

**Intergovernmental Group of Experts on Consumer Protection  
Law and Policy, First Session**

**Geneva, 17-18 October 2016**

**Contribution  
by  
*Panama***

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

---



Oscar García Cardoze

President of the Consumer Protection Agency, ACODECO, Panama

**"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

# BACKGROUND



- 
- 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

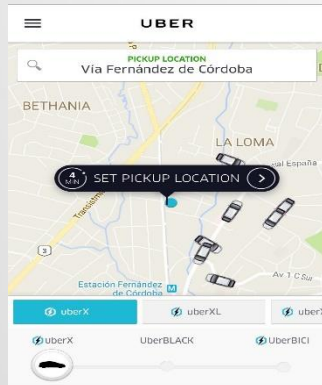
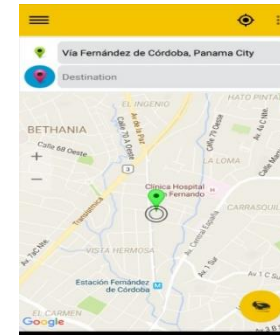
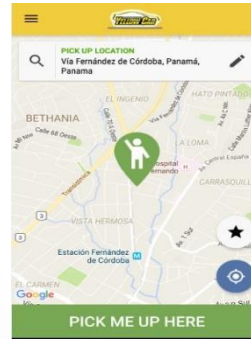
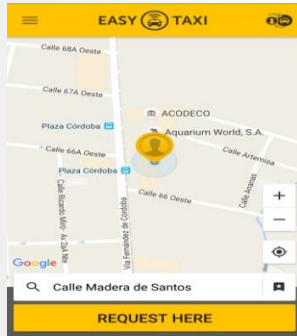
# LEGAL FRAMEWORK



- 
- Transport Laws
  - Trade laws (electronic)
  - Consumer protection and competition Law (Law 45 of 2007)
  - Firms operating the service are legally constituted (operation notices)



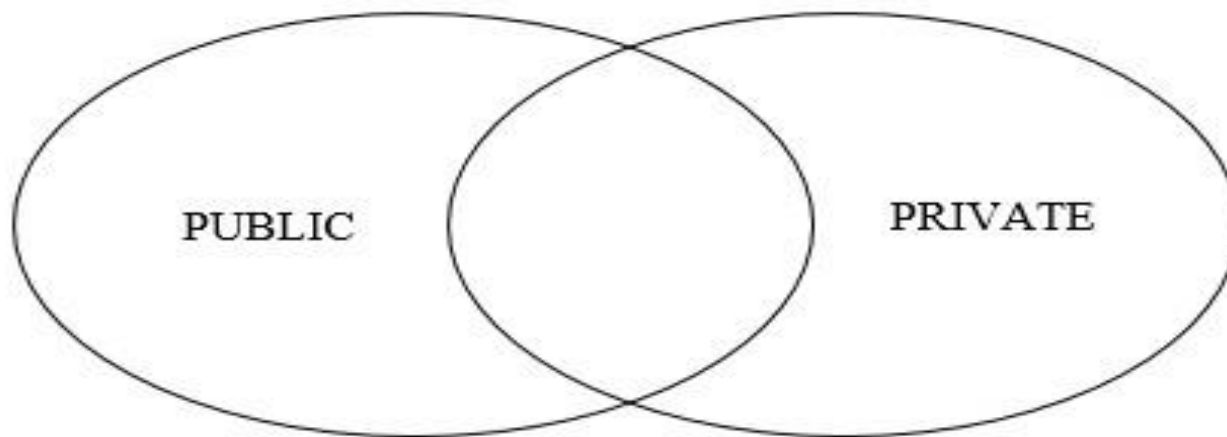
# PUBLIC AND PRIVATE TRANSPORT MANAGED THROUGH MOBILE PLATFORMS





# RELEVANT MARKET

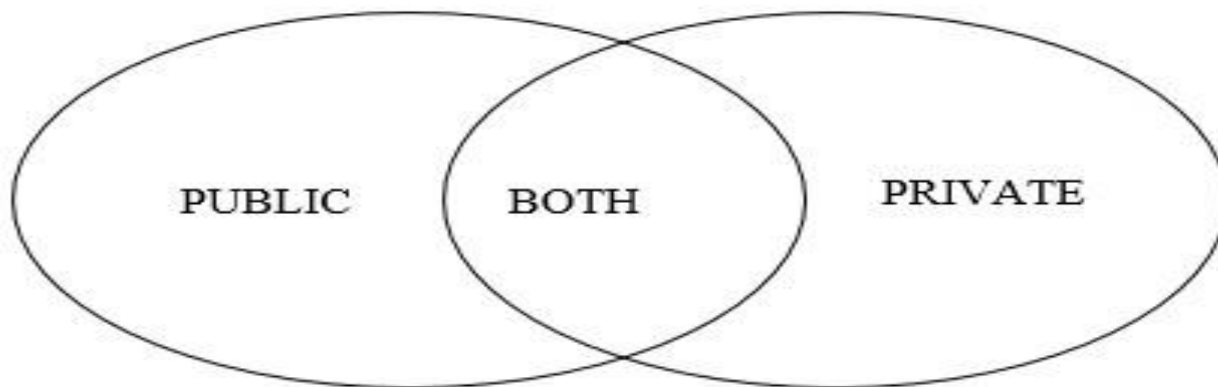
---



- Public Transport
- Private Transport



# RELEVANT MARKET



- 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



CONCEPT	PARTICULAR TRANSPORT SERVICE	PUBLIC (CAB)
Driver's Identity	Before boarding the car, the consumer has the information related to the driver (photos, qualification, registration, make and model of car, etc.)	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.
Route	The application records the GPS the route taken. Even you can share in real time.	At the discretion of the driver, there is no record.
Service Requests	Only mobile application	Random on the tracks and some mobile application
Music and volume inside the car	A consumer choice	A choice of driver
Air conditioning in the car	Standard	Random
Denying the Service once required (the famous "I'm not going")	Basically does not exist (Applies only for security)	Latent at the discretion of the driver

# MAIN DIFFERENCES BETWEEN PUBLIC AND PRIVATE SYSTEMS TRANSPORT



CONCEPT	PARTICULAR TRANSPORT SERVICE	PUBLIC (CAB)
Payment system	Electronically payment (credit card / debit card) at all and in some cash.	Cash
Receipt by the service	Electronically sent to the user email	Without receipt
Vehicle condition	Good	Medium condition, marked to the low
Security	Very good (electronic record is automatically from everything related to the contracted service)	Relatively low, there is no record of the service, beyond that you can manage on their own consumer
Cost of Service	Dear varies by traffic conditions, as well as for the distances traveled. Essentially more expensive than taxi.	It is known previously, the cost is regulated
Average user	Consumer own vehicle	Without own car Consumer
Driver Rating	Through App on devices	Would have to file a complaint with the ATTT, terminal , If applicable

# 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?

# COLLABORATIVE ECONOMICS IN COMPANIES OF TRANSPORT NETWORKS SUPPORTED IN MOBILE APPLICATIONS, ITS EVOLUTION IN PANAMA

---



## Oscar García Cardoze

President of the Consumer Protection Agency, ACODECO, Panama

[ogarcia@acodeco.gob.pa](mailto:ogarcia@acodeco.gob.pa)



[@AcodecoResuelve](https://twitter.com/AcodecoResuelve)

