr>
<td>Driver Rating</td>
<td>Through App on devices</td>
<td>Would have to file a complaint with the ATTT, terminal, If applicable</td>
</tr>
</tbody>
</table>
INTERNATIONAL EXPERIENCE
(Case Of Mexico)

• Mexico City is the first Latin American city to adopt regulations for private chauffeur services like Uber and Cabify.

• Uber and the Mobility Secretariat (SEMOVI) jointly agreed to eliminate dynamic rate in extraordinary situations, and a variable rate established for specific situations.

• In case decreed environmental contingency fees shall not exceed 4.9x, and when the double decree today does not circulate, the fee will be capped at 2.9x.
PRELIMINARY CONCLUSIONS

- Create balance between supply and demand
- Self-regulation
- Network effects
- Positive effect on free competition, vehicle fleet, parking lots, etc.
- Convenience of regulation on issues related to consumers (passenger safety, insurance, not regulating rates or quotas of cars)
- Transparent information to consumers before, during and after hire service
- Current regulatory situation in Panama
ISSUES FOR DISCUSSION

• How can business models and consumer protection regimes successfully adapt to the collaborative economy?

• In cases of consumer dispute, where does responsibility lie in the collaborative economy?

• Which best practices can be identified and how should they best be promoted?

• What are the implications for international cooperation?
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