Special Transportation Service in Sweden—Involvement of Private Operators

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Since 1979, every municipality in Sweden has been able to offer its inhabitants Special Transportation Service (STS). STS has a firm primary-municipality connection and organization. The municipality, however, receives a national subsidy, which today amounts to a maximum of 35 percent of a municipality's overall costs for STS. In 1986, 5 percent of the Swedish population was entitled to Special Transportation Service. As things have developed, STS has become primarily a means of transportation for the elderly. Every fifth person over age 65 is entitled, and the elderly constitute more than 85 percent of entitlements nationwide. Travel by Special Transportation Service has increased greatly during the past 10 years. The overall costs for the STS transportation in Sweden in 1986 were approximately $200 million. The nationwide average municipal cost for an STS trip in 1986 was $13. The cost range is wide, however, from a low cost of $6 to a high cost of $30. The range in the costs for different municipalities is mainly a result of the variations in policy among municipalities, such as prior reservation of a trip, obligatory collective travel, and the amount to be paid by the entitled person. Because of the increased costs of STS travel, many municipalities have now started to review the organization of STS. Until now the municipality has purchased the main part (95 percent) of the Special Transportation Service from the taxi companies. Many municipalities, however, are now trying new solutions in providing transportation for the elderly and disabled. In some municipalities, this has already led to a declining role for the private sector's (taxi's) involvement in providing this transportation service. There are indications that this development will continue in the future.

Special Transportation Service was introduced in Sweden at the end of the 1960s. At first it was conducted on a volunteer basis, but municipalities gradually assumed responsibility for providing Special Transportation Service (STS). A rapid development occurred during the 1970s, and since 1979, every municipality in the country has been able to offer this service. In 1974, Parliament decided to introduce national subsidization, which today amounts to a maximum of 35 percent of a municipality's overall costs. The result of the parliamentary action is that Special Transportation Service has a firm primary-municipality connection and organization.

The purpose of STS is to make transportation available to people whose handicaps preclude them from using public transportation facilities. Thus, at the outset the Swedish policy was to have a separate transportation system for the elderly and disabled. During the late 1970s, however, this thinking changed. Today the goal of Swedish policy regarding disabled people and the elderly can be summarized in two words—integration and normalization. In transportation terms this means that adaptation of transportation facilities to the needs of users should be an important part of planning by the transportation enterprise and vehicle manufacturers.

In 1979 Sweden implemented a law requiring the gradual adaptation of public transport vehicles and terminals in local surroundings to the needs of the disabled and elderly. With respect to the rate and extent of the adaptation, a period of 10 years was deemed feasible. This law applies to the manufacture of vehicles in 1984 and after. Without going into detail about what is required, it can be mentioned that on buses running in urban areas this law does apply to, among other things, the height of the steps, the design of the handrails, the size of the letters on destination signs, marked steps, handrails, and so on.

The law in 1979 was based on an investigation by a special commission called the HAKO Commission. The study defined a disabled person as anyone who, "on account of impaired physical or mental capacity, cannot use the existing public transport services, and who encounters substantial difficulties in getting about and travelling." This commission estimated that approximately 1 million people in Sweden (12 percent of the population) are disabled in some way with regard to getting around out of doors. These individuals can be divided into the following groups:

- Serious movement disability—250,000 people,
- Other disabilities involving manifest difficulty in traveling—250,000 people, and
- Other disabilities that to a certain extent can be considered as restricting the ability to travel—500,000 people.

In addition to these three groups there are large numbers of people, adding up to about the same total of 1 million, who have less ability to use public vehicles than fully active people. Included here, for example, is the large number of older people whose advancing age has resulted in reduced physical and mental capacity.

It is clear that there is a great need for both Special Transportation Service and an adaptation of public transportation in the society. When the Special Transportation Service was introduced, it was estimated that approximately 1 percent of the Swedish population would qualify for entitlement. However, the need proved to be considerably greater. In 1986, 5 percent of the population was entitled. As things have developed, STS has become primarily a means of transportation for the elderly. Every fifth person over 65 is entitled, and the elderly constitute more than 85 percent of entitlements nationwide.

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Many municipalities have now started to review the organization of STS because of the increased number of entitled persons as well as the increased costs. Until now the municipality has purchased the main part of the Special Transportation Service from various transportation companies, primarily the taxi companies. Partly because 85 percent of those entitled are elderly, an average of about 95 percent of the Special Transportation Service is conducted by means of taxis. The remaining 5 percent is handled by lift-equipped vehicles to accommodate people with serious motor disability.

This paper will focus on the involvement of the private sector in providing transportation for the elderly and disabled. Because of increasing costs for providing the Special Transportation Service, many municipalities are trying new solutions in providing transportation for the elderly and disabled. In some municipalities this has already led to a declining role for the private sector’s (taxis’) involvement in providing this transportation service. There are indications that this development will continue in the future.

IN VolVEMENT OF TAXIS IN STS

Special Transportation Service is a municipal concern, and every municipality sets its own guidelines, with regard to

- Rules for granting entitlement,
- Amount paid by an entitled person, and
- Possible limitations (e.g., number of trips per month, length of trip, etc.).

The design of STS in Sweden means that the individual user does not have freedom of choice when requesting a trip. When an individual is granted entitlement to this service, the decision is also made whether travel will be by taxi or lift-equipped vehicle. Furthermore, the municipality often has just one telephone number for the entitled person to use to request a trip.

As mentioned earlier, the Special Transportation Service in Sweden has become mainly a means of transportation for the elderly. Since STS was begun in the early 1970s, taxis have provided most of the service. This is possible since most of the riders are ambulatory and do not need a lift-equipped vehicle with ramp or hoist facilities. Only a minority of trips are conducted by such vehicles.

Generally, it can be said that the cost of a trip via lift-equipped vehicle is higher for the municipality than a trip by taxi. Available information indicates that such costs are 50 to 100 percent higher. The reason is partly that lift-equipped vehicles are often double staffed and partly that they involve longer travel times because of assistance required by the travelers both during the trip and during transportation to and from the vehicle.

However, for that portion of STS that is provided by lift-equipped vehicles, there are some differences among municipalities depending on whether the vehicles are municipally owned, or, if not, from whom such services are contracted. In most cases, it is also the local taxi company that provides transportation in lift-equipped vehicles. Sometimes the company itself owns the vehicles; sometimes it contracts out these services. Many municipalities do own these vehicles and thus have specially employed personnel for this kind of transportation. In certain cases, the local bus companies own lift-equipped vehicles and the municipality negotiates an agreement with these companies.

Because the trips provided by taxi have turned out to be less expensive than those in special vehicles, there has been no serious discussion until now about changing the organization of the private sector’s involvement in STS. Taxis have always been providing this service, so there is no obvious source to go to in search of why and how it all started. The situation is very likely to remain as it is in many municipalities for the near future, even if some municipalities have increased the portion of STS provided by lift-equipped vehicles and other operators. At the end of this paper, an example is presented of how one municipality has started to use more lift-equipped vehicles in conducting STS and the consequences of this.

In Sweden, there is no competition in the area of taxi services. In principle, all the taxi companies in the country are affiliated with the Swedish Taxi Association. Consequently, there is no competition between various transportation companies when it comes to entering into agreements concerning the major portion of Special Transportation Service. Agreements are reached on the local level through municipal negotiations with the local taxi organizations, but the central taxi organization, in collaboration with the Association of Swedish Municipalities (that is, the umbrella organization for the country’s municipalities), has drawn up guidelines that determine the parameters within which agreements on the local level should fall.

These guidelines govern, among other things, taxi fares for STS. Driving speed (i.e., the practical time needed for a certain kind of trip) plays the decisive role in setting the rate of payment per kilometer and for taxi assignments in general. Over and above the cost of the trip itself, additional fees are added for such assistance as the entitled person may need in getting to and from the vehicle. The size of this amount depends on the time involved and is based on a standard rate of about $17/hr.

In general, all taxi owners and drivers are engaged in STS assignments because an entitled person can, in most municipalities, either phone and order a trip or hail a cab on the street. In the latter case, some municipalities charge the entitled person a higher fee than that for a trip ordered in advance. It is important to point out, however, that this kind of “spontaneous” trip is not allowed in all municipalities. This is especially true of places where computerized booking centers have been installed to organize Special Transportation Service. But because it is possible in many places to hail a cab on the street, all taxi drivers in those places are engaged in STS.

Therefore, the central guidelines state that it is important for all drivers to receive training in municipal STS regulation, as well as in such areas as the psychology of the disabled and techniques for lifting and supporting. The Taxi Association plans to introduce such training into the basic education of taxi drivers, as well as into advanced courses. Before this training becomes obligatory, the basic education for taxi drivers consists of a 1- to 2-day course financed by the municipalities. If such education is offered by a municipality, it can require that all those who drive STS-entitled people receive special training. Parenthetically, it is worth mentioning that such training is already obligatory for drivers of lift-equipped vehicles.
The taxi driver is required to ascertain that a passenger is entitled to STS. The driver must also add the STS fee established by the municipality. Here, there are great differences among municipalities. Some issue a card to entitled people for a certain period of time, which the driver only needs to check. Others issue coupons that are used to pay for trips. However, the most usual system is that the entitled person pays a certain share of the amount shown on the meter, ordinarily 20 to 30 percent. This is usually paid in cash, but sometimes coupons are used.

The taxi driver records the passenger’s name, the fare for the trip, and how much the passenger has paid, on a special form. The passenger signs the form to indicate that the figures are accurate. The driver then turns in the forms, accounting to the municipality for STS trips made. Trip and assistance costs are totaled, and whatever amount the passenger may have paid is deducted. This accounting occurs in accord with local agreements, which can vary from weekly to monthly or longer intervals.

EFFECT OF GROWING STS COSTS ON TAXIS

Travel by Special Transportation Service has increased greatly during the past 10 years, as have the costs to municipalities. The overall costs for the STS in Sweden in 1986 were about $200 million. The nationwide average municipal cost for an STS trip in 1986 was $13. The cost range is wide, however, from a low of $6 to a high of $30. Thirty-five percent of this cost is subsidized by the government. This wide range in the costs for different municipalities is mainly a result of the considerable variations among municipalities in policies, such as prior reservation of a trip, obligatory collective travel, and the amount to be paid by the entitled person.

The municipalities are in agreement, however, that the great cost increases for Special Transportation Service over the past few years are primarily the result of rising taxi fares. It appears that in the local negotiations between the municipality and the taxi organization, the taxis are in the driver’s seat and can push through rather drastic fare increases. This is because at present there is no other “private operator” who can compete for providing this service to the municipalities, and nearly 95 percent of STS trips are made by taxi nationwide.

Of course, STS trips are a large source of income for the taxi. In Stockholm, nearly 50 percent of the total taxi business consists of STS trips. That figure is fairly representative for the country. In certain sparsely populated municipalities, the figure is much over 50 percent. Therefore, it should be reasonable for the municipalities to put pressure on the taxi prices and thereby hold down their costs. For the moment, however, it appears that the taxis have the upper hand because the municipalities are obliged to provide STS for people who cannot use public transportation facilities and because there are no competitors for the taxis as a resource.

The rising costs have meant that the municipalities have taken various steps to save money on STS or to ration the service, for example, by raising the contribution paid by the entitled person, restricting the number of trips per month or year, or coordinating Special Transportation Service trips. Therefore, in many municipalities, a review of the Special Transportation Service situation is being conducted. This review process includes the question of who should provide transportation services. Many municipalities are beginning to either buy more lift-equipped vehicles or let local bus companies, for example, provide more STS transportation with lift-equipped vehicles. One of the goals is to be able to coordinate trips to as great an extent as possible and thereby reduce the cost per trip.

To do this effectively often leads to a computerized booking center where trips are coordinated. This leads in turn to a new limitation for the entitled person because a trip must be ordered in advance. In some places where a booking center has been introduced, it has been possible to reduce the reservation time to 30 to 60 min, which should not be regarded as too great an inconvenience for the passenger.

The installation of a booking center and obligatory coordination of trips influence the involvement of taxis in STS transportation. Below is described the organization of STS in a Swedish city where a booking center has been installed, and what effects the booking center has had on the STS transportation.

DECREASED STS ROLE FOR TAXIS IN BORÅS

Borås is a city with a population of about 60,000 situated near Gothenburg. Coordination of STS trips was introduced in Borås in 1981. In the beginning, coordination was done manually, but by 1984 a computerized planning system was in operation. In Borås, according to an agreement with the Social Services Authority, the local public transportation company is responsible for planning, operation, and follow-up of all Special Transportation Service. The company has 10 lift-equipped vehicles and taxis at its disposal. The drivers of the special vehicles have received special training and are employees of the bus company.

The computerized system means that taxi personnel handle taxis and STS for taxi passengers. One full-time position is allocated to the STS part of the business. The bus company's personnel manually coordinate STS for lift-equipped vehicle customers. Thanks to cooperation with the taxi through neighboring switchboards, regular taxi passengers can be assigned to empty places in lift-equipped vehicles when appropriate according to time and route.

When booking an STS trip, the passenger states the point of departure, destination, number of people, and desired time of departure. An eligibility check is automatically carried out when the order is placed. Then the computer finds the least expensive trip (considering length of journey, multiple-passenger trip savings, and so on) within a certain interval (plus or minus 15 min) from the requested time of departure.

When the coordination system was introduced, the implications for the taxi company and the municipality, as well as the Special Transportation Service customers, were great.

For taxis the new system has had a number of consequences. One is that a large number of taxi trips for Special Transportation Service are now multiple-passenger trips—about 25 percent. Another is that many people entitled to STS trips by taxi now travel by lift-equipped vehicle instead, if time and route are appropriate. Lift-equipped vehicles, therefore, receive highest priority in trip coordination; they are used first. This means that the share of trips by lift-equipped vehicle has risen from 7 percent in 1979 to about 25 percent in 1986. As mentioned at
the outset, the average for the country is about 5 percent. Consequently, the taxis have lost a relatively large share of STS transportation in Borås.

For the municipality the introduction of the manual system led to a decrease of 23,000 trips in 1 year. Until 1982 there had been a large increase in traveling; in 1979 there had been some 160,000 trips, and in 1981, 195,000. Thereafter, the number of trips decreased to a rate of 165,000 per year in 1984. The municipality's costs for Special Transportation Service decreased from $1.3 million in 1981 to $1.1 million in 1984. The number of trips per entitled person per year also decreased from 66 in 1980 to 50 in 1984, and gross cost per trip decreased from $13 in 1979 to $7 in 1984.

The reduction in costs resulted partly from the reduced number of trips per entitled passenger, but primarily from the coordination effects achieved. It can also be noted that the number of those entitled to STS increased from 2.9 percent of the population in 1979 to 3.5 percent in 1984. Despite this increase, the total cost of Special Transportation Service decreased.

The development after 1984 when the computerized booking center was introduced has meant a continued increase in the number of entitled persons. In 1986, 4.2 percent of the population in Borås was entitled to Special Transportation Service. The total number of trips as well as the number of trips per entitled person per year have also continued to increase. In 1986, 185,000 STS trips were made in Borås, which means 42 trips per entitled person per year. Gross cost per trip has increased to $9 per trip. This means that the total costs for Special Transportation Service in Borås in 1986 were $1.8 million.

Despite these growing costs for the STS service in Borås, the municipality shows great differences compared with the situation in Sweden overall. The average cost per Special Transportation Service trip in Sweden in 1986 was $13 compared to $9 in Borås. The average cost in the country for an STS trip with a lift-equipped vehicle was $23; in Borås the cost was half that price at $12 dollars. Consequently the introduction of a computerized booking center has meant savings for the municipality compared to the average in the country. This is achieved mainly by a low cost per trip.

The coordination system has also imposed certain restrictions on the STS passenger because of prebooking and obligatory trip-sharing when that is deemed necessary. The decreasing number of trips per entitled person per year implies reduced travel with the Special Transportation Service. This can be a result of the obligatory coordination of trips. Many STS-entitled persons have reacted strongly against the prebooking of trips, which they believe limits their possibilities to travel. Therefore, it is very important that regulations in Special Transportation Service be handled with great care in order to avoid causing the users too much inconvenience. Special Transportation Service is often the only possible way of getting around out of doors for these individuals.

CONCLUSION

More and more municipalities have begun to introduce computerized booking centers to coordinate STS. Therefore, it appears that the trend will be that the taxis' involvement in Special Transportation Service will diminish. On the other hand, the involvement of other "private operators" in providing STS transportation with lift-equipped vehicles will probably increase.

These developments are not uniform throughout the country. In Borås, for example, the municipality purchased the STS service from the local bus company. In other places, the municipality owns the lift-equipped vehicles but leases them to the local bus company and then purchases STS transportation from the company. In still other places, the taxi company provides transportation in special vehicles. Consequently, the drivers of lift-equipped vehicles are most often employees of the local bus company. It can be concluded that the influence of "private operators" in Special Transportation Service remains, but that the taxi companies' share in this service will probably decrease in the future.

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