

# Regulation and competition in the Norwegian taxi service industry

**Wenche S Egeland\***

Norwegian Competition  
Authority, Sentrum  
wese@kt.no

**Andreas J Tveito**

Norwegian Competition  
Authority, Sentrum  
anjt@kt.no

**Christian Lund**

Norwegian Competition  
Authority, Sentrum  
chlu@kt.no

This article will introduce the reader to the Norwegian taxi service industry. This industry might not be among the largest industries, however, most countries regulate the taxi service industry in some form or another,<sup>1</sup> and most other industries face some sort of regulation. We therefore believe that this article will be of interest to readers with a general interest for competition law and regulated industries, even though they might not have a particular concern for either Norway or the taxi service industry.

First, the different regulations applicable to the Norwegian taxi service industry will be outlined. Secondly, this article will provide an overview of the Norwegian Competition Authority's (NCA) involvement in the industry. Finally, a summary and some concluding thoughts will be presented.

## Background on the structure and regulation of the Norwegian taxi service industry

### *A short overview of the industry*

The Norwegian taxi service industry has an annual turnover of about NOK6.8 billion (€760 million) and employs about 16,000 people.<sup>2</sup> This amounts to about 12 per cent of the total turnover and 24 per cent of the total employment of the inland transport sector in Norway.<sup>3</sup> Transport of patients to and from hospitals and other healthcare institutions accounts for about 16 percent of the turnover in the industry.<sup>4</sup>

There are 8,620 taxi licenses in Norway<sup>5</sup> which results in approximately 1.8 taxis per thousand citizens.<sup>6</sup> In densely populated areas, almost all licenses are affiliated to dispatching service companies (DSC). In addition to dispatching services, the DSCs typically provide accounting and credit card processing services, negotiate group discounts on purchasing equipment

and submit tenders on behalf of affiliated licensees. There are at least two competing DSC in all major cities in Norway.

The taxi service industry can be divided into two segments, the single trip segment, and the contract segment. In the single trip segment customers either order a taxi through a DSC or hail a taxi from a taxi rank or from the street.

### *The regulatory bodies*

The responsibility for regulating the taxi service industry in Norway is divided between three authoritative bodies: the county governments (CG), the NCA and the Norwegian Ministry of Transport and Communications (MTC). The taxi licensing authority is allocated to the 19 counties, where the respective CG is responsible for managing the taxi service industry in its respective geographic area.<sup>7</sup> The NCA enforces the Norwegian Competition Act<sup>8</sup> and regulates fares in certain parts of Norway through maximum fares. The overall regulation of the taxi market is the responsibility of the MTC which among other things stipulates quality and safety requirements for the taxi licensees as well as market access rules *across* county lines.

### *Partial deregulation of fares*

Until the year 2000, the NCA determined maximum fares for the taxi industry in all of Norway. However, in 2000 the industry was partly deregulated when the five largest cities in Norway were exempted from maximum fare regulation.<sup>9</sup> In these areas, the DSCs and licensees can set fares freely. Outside these deregulated markets, maximum fares are still determined and adjusted annually by the NCA through the Regulation of Maximum Prices for Taxi Transport.<sup>10</sup> The maximum fare regulation only applies to the single trip segment. The contract segment, ie, contract driving for public

authorities or companies who negotiate fares for multiple trips, is exempted from the maximum fare regulation. The NCA also has the ability to exempt new areas from the maximum fare regulation.<sup>11</sup> Maximum fare regulation will be discussed below.

#### *The role of the CGs: market access regulations and coverage requirements*

Market access rules were maintained in all areas in the 2000 reform. As such, the CGs maintained broad regulatory powers regarding market access. First, they have the ability to define the area within the county where a taxi licensee can operate.<sup>12</sup> Secondly, and more importantly, they have the ability to determine the number of active taxi licenses and DSCs in a defined area with the obvious implications for effective competition and prices. The background for these market access rules is 24 hours a day coverage and full time job requirements for all licensees.<sup>13</sup> Given these burdens it is considered necessary to restrict access so as to ensure that the licensees have a sufficient income.

CGs also decide the number of DSCs in a defined area, and require individual licensees to be members of a DSC (often explicitly stating which DSC), or alternatively define a primary area where the licensee is responsible for providing its services. Mandating affiliation with a DSC is assumed to (1) reduce the consumers search cost because the DSCs operate with the same prices for all affiliated members; (2) efficiently utilise the taxi stock by coordinating trips as to minimise the amount of idle time and non-occupied travel time; as well as (3) promote efficiencies of scale as regards technical equipment and processes needed to run a DSC.

CGs also approve the by-laws and rules governing the organisation and operation of the DSCs, and can with a substantial degree of discretion assign obligations and rights onto DSCs, licensees and drivers. The role of the CGs will be further discussed below.

#### *The role of the MTC: quality and safety requirements and cross county regulation*

The MTC stipulates quality and safety requirements applying to the taxi licensees. These include criminal background checks every five years,<sup>14</sup> proof of sufficient financial capacity,<sup>15</sup> and completion of a theoretical course approved by the MTC. The MTC also determines market access rules *across* county lines. Currently a taxi can, for instance, bring a customer to another county and subsequently pick up a customer on the return trip. A taxi cannot, however, start and end a trip outside the county it is licensed in.

## **Competition and the NCAs involvement in the taxi service industry**

### *Tools and objectives of the NCA*

The NCA enforces the Norwegian Competition Act of 2004 (the Act).<sup>16</sup> The objective of the Act is to enhance competition and thereby contribute to the efficient utilisation of society's resources. When applying the Act, special consideration shall be given to the interests of consumers.<sup>17</sup>

The primary tools the NCA has to achieve this objective are sections 10 and 11 (equivalent to Articles 53 and 54 of the EEA Treaty and Articles 81 and 82 of the EC Treaty) and section 16 (merger control) of the Act. The NCA can also use its powers under section 9(e) to identify anti-competitive effects of public measures and proposals. Furthermore, section 9(c) grants the NCA the power to implement measures for the promotion of market transparency. Finally, the NCA has the responsibility for adjusting maximum fares through the Regulation of Maximum Prices for Taxi Transport<sup>18</sup>. The legal basis for this regulation is the Norwegian Price Regulation Act of 1993<sup>19</sup>, section 1 of which gives the Government authority to regulate prices when it is necessary in order to further a reasonable price trend. The provision is generally rarely used, but it has been deemed necessary to regulate prices in the taxi service industry. This authority to regulate prices has been delegated to the NCA.<sup>20</sup>

The following pages describe the recent communication between the NCA and the CGs under section 9(e) of the Act. Moreover, we then provide an overview of recent and possible future applications of sections 10, 11 and 16 of the Act in the taxi services industry with specific focus on public procurement. We will then go on to discuss various instruments for achieving better transparency and price information in the market, offering the reader some thoughts on the regulations of maximum fares.

### *Anti-competitive effects of public measures and proposals*

LETTERS TO COUNTY GOVERNMENTS EXPRESSING CONCERN REGARDING ANTI-COMPETITIVE EFFECTS OF ENTRY BARRIERS FOR DISPATCH SERVICES AS WELL AS ENTRY REGULATION RELATED TO THE NUMBER AND MOBILITY OF LICENSES

The regulations the CGs are imposing on the taxi industry, such as market access limitations, can have anti-competitive effects. The NCA cannot oblige the CGs to alter these regulations, but in 2007 the NCA sent two letters to the CGs identifying various anti-competitive effects of the regulation and advising on how the regulation could be adjusted to allow for

effective competition. The following is a summary of the NCA's proposals and some measures that the CGs have adopted in response thereto.

A substantial number of CGs have indicated that they have not been provided with evidence of a need for additional licenses in the markets they are responsible for. In its letters, the NCA indicated that restricting the number of licenses may harm competition in the taxi service industry and that the CGs have the power – not an obligation – to restrict the number of licenses. Economic theory predicts that in absence of any quantity restrictions the market will correct any potential oversupply of licenses over time, either through falling prices or by forcing ineffective licensees out of the market. Restricting the number of licenses may cause an undersupply of licenses and thus bring about higher prices and longer waiting time. License restrictions may be particularly harmful in areas with competition between DSCs and no maximum fare regulation. Furthermore the NCA advised that if the CGs are to restrict the number of licenses, an objective and independent analysis of the need for new taxi licenses should be undertaken by the CGs, rather than relying exclusively on information concerning the need for new licenses provided by the DSCs.

The NCA also pointed out the benefits of facilitating entry of new DSCs. Having at least two competitive DSCs in a given market is one of the prerequisites for exempting a new market from maximum fare regulation. Facilitating market entry may include giving DSCs the ability to offer their services<sup>21</sup> to licensees across several markets. Avoiding minimum limits on the number of affiliated licenses would also ease entry, particularly in combination with increased license mobility between DSCs.

Increased mobility of licensees between various DSCs would stimulate healthy competition between DSCs in attracting licensees. This would encourage dynamic efficiency, and as such, prevent the cementation of market shares which is often symptomatic of the taxi markets. Increased mobility could be achieved by, for example, removing obligatory commitment times for licensees to a particular DSC; making new or returned taxi licenses available more frequently; or as mentioned previously, making more licenses available.

The NCA also suggested introducing maximum limits on the number of licenses affiliated to a particular DSC. This would be particularly important if CGs decide to regulate entry more actively. This would prevent one DSC from obtaining a dominant position. If a DSC *already* has a dominant position, a situation which actually is common for many incumbents, one solution would be to actively redistribute licenses that are returned from licensees affiliated with the dominant

DSC. Using maximum limits was recommended instead of limiting license mobility, an approach commonly used in an attempt to prevent large-scale movement of licenses from smaller DSCs to the dominant DSC. Maximum limits would preserve the mobility of licenses between smaller DSCs which would otherwise be lost through limiting license mobility.

Preliminary examinations indicate that the impact of the NCA's initiative varies a great deal between different counties. Several counties, typically in densely populated areas in the southern part of Norway, have prepared thorough reports about the taxi industry, increased the number of licenses and facilitated entry for new DSCs. Some regulatory changes have also been implemented. For instance, the CG in Bergen (the second most populous city in Norway) has put into effect maximum limits on the share of licenses that can be affiliated to a particular DSC. Also, the CG in Oslo is redistributing licenses that are returned from licensees affiliated with the biggest DSC (Oslo Taxi) to other smaller DSCs.

#### *Anti-competitive behaviour in public procurement*

It is important for the NCA to monitor and review possible effects on competition due to recent and ongoing changes in the public contract segment for taxi services, particularly the transition from traditional negotiations to public procurement processes. This is for example likely to affect transportation of patients, students, elderly and disabled people. Potential anti-competitive effects in the market for transportation of patients were the main reason for intervening in a merger between two DSCs in Sør-Trøndelag county in 2007.<sup>22</sup> However, in addition to intervening against anti-competitive mergers, the NCA must also be aware of the potential problems in this segment due to behaviour that may be in conflict with sections 10 and 11 of the Act (equivalent to Articles 53 and 54 of EEA Treaty).

Historically the Norwegian taxi market was defined by legal monopolies with little or no competition across county lines. It has also been common, particularly in rural areas, for taxi licensees to cooperate in various forms in order to ensure adequate 24 hour coverage. Therefore, it has proven rather difficult for purchasing offices at public institutions which tender transportation contracts to conduct efficient tendering procedures due to lack of competitive bidding. In many cases, licensees or DSCs representing a group of licensees choose not to make bids outside their 'home market'. This may be due to genuine capacity constraints as a result of restrictive entry regulation, but can also be the result of a market sharing agreement between the DSCs.

Achieving efficient competition in tenders is further hindered by the fact that in a number of counties,

various local DSCs have created umbrella organisations that offer a number of services to the owners (the taxi licensees) such as credit card processing, group discounts on purchasing equipment, dispatching trips as well as traffic management services. However, a tendency for these umbrella organisations has also been to bid for the public contracts on behalf of all or most of the DSCs in a market. Because of the socioeconomic benefits associated with affiliating licensees to a DSC<sup>23</sup>, DSCs are exempted through regulation<sup>24</sup> from the prohibition of anti-competitive agreements<sup>25</sup> when it comes to bidding on behalf of licensees connected to the DSC in question.<sup>26</sup> However, the regulation does not exempt agreements *between* DSCs. The NCA has clearly stated that the above mentioned umbrella organisations are to be regarded as agreements between DSCs, and thus are not exempted from the general prohibition of anti-competitive agreements in section 10 of the Act.<sup>27</sup>

Effectively, the umbrella organisations have created regional monopolies. Due to limited or no actual (or even potential) competition caused by entry regulations and the lack of close substitutes, DSCs are in a strong bargaining position relative to the consumers of the services, which in many cases are restricted by law from reducing purchases of taxi services.

In December 2008, the NCA intervened against an umbrella organisation in Nord-Trøndelag county for violating section 10 of the Act in a public procurement competition for transporting patients to and from hospitals. The umbrella organisation had submitted a joint tender on behalf of all the DSCs and licensees in Nord-Trøndelag county. The NCA found that the tender specifications allowed every DSC and licensee to submit independent tenders, and concluded that the umbrella organisation's tender submission was to be regarded as anti-competitive. A NOK300,000 (€34,000) fine and an order to cease equivalent cooperation were imposed.

The NCA has also recently considered but discontinued its investigation of a similar case involving an umbrella organisation submitting a joint tender on behalf of all the DSCs and licensees in Nordland county. The case was discontinued because the design of the bidding terms<sup>28</sup> and the geography of the county<sup>29</sup> involved, suggested that there was basis for the submission of one tender only in large parts of the county. The anti-competitive effects of the joint tender submission were therefore considered to be negligible.

The NCA is also planning to advise the buyers in the public contract segment for taxi services on how to design their tendering process' in order to achieve effective bidding.

### *Abuse of dominant position*

A general challenge for the NCA is to monitor dominant DSCs. As long as the entry regulation prevails, the NCA will likely face a number of local or regional taxi markets with one large (usually) incumbent DSC. As such, the NCA will be required to monitor each market carefully in order to detect behaviour that constitutes a breach of section 11 of the Act. This may include predatory pricing in public procurement (to squeeze out smaller DSCs which may depend on public contracts to survive). The more protected the incumbent is in terms of competition from other DSCs, and the more restricted the entry and mobility of licenses are, the more likely the abuse of a dominant position is to occur.

### *Transparency and access to useful and comparable price information*

In addition to entry barriers, as described above, the NCA finds that perhaps the biggest obstacle to effective competition in the taxi market is that the fare structure is complex and not easily available to the consumer when conducting the transaction.

#### IMPROVING ACCESS TO PRICE INFORMATION IN TAXIS AND AT TAXI RANKS

Useful and easily available information concerning taxi fares is an issue currently being addressed by a project group consisting of members from the Norwegian Taxi Association, the Consumer Council, the Consumer Ombudsman and the NCA. The project group is considering alternative solutions for improving access to useful and comparable fare information at the taxi ranks and inside/outside the taxi.

The work is primarily aimed at developing a reference price based on a defined average trip<sup>30</sup> which will be displayed inside and outside the taxi as well as comparable reference prices for various DSCs displayed at the taxi ranks. In combination with informing customers about the principle that taxis freely can be chosen out of line at the rank, the project group anticipates that this will induce DSCs to compete harder on fares. Given the broad mandate of the CGs in regulating their respective taxi markets, the NCA indicated in the follow-up letter sent to the CGs that this process could be facilitated by requiring useful and comparable fare information on the inside and outside of taxis as well as at public taxi ranks.

#### IMPROVING ACCESS TO PRICE INFORMATION OUTSIDE TAXI RANKS

Trips initiated on the street or from taxi ranks constitute approximately one half of the trips in the single trip

segment. As discussed earlier, the NCA is currently working with the consumer agencies on improving access to comparable information from various DSCs on dispatching sites and in taxis. This means that there is still a challenge providing useful and comparable price information to the remaining half of buyers who pre-order their taxis for pick-up at a defined location. It is clear that improved information at taxi ranks and in cars also will reduce overall information costs, because a buyer can use information obtained at trips made from taxi ranks in future transactions.

The NCA also expects that technological development in this area can potentially improve access to comparable price information. For example, a popular Norwegian consumer webpage financed by advertising has developed, and is currently testing, a taxi fare calculator connected to Google Maps.<sup>31</sup> The use of a web-based taxi fare calculator which, if linked to a route calculation software program and a database containing fares for various DSCs, could give buyers trip specific price estimates from various DSCs before ordering a trip from home. Technologically, the same could be achieved through a SMS-based service on cellular phones, a service which could provide taxi customers with the basis for informed decision at or outside the taxi rank.

EVALUATE FARE STRUCTURE - 'SINGLE SYSTEM CALCULATION' V  
'DOUBLE SYSTEM CALCULATION'

Norway currently uses taximeters based on a single system calculation method, which entails a fare calculation based on a time tariff below a cross-over speed and a distance tariff above a cross-over speed. The cross-over speed is calculated by dividing the time tariff by the distance tariff. To illustrate the complexity of such a system, imagine the following example: if the time tariff is €45/h and the distance tariff is €2/km, the cross over speed is  $45/2 = 22.5$  km/h. When the speed is above 22.5 km/h the price increases with €2/km, and when the speed is below 22.5 km/h the price increases with €45/h. A ten kilometre trip where six kilometres are covered with speed above 22.5 km/h and the remaining four kilometres are covered in 15 minutes would then cost  $6 \times 2 + (15/60) \times 45 = \text{€}23,25$

Until now, this rather complex fare structure has contributed to making it extremely difficult for the buyer to make informed choices because it involves both a number of relatively complex calculations as well as making informed guesses about the time travelled above and below the cross-over speed.

The Norwegian Taxi Association has proposed that the NCA initiate a change to a double system calculation where fare calculations will be based on

simultaneous application of a time tariff and a distance tariff during the whole trip. If for instance the time tariff is €30/h and the distance tariff is €1.50/km, a given ten kilometre trip lasting 20 minutes would cost  $1.5 \times 10 + (20/60) \times 30 = \text{€}25,00$ . The NCA is positive to the proposition, and is currently working on initiating the new system.

There are at least two advantages in using the double system calculation method. First, it will be easier to compare prices between DSCs at taxi ranks. The use of reference prices for an average trip will be more informative because it removes the uncertainty of the time travelled above or below the cross-over speed. Secondly, the charges will be more easily verifiable because it is possible to both measure the distance and length of time on any given trip.

There are, however, a few challenges connected to adapting the double system calculation model. The most obvious challenge is the costs and potential technical obstacles when recalibrating existing taximeters. However, the Norwegian Taxi Association has produced information indicating that the costs and technical obstacles are insignificant.

Implementing the model will also require a regulatory change. The most compelling solution is to add a section regarding allowed fare systems in the NCAs Regulation of Maximum Prices for Taxi Transport and to make this paragraph applicable to *all* taxi licensees in Norway. A further challenge is that the NCA would have to adjust/recalibrate the maximum fares per kilometre and per hour to reflect the double system calculation in the Regulation of Maximum Fares for Taxis. The DSCs in the deregulated markets would also have to adjust/recalibrate their fares to reflect the new system.

The NCA should optimally consider both the licensees' income and consumer welfare in this process. The NCAs preliminary examinations indicate that it is difficult to calibrate new maximum fares that leave the price for all types of trips unaltered. Specifically, a recalibration will most likely have disproportionate effects on short trips which are mostly driven *under* the current cross-over speed (typically trips in densely populated areas and during peak hours) as compared to long trips mostly driven *over* the current cross-over speed (typically trips in rural areas or during non-peak hours).

Finally, transitional issues may arise due to existing public sector contracts that are negotiated on the basis of the single system calculation model. It is likely that this would have to be solved through negotiations between the public sector and the DSCs currently holding the contracts while new contracts would incorporate the new method.

#### MAXIMUM FARE REGULATION

As mentioned, the NCA has the responsibility for determining maximum fares through the Regulation of Maximum Prices for Taxi Transport. The taxi service industry is the only industry in which the NCA regulates prices. The main argument for the regulation is the market access restrictions imposed by the CGs. Restricting the supply in a given market can give rise to local monopolies and excessive pricing. Another motivation for the regulation is that Norway faces certain distinct geographic challenges, in particular low population density outside the major cities. As such, it is less likely that effective competition is possible outside cities and other densely populated areas.

The two main tasks related to the enforcement of the Regulation of Maximum Prices for Taxi Transport is to adjust the maximum prices and to evaluate candidate markets for maximum fare exemption.

#### MAXIMUM FARE ADJUSTMENT

The maximum fares are normally adjusted annually. There have been recent efforts by the NCA to formalise this process. The NCA has also developed a tool that calculates maximum fare adjustments based on weighted average prices of a defined 'average trip' in the deregulated areas, taking account of the effects of general and sector specific inflation as well as outside costs born by the industry (ie, taxes, pensions, interest rates and fuel prices).

The NCA has identified some potential problems with the fare adjustment process: using price data from one-sided deregulated markets (free prices but regulated entry) might not give an accurate reflection of socially optimal fares with the result that maximum fares may accordingly be too high. Additionally, in periods with large fluctuations in costs and fares in deregulated markets the NCA might not be able to adjust the maximum fares fast enough, leaving the maximum fares too high or too low for a certain period of time. Finally, the current fare structure makes it challenging to define a representative formula for an average trip.

#### EVALUATE CANDIDATE MARKETS FOR MAXIMUM FARE EXEMPTION

Section 10 of the Regulation of Maximum Fares for Taxi Transport states that:

'The competition Authority can make exceptions to this regulation:

a) if there are two or more dispatch services in an area and the Competition Authority finds that the conditions otherwise are conducive to sufficient competition...'

In addition to the five markets exempted from maximum fares in 2000, the NCA has subsequently exempted two additional areas in 2004<sup>32</sup> and 2009.<sup>33</sup> The NCA has also on two occasions, in 2008<sup>34</sup> and 2009,<sup>35</sup> rejected applications for exemption. Furthermore, the NCA currently has three applications under consideration and expects to conclude these cases during 2009. It can be noted that after exemption the taxi service prices have a tendency to rise.

The ability to gradually liberalise new markets means that the NCA can carefully consider a number of factors before making a decision. For example, what are the geographic characteristics (population size and density, geographic size and spill over into/interaction with other markets) of the market? Is there a minimum number of two competitive and non-cooperating DSCs present in the area? Which market access rules exist in the area related to DSCs and licenses? Are taxi licenses mobile? Is there available price information in or outside taxis and the taxi ranks? Do the DSCs face capacity constraints?

As such, the NCA is in an excellent position to gradually introduce competition in markets that display the appropriate features for achieving effective competition.

#### Summary and concluding remarks

Similar to a number of other countries, Norway regulates the taxi service industry rigorously. One unique feature of the regulation in Norway is that market access is regulated while the fares in certain geographic areas and certain market segments remain unregulated. The market access regulation restricts supply in the industry and is thus a barrier to effective competition. Imperfect price information is another important impediment for effective competition in the industry. Agreements between undertakings that restrict competition and abuses of a dominant position in defiance of the Act may also threaten the emergence of or maintenance of effective competition.

The NCA has been, and is still, addressing all three problems. First, the NCA is trying to make the CGs attach more importance to competitive consideration in their actions as licensing authority by pointing out the anti-competitive effects of the regulations the CGs are imposing on the industry. Secondly, the NCA is working to improve the available price information for customers by initiating a change to a simpler fare structure and by developing a reference price to be displayed inside and outside the taxi as well as at taxi ranks. Finally, the NCA is monitoring the industry closely to ensure that the Act is not being breached.

## Notes

- \* Wenche S Egeland and Andreas J Tveito are Higher Executive Officers at the Norwegian Competition Authority and Christian Lund is a Senior Advisor at the Norwegian Competition Authority.
- 1 For a comparison of regulation of the taxi services sector in different countries, see Bekken and Longva, 'Impact of taxi regulation – An international comparison', May 2003.
  - 2 [www.ssb.no/stvei/tab-2008-05-14-01.html](http://www.ssb.no/stvei/tab-2008-05-14-01.html)
  - 3 [www.ssb.no/stvei/tab-2008-05-14-01.html](http://www.ssb.no/stvei/tab-2008-05-14-01.html)
  - 4 A presentation by State Secretary of the Ministry of Health and Care Services, 27 November 2008 states that the Norwegian health institutions spends approximately NOK1.1 billion annually on transportation of patients in taxis. [www.regjeringen.no/pages/2134803/pasienttransport\\_sundsboe.pdf](http://www.regjeringen.no/pages/2134803/pasienttransport_sundsboe.pdf).
  - 5 Source: transportloyve.no
  - 6 As per 12 February 2009 Norway had 4,807,801 inhabitants according to Statistics Norway: [www.ssb.no/english/subjects/02/befolkning\\_en/](http://www.ssb.no/english/subjects/02/befolkning_en/)
  - 7 Section 12 in Act on Professional Transport by Motor Vehicle and Vessel (Professional Transport Act) ([www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/ltavd1/filer/nl-20020621-045.html&emne=yркеstransportloven&](http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/ltavd1/filer/nl-20020621-045.html&emne=yркеstransportloven&)) and section 3 Regulations on Professional Transport by Motor Vehicle and Vessel (Professional Transport Regulation) ([www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/for/sf/sd/sd-20030326-0401.html&emne=yrikestransportforskriften&](http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/for/sf/sd/sd-20030326-0401.html&emne=yrikestransportforskriften&))
  - 8 [www.konkurransetilsynet.no/en/legislation/The-Competition-Act-of-2004/](http://www.konkurransetilsynet.no/en/legislation/The-Competition-Act-of-2004/)
  - 9 Oslo, Bergen, Kristiansand, Trondheim, Stavanger, and a number of surrounding municipalities of the first three mentioned, were exempted. A 1998 report by the Norwegian Competition Authority had suggested similar reforms: [www.konkurransetilsynet.no/iKnowBase/Content/427016/OMLEGGING\\_REGULERING\\_DROSJE.PDF](http://www.konkurransetilsynet.no/iKnowBase/Content/427016/OMLEGGING_REGULERING_DROSJE.PDF)
  - 10 [www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/ltavd1/filer/sf-20070309-0265.html&emne=drosje&](http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/ltavd1/filer/sf-20070309-0265.html&emne=drosje&)
  - 11 Section 10, second paragraph of the Regulation of Maximum Prices for Taxi Transport.
  - 12 In all cases but two (*Buskerud* and *Oslo/Akershus*) it is defined as the entire county.
  - 13 Section 45 and section X of the Professional Transport Act. In rural areas, taxis are an integral part of the public transportation network. Taxi services represent for many the only means of transportation at certain times of the day. For this reason a 24 hours a day coverage requirement is thought to be necessary. In case multiple licensees are connected to a DSC, the DSC takes over the coverage requirement.
  - 14 Criminal offenses that may exclude an applicant from obtaining a license include having lost the right to own or operate a business and a conviction of a serious crime including financial crimes.
  - 15 Bank guarantee requirement of €9 000 for the first license and €5 000 for additional as well as no significant taxes in arrears, confer § 3 in Regulations on Professional Transport by Motor Vehicle and Vessel (Professional Transport Regulation).
  - 16 [www.konkurransetilsynet.no/en/legislation/The-Competition-Act-of-2004/](http://www.konkurransetilsynet.no/en/legislation/The-Competition-Act-of-2004/)
  - 17 Norwegian Competition Act, section 1.
  - 18 [www.lovdata.no/cgi-wift/ldles?ldoc=/for/ff-20070309-0265.html](http://www.lovdata.no/cgi-wift/ldles?ldoc=/for/ff-20070309-0265.html)
  - 19 The Norwegian Price Regulation Act 11 June 1993 n 65.
  - 20 Delegation of 12 November 1993 n 1023, and delegation of 17 December 1993 n 1314.
  - 21 Such as credit management, traffic management, dispatch services, purchasing, and equipment/technical solutions.
  - 22 The authority intervened in a proposed merger between two DSCs in February 2007 on the grounds that it would significantly lessen competition in the public procurement. In this particular case, the primary concern was contracts for transporting patients to and from hospitals, but similar problems could arise for contracts transporting students, elderly and disabled persons. The decision was appealed to the Ministry of Government Administration and Reform, which upheld the NCAs decision on all counts.
  - 23 The advantages are mentioned earlier in the article.
  - 24 Regulation for exemption from the Norwegian Competition Act for dispatching service companies in the taxi service industry, [www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/for/sf/fa/fa-20021018-1165.html&emne=forskrift+om+dispensasjon+fra+konkurranselov\\*&&](http://www.lovdata.no/cgi-wift/wiftldles?doc=/usr/www/lovdata/for/sf/fa/fa-20021018-1165.html&emne=forskrift+om+dispensasjon+fra+konkurranselov*&&)
  - 25 Norwegian Competition Act § 10.
  - 26 Lenke og referanse til unntaksforskrift
  - 27 Lenke til tolkningsuttalelse
  - 28 The tenderers were required to have capacity to cover larger areas in the county.
  - 29 The county is vast and sparsely populated.
  - 30 Start fare to which is added a combination of distance and time fare.
  - 31 [www.dinside.no/800384/taxikalkulator](http://www.dinside.no/800384/taxikalkulator)
  - 32 Nedre Buskerud containing 9 municipalities around the city of Drammen
  - 33 The North-Western parts of the county Østfold containing five municipalities around the cities Moss, Sarpsborg and Fredrikstad. The decision has yet to come into force.
  - 34 An application to exempt the municipalities Karmøy and Haugesund in Rogaland county was rejected because two of the DSCs in the area were engaged in an anti-competitive agreement.
  - 35 An application to exempt all of Østfold county was partly rejected. Only the area mentioned in note 20 was exempted. The rest of the county was not exempted due to lack of competing DSCs.